



THE CITY OF
HALF MOON BAY
CALIFORNIA

FISCAL YEAR
2019 - 2020
RECOMMENDED
OPERATING
BUDGET



City of Half Moon Bay

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January 4, 2019



Margaret Moggia

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*Sara Roush, Chair
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CITY OF HALF MOON BAY

Executive Summary





CITY OF HALF MOON BAY

City Hall • 501 Main Street • Half Moon Bay • 94019

June 18, 2019

Honorable Mayor, City Councilmembers and Community Members,

On behalf of City staff, it is my privilege to present to the City Council and the community the Recommended Operating Budget for Fiscal Year (FY) 2019-20. The Recommended Budget is a balanced budget that is a statement of the City's current financial position; a tool that projects future revenue and expenditures to guide service and budget-related decision-making; and a work plan for communicating, implementing and monitoring City operations, capital expenditures and Council priorities.

Over the first seven months of my tenure as City Manager, I have learned a considerable amount about the community, the organization and the dedicated people who provide quality City services every day. Half Moon Bay has a very active citizenry who care deeply about their community and expect a high level of service from the City. Under the steadfast leadership of the City Council, the organization is built to meet these expectations. The City has accomplished a great deal in the past year and stands ready to face the opportunities and challenges ahead. The City's conservative approach to budgeting and allocation of scarce resources—which are never enough to completely address the competing priorities of our time—place the City in a strong position following 10 years of economic growth. This is a wonderful and exciting time to *live, work, and play* in the City of Half Moon Bay, and I am truly honored to be a part of its future!

PRIOR YEAR ACCOMPLISHMENTS

During FY 2018-19, the City completed several significant projects that are aligned with the Council's four Strategic Elements: 1) Infrastructure and Environment, 2) Healthy Communities and Public Safety, 3) Fiscal Sustainability, and 4) Inclusive Government. Some of these accomplishments are summarized below:

- Completed construction of the City's new 22,000-square-foot library, which officially opened to the public on August 18, 2018. This beautiful community space is LEED certified GOLD, and was the recipient of the 2019 AIA/ALA Library Building Award and San Mateo County's Green Building Award;

- Completed seven of the nine chapters of the Local Coastal Plan Amendment and achieved significant process-related milestones. The document is scheduled to be completed this fiscal year;
- Continued to restore and remediate the former homeless encampment site at Pilarcitos Creek, responded to new encampments as they occurred, and continued to develop relationships with County and non-profits that serve the homeless;
- Adopted a district map and ordinance to switch from at-large elections to by-district elections for four (4) councilmembers, and an at-large elected Mayor;
- Adopted the Parks Master Plan. This document will guide the City for the next 25 years on the development of new parks and enhancements to existing parks and recreational facilities;
- Completed reconstruction of portions of Magnolia Avenue, Church Street, Kelly Avenue, San Benito Street, Railroad Avenue, Naples Avenue and Miramontes Point Road;
- Completed design plans and obtained Permits and California Environmental Quality Act (CEQA) approval for the Highway 1/South Main Street/Higgins Canyon Road Intersection project, which will improve safety and operations – and will enhance the downtown gateway;
- Expanded Spanish language translation services for City publications and meetings;
- Increased the number of recreation program offerings by nearly 30% and increased enrollment from 762 to 982 participants;
- In partnership with the Sheriff’s Office and School District, conducted the 8th Annual Youth Summit at Cunha Middle School targeted to 8th graders;
- Conducted the sixth edition of the Network, Engage, Transform (NET) program, graduating a cohort of 20 new members;
- Established the new Legislative Subcommittee and drafted the City’s first Legislative Platform;
- Approved and adopted an accessory dwelling unit (ADU) ordinance and processed numerous applications for ADUs following adoption of the ordinance;
- Installed three new electric vehicle charging stations;
- Planned and executed the City’s first Coastside Community Emergency Preparedness event.

COUNCIL PRIORITIES

The City Council conducted four community listening sessions during the month of March that culminated in a priority setting workshop on March 26, 2019. At this workshop, the City Council established the following five broad priorities:

1. Affordable Housing (an ongoing multi-year priority)
2. Emergency Preparedness
3. Traffic and Transportation Demand Management
4. Sustainability
5. \$15 Minimum Wage

Staff has created a work plan that lists specific projects, programs and tasks that will be carried out over the next two years to meet these priorities. Progress towards completion of the projects and tasks will be monitored with quarterly updates provided to the Council. There are several recommendations within the proposed budget in response to the Council priorities including a General Fund allocation of \$400,000 towards affordable housing, \$90,000 for the preparation of a Climate Action and Adaptation Plan, and an emphasis on numerous capital projects that address traffic congestion by providing new or improved bicycle/pedestrian facilities.

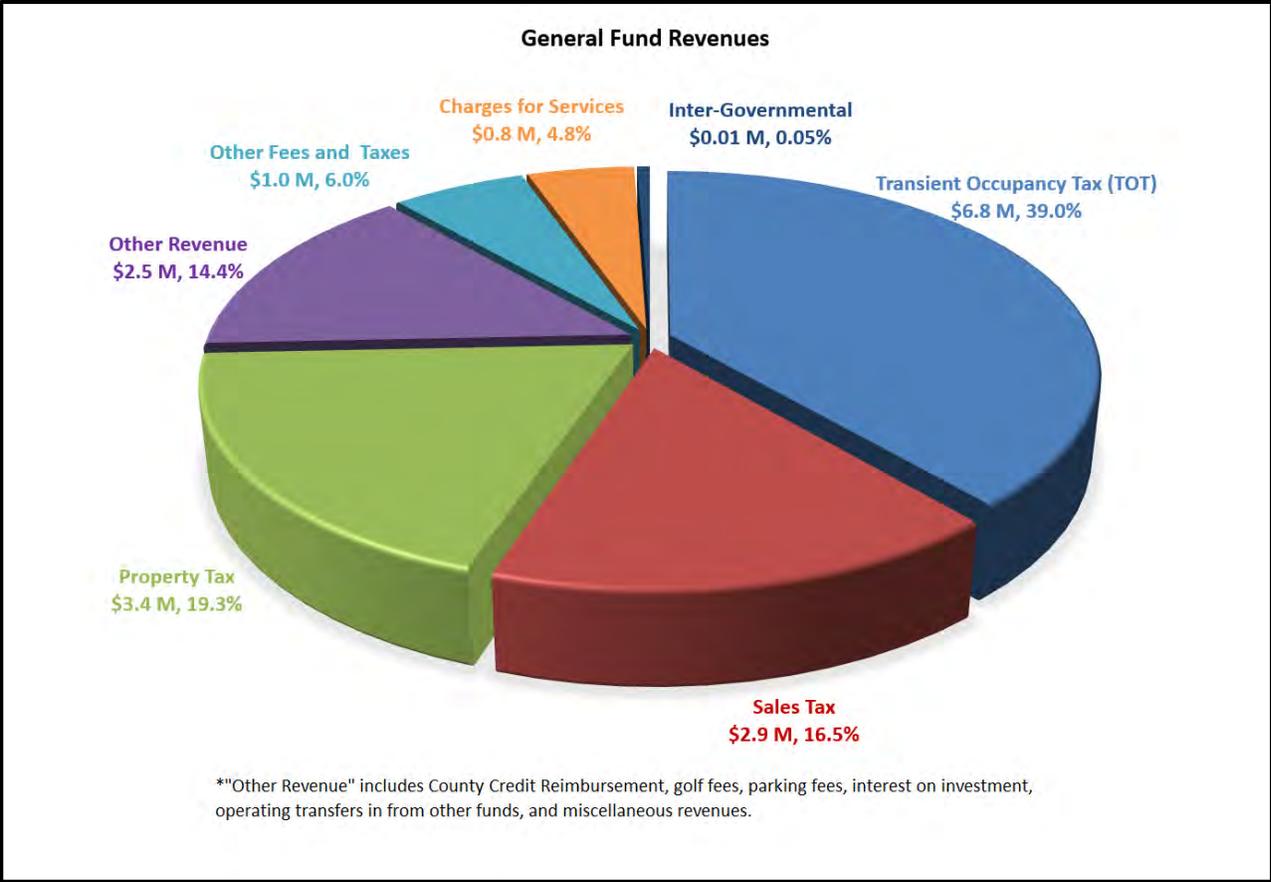
BUDGET AT A GLANCE

The City's total estimated revenue and transfers (all funds) for FY 2019-20 is \$36.6 million. This amount represents a slight decrease from FY 2018-19. General Fund revenues are approximately \$17.5 million. The primary three sources of General Fund revenues are Property Tax, Sales Tax, and Transient Occupancy Tax (TOT), as seen on the pie chart on the following page. The City continues to enjoy a healthy financial outlook for FY 2019-20. The three primary revenue sources continue to be strong and the City's General Fund operating expenditures are less than General Fund operating revenues, creating a small structural surplus of \$300,642.

These three sources are estimated to increase by 3% over the FY 2018-19 budget. These projections are based on staff's analysis of local conditions and reflect information received from several sources, including the City's Sales and TOT Tax consultants, as well as information obtained from the County Assessor's and State Controller's offices.

Revenues and Transfers All Funds

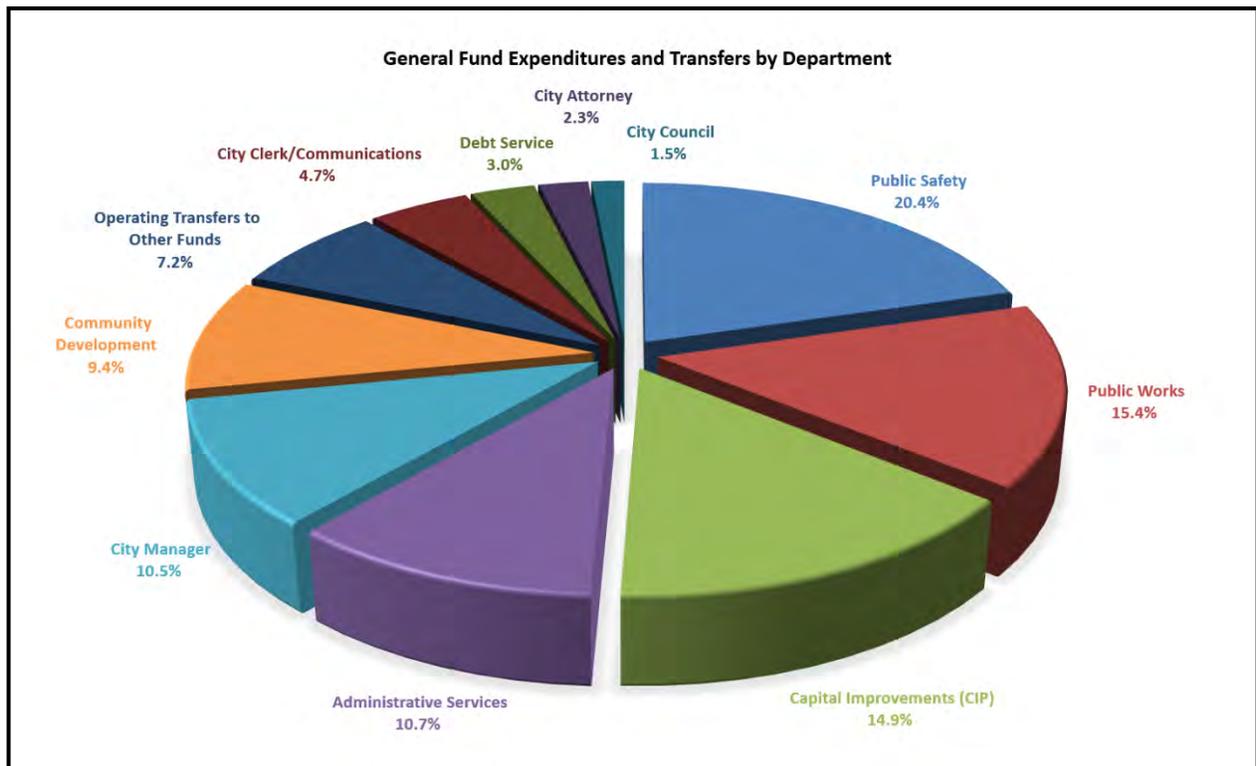
Fund Name	Actual 2016-17	Actual 2017-18	Approved Budget 2018-19	Recommended Budget 2019-2020
General Fund	\$ 15,350,137	\$ 16,843,109	\$ 16,540,058	\$ 17,455,155
Enterprise Funds	4,659,361	4,456,869	4,744,883	6,505,815
Special Revenue and Capital Projects Funds	6,879,637	19,124,687	12,658,233	10,611,149
Internal Service Funds	1,555,451	1,551,939	1,803,070	1,879,717
Debt Service	978,321	1,027,227	944,998	127,040
Grand Total	\$ 29,422,908	\$ 43,003,832	\$ 36,691,242	\$ 36,578,875



The City’s total proposed budget expenditures for FY 2019-20 are \$60.1 million, 34% of which is from the General Fund. Total expenditures are 49% higher than FY 2018-19. This step increase is due to an \$11.8 million pay-off of Judgement Obligation Bonds and a substantial increase in capital expenditures. Capital improvements are approximately 26% of total expenditures, or \$15.5 million. Of the General Fund expenditures, the largest departmental budget is for public safety as shown in the pie chart below.

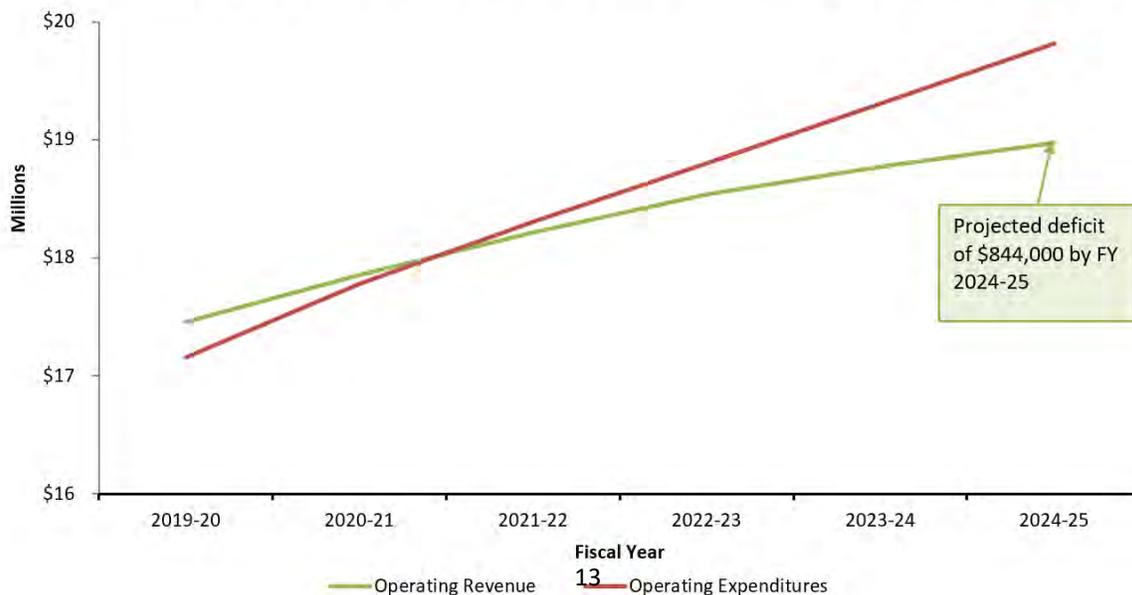
Expenditures and Transfers All Funds

Fund Name	Actual 2016-17	Actual 2017-18	Approved Budget 2018-19	Recommended Budget 2019-2020
General Fund	\$ 15,024,991	\$ 17,772,599	\$ 17,759,746	\$ 20,154,513
Enterprise Funds	3,435,917	5,299,226	10,799,562	12,504,198
Special Revenue and Capital Projects Funds	9,456,540	20,035,330	9,040,701	13,839,418
Internal Service Funds	1,543,750	1,333,528	1,781,371	1,817,705
Debt Service	937,704	937,704	940,704	11,787,040
Total All Funds	\$ 30,398,902	\$ 45,378,386	\$ 40,322,084	\$ 60,102,874



Looking ahead. In spite of positive revenue projections for FY 2019-20, economists are predicting an economic downturn in the next 12-18 months that could last between two to four years. **Based on this assumption and experience from the last recession, staff has modeled a five-year forecast for revenues and expenditures that predicts a structural deficit beginning in FY 2021-22 and reaching a deficit amount of \$844,000 by FY 2024-25 as shown in the graph below.** Due to this concern, staff is proposing the establishment of a Reserve for Economic Uncertainty. The purpose of this reserve is to “smooth” out the effects of a dramatic downturn in the economy that would have a direct negative impact on the City’s primary revenue sources (i.e. Property Tax, Sales Tax TOT). A specific policy for use of the fund will be prepared and provided to the City Council during the fiscal year. The overall goal is to have sufficient funds available to avoid drastic cuts to services and the lay-off of City employees.

Five-Year Forecast- General Fund Revenues and Expenditures



BUDGETARY HIGHLIGHTS/SIGNIFICANT CHANGES

The budget was developed with an emphasis on the Council's overarching Strategic Elements (Fiscal Sustainability, Healthy Communities and Public Safety, Infrastructure and the Environment, and Inclusive Government), as well as the five Council Priorities listed above. Key highlights and changes are summarized below:

- There are three new positions proposed in the budget: Senior Management Analyst-Sustainability Program Manager; Recreation Leader; Maintenance Worker II.
- The Community Services Non-Profit Grant Program was renewed and the funding level of \$150,000 was increased over the previous year.
- A new Communications Department was created that combines City Clerk, Government Affairs, and Community/Employee Engagement.
- The Sheriff's contract was extended for three years and increased by \$326,000 for FY 2019-20. This increase reflects a cost of living increase, \$150,000 towards the "service gap" caused by deputies from the unincorporated areas servicing the City, and enhanced levels of service during the summer months at Poplar Beach and other key areas.
- In early 2017, the CalPERS Board approved a decrease in the discount rate from 7.5% to 7% by 2020. The discount rate is the expected rate of return on investments. The decreased discount rate has a major impact on the City's annual unfunded actuarial liability (UAL). The City's FY 2016-17 payment was \$390,000 and will be approximately \$877,000 in 2019-20. Current projections show the City's UAL increasing to more than \$1 million within five years. These rising pension costs will pose significant budgetary and service-level challenges in coming fiscal years.
- The Judgement Obligation Bond for acquisition of the Beachwood property will be retired in FY 2019-20. This action eliminates an annual debt service payment of \$590,000 and returns a one-time \$400,000 reserve to the General Fund.
- The City received a \$6 million loan from the County of San Mateo for the construction of the new library. Debt service payments of \$600,000 per year begin in FY 2019-20.
- A new Reserve for Economic Uncertainty was created and funded at 13% of General Fund operating expenditures (\$2.2 million).
- \$3 million from the General Fund was committed to capital improvements. This is a \$1.1 million increase over the previous year.

The Five-Year Capital Improvement Program (CIP) has been updated along with preparation of the operating budget. The CIP document, which is presented separately, is an important

element of the City's budget as it guides the City's infrastructure and facilities work. The development of the CIP has also utilized an iterative process. The City Council has seen this plan several times and has offered input and feedback at each stage, consistently providing guidance with an emphasis on investing in the community through capital improvements.

CONCLUSION

The FY 2019-20 Recommended Budget is a balanced budget that reflects the priorities of the City Council and needs of the community. Through careful, conservative fiscal management, the City is able to provide new and enhanced services while also planning for a potential downturn in the economy that may lead to a flattening, or decrease, in the City's primary revenue sources.

For more detailed information than what is stated here, the reader is encouraged to start with the Budget Overview. Departmental budgets follow and are clearly tabbed for ease of finding specific costs and services for each department.

I am pleased to report that the City's FY 2018-19 budget received the Excellence Award from the California Municipal Finance Officers Association. This award is presented to cities whose budget documents meet program criteria as a policy document, operational guide, financial plan, and communication device. We believe the FY 2019-20 budget will continue to meet the criteria for this award.

Development of the budget must be completed in a very compressed timeline and is a substantial amount of work for the entire organization. I want to acknowledge the department directors and their staff, but especially thank the dedicated budget team that was assembled to complete this document. This was an extraordinary year given the absence of a finance director and other key finance positions. Numerous staff who had not previously been involved in preparation of a municipal budget volunteered to take on this assignment, and they all did so in the most professional and competent manner. My sincerest appreciation is extended to this amazing team!

Respectfully submitted,



Bob Nisbet
City Manager



New Library opened to the public August 18, 2018



CITY OF HALF MOON BAY

City Hall • 501 Main Street • Half Moon Bay • 94019

18 de junio de 2019

Honorable Alcalde, Miembros del Concejo y Miembros de la Comunidad:

De parte del personal de la Ciudad, tengo el privilegio de presentarle al Concejo de la Ciudad y a la comunidad el Presupuesto Operativo Recomendado para el Año Fiscal (FY) 2019-20. El presupuesto recomendado es un presupuesto equilibrado que es una declaración de la situación financiera actual de la Ciudad; una herramienta que proyecta ingresos y gastos futuros para guiar el servicio y la toma de decisiones relacionadas con el presupuesto; y un plan de trabajo para comunicar, implementar y monitorear las operaciones de la Ciudad, los gastos de capital y las prioridades del Concejo.

Durante los primeros siete meses de mi oficio como Administrador Municipal, he aprendido bastante en torno a la comunidad, la organización y el personal dedicado que brindan servicios de la Ciudad de calidad cada día. Half Moon Bay tiene una ciudadanía muy activa y profundamente involucrada en la comunidad y que espera un alto nivel de servicio de la Ciudad. Bajo el liderazgo constante del Concejo Municipal, la organización está diseñada para cumplir con estas expectativas. La Ciudad ha logrado mucho en el último año y está lista para enfrentar las oportunidades y los desafíos que se avecinan. El enfoque conservador de la Ciudad para el presupuesto y la asignación de recursos escasos - que nunca son suficientes para abordar por completo las prioridades en conflicto de nuestra época - coloca a la Ciudad en una posición sólida después de 10 años de crecimiento económico. ¡Este es un momento maravilloso y emocionante para vivir, trabajar y jugar en la ciudad de Half Moon Bay, y me siento verdaderamente honrado de ser parte de su futuro!

LOGROS DEL AÑO ANTERIOR

Durante el año fiscal 2018-19, la ciudad completó varios proyectos significantes alineados con los cuatro elementos estratégicos del Concejo: 1) Infraestructura y medio ambiente, 2) Comunidades saludables y seguridad pública, 3) Sostenibilidad fiscal y 4) Gobierno inclusivo. Algunos de estos logros se resumen a continuación:

- Se completó la construcción de la nueva biblioteca de la ciudad de 22,000 pies cuadrados, que se inauguró oficialmente al público el 18 de agosto de 2018. Este hermoso espacio comunitario obtuvo la certificación LEED GOLD y recibió el premio de construcción de bibliotecas AIA / ALA 2019 y el premio de construcción verde del Condado de San Mateo;

- Se completaron siete de los nueve capítulos de la enmienda del plan local costero y se lograron importantes hitos relacionados con el proceso. El documento está programado para ser completado este año fiscal;
- Se continuó restaurando y remediando el ex - campamento de personas sin hogar en el arroyo Pilarcitos, se respondió a los nuevos campamentos a medida que ocurrían y se continuó desarrollando relaciones con el Condado y organizaciones sin fines de lucro que sirven a las personas sin hogar;
- Se adoptó un mapa de distrito y una ordenanza para cambiar de elecciones generales a elecciones por distrito para cuatro (4) concejales y un alcalde electo en general;
- Se adoptó el plan maestro de parques. Este documento guiará a la Ciudad durante los próximos 25 años en el desarrollo de nuevos parques y mejoras a los parques existentes e instalaciones recreativas;
- Se completó la reconstrucción de partes de Magnolia Avenue, Church Street, Kelly Avenue, San Benito Street, Railroad Avenue, Naples Avenue y Miramontes Point Road;
- Se completaron los planes de diseño y se obtuvieron los permisos y la aprobación de la Ley de Calidad Ambiental de California (CEQA) para el proyecto de la intersección del Highway 1 / South Main Street / Higgins Canyon Road, los cuales mejorarán la seguridad y las operaciones, y mejorarán la entrada al centro de la ciudad;
- Se expandieron servicios de traducción al español para publicaciones y reuniones de la ciudad;
- Se aumentó la cantidad de ofertas de programas de recreación por casi el 30% y se aumentó la inscripción de 762 a 982 participantes;
- En asociación con la oficina del alguacil y el distrito escolar, se llevó a cabo la 8ª cumbre anual de la juventud en la escuela intermedia Cunha dirigida a los estudiantes de 8º grado;
- Se llevo a cabo la sexta edición del programa Network, Engage, Transform (NET), que graduó a una cohorte de 20 nuevos miembros;
- Se estableció el nuevo subcomité legislativo y se preparo la primera plataforma legislativa de la Ciudad;
- Se aprobó y adoptó una ordenanza de unidades de vivienda accesorias (unidades secundarias) (ADU) y se procesaron numerosas solicitudes de ADU después de la adopción de la ordenanza;
- Se instalaron tres nuevas estaciones de carga de vehículos eléctricos;
- Se planificó y ejecuto el primer evento comunitario de preparación para emergencias en la costa.

PRIORIDADES DEL CONCEJO

El Concejo Municipal llevó a cabo cuatro sesiones de escucha con la comunidad durante el mes de marzo que culminaron en un taller de establecimiento de prioridades el 26 de marzo de 2019. En este taller, el Concejo Municipal estableció las siguientes cinco prioridades generales:

1. Viviendas asequibles (una prioridad de varios años en curso)
2. Preparación para emergencias
3. Gestión de la demanda de tráfico y transporte
4. Sostenibilidad
5. Salario mínimo de \$15

El personal de la ciudad ha creado un plan de trabajo que enumera proyectos, programas y tareas específicas que se llevarán a cabo durante los próximos dos años para cumplir con estas prioridades. El progreso hacia la finalización de los proyectos y tareas se supervisará con actualizaciones trimestrales proveídas al Concejo. Hay varias recomendaciones dentro del presupuesto propuesto en respuesta a las prioridades del Concejo, que incluyen una asignación del fondo general de \$400,000 para viviendas asequibles, \$90,000 para la preparación de un plan de adaptación y acción del clima, y un énfasis en numerosos proyectos de capital que abordan la congestión del tráfico al proveer instalaciones para bicicletas / peatones nuevas o mejoradas.

UN VISTAZO DEL PRESUPUESTO

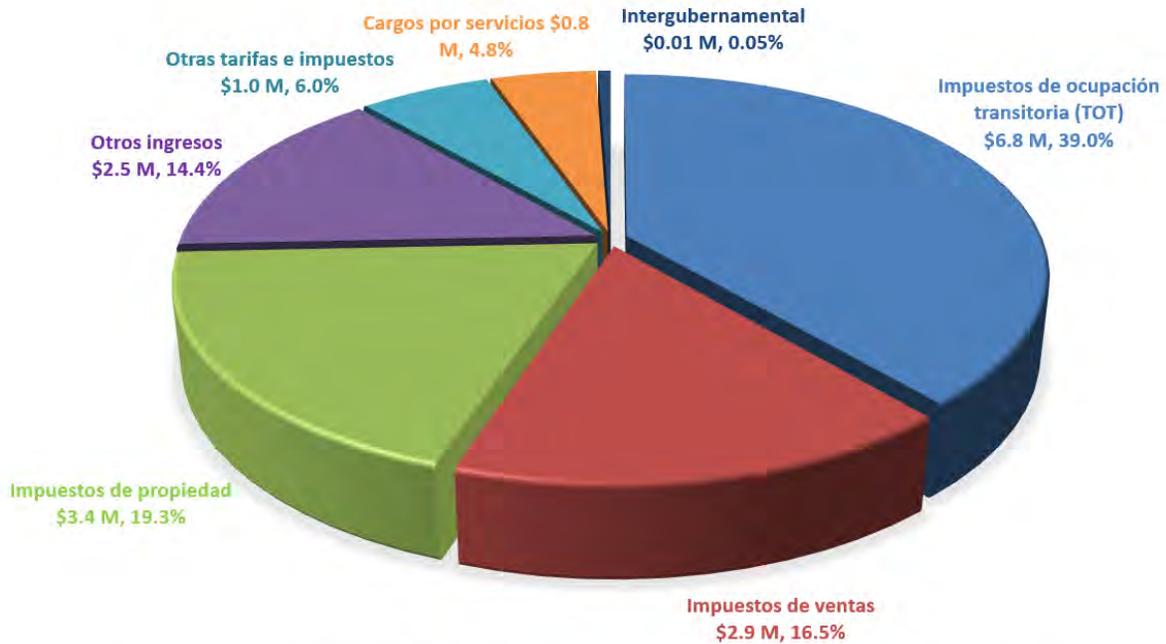
El total de ingresos y transferencias estimados de la Ciudad (todos los fondos) para el año fiscal 2019-20 es de \$36.4 millones. Esta cantidad representa una ligera disminución con respecto al año fiscal 2018-19. Los ingresos del fondo general son de aproximadamente \$17.5 millones. Las tres fuentes principales de los ingresos del fondo general son los impuestos de propiedad, los impuestos de ventas y el impuesto a la ocupación transitoria (TOT, por sus siglas en inglés), como se ve en el gráfico circular de la página siguiente. La Ciudad continúa disfrutando de una perspectiva financiera saludable para el año fiscal 2019-20. Las tres fuentes principales de ingresos continúan siendo sólidas y los gastos operativos del fondo general de la Ciudad son menores que los ingresos operativos del fondo general, lo que genera un pequeño superávit estructural de \$300,642.

Se estima que estas tres fuentes aumentarán por 3% con respecto al presupuesto del año fiscal 2018-19. Estas proyecciones se basan en el análisis del personal de las condiciones locales y reflejan la información recibida de varias fuentes, incluidos los asesores de impuestos de ventas y TOT de la ciudad, así como la información obtenida de las oficinas del asesor del estado y del controlador del estado.

Ingresos y transferencia de todos fondos

Nombre del fondo	Actual 2016-17	Actual 2017-18	Presupuesto aprobado 2018-19	Presupuesto recomendado 2019-2020
Fondo General	\$ 15,350,137	\$ 16,843,109	\$ 16,540,058	\$ 17,455,155
Fondos Empresariales	4,659,361	4,456,869	4,744,883	6,505,815
Fondos de ingresos especiales y de proyectos de capital	6,879,637	19,124,687	12,658,233	10,611,149
Fondos de servicio interno	1,555,451	1,551,939	1,803,070	1,879,717
Servicio de deudas	978,321	1,027,227	944,998	127,040
Gran Total	\$ 29,422,908	\$ 43,003,832	\$ 36,691,242	\$ 36,578,875

Ingresos del fondo general



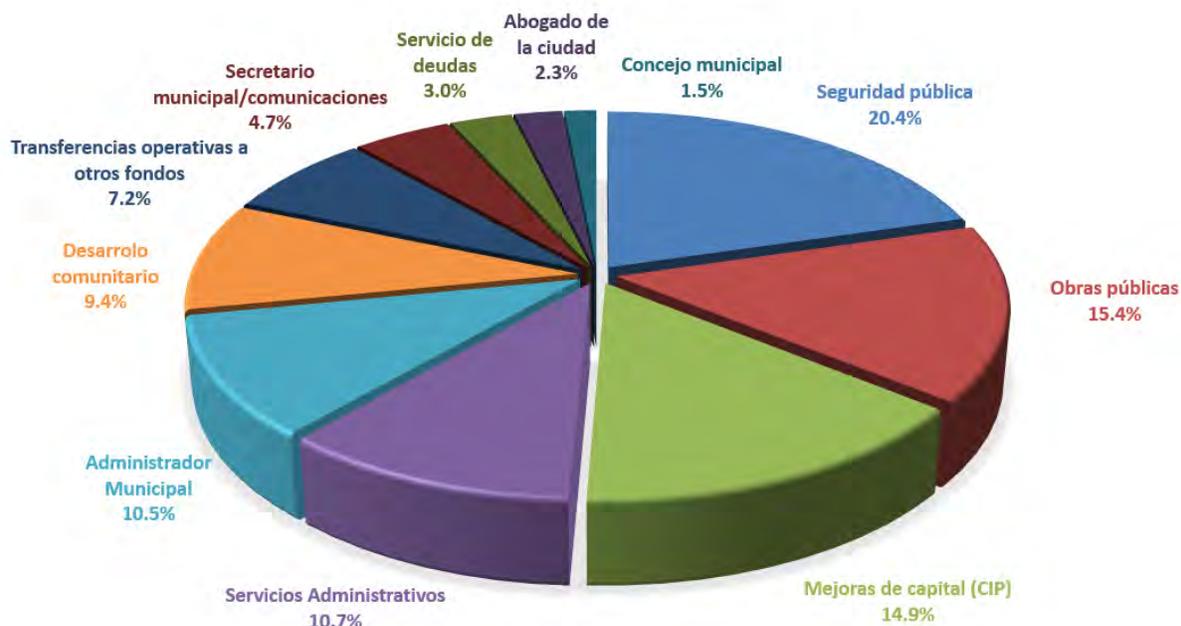
*"Otros ingresos" incluye el reembolso de crédito del condado, tarifas de golf, tarifas de estacionamiento, intereses de inversión, transferencias operativas de otros fondos e ingresos misceláneos.

Los gastos presupuestarios propuestos totales de la Ciudad para el año fiscal 2019-20 son \$60.1 millones, de los cuales el 34% son del fondo general. Los gastos totales son 49% más altos que el año fiscal 2018-19. Este fuerte aumento se debe a un pago de \$11.8 millones de los bonos de obligación de juicio y a un aumento sustancial en los gastos de capital. La mejora de capital es aproximadamente el 26% del gasto total, o \$15.5 millones. De los gastos del fondo general, el presupuesto departamental más grande es para seguridad pública, como se muestra en el gráfico circular a continuación.

Gastos y transferencias todos fondos

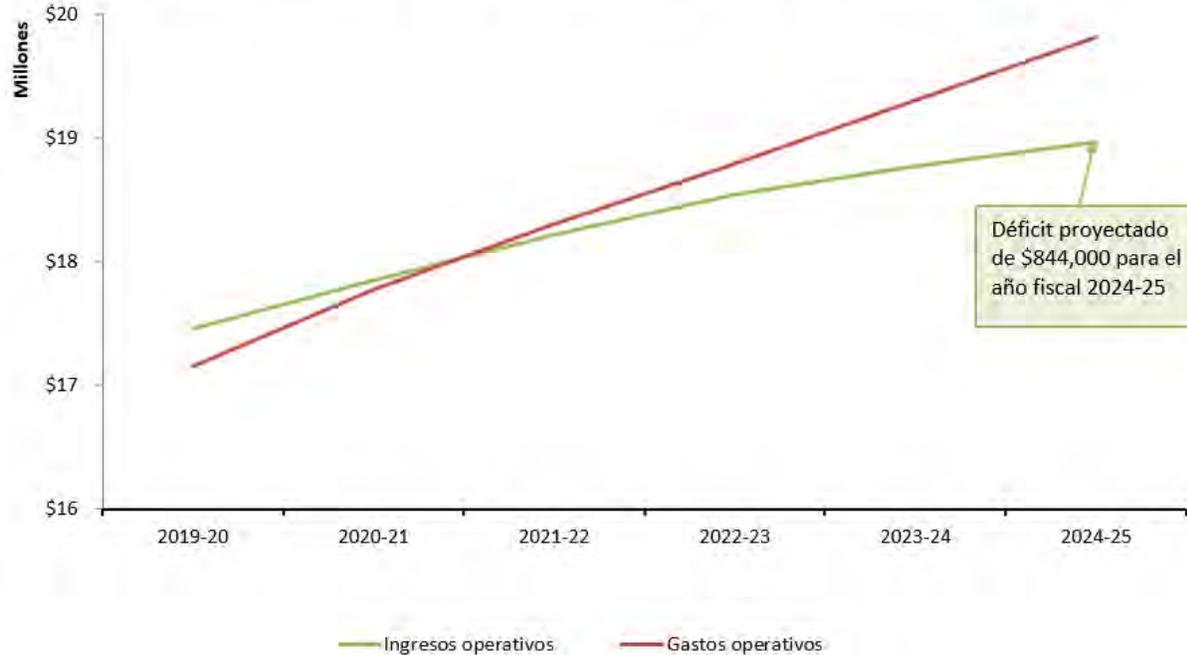
Nombre del fondo	Actual 2016-17	Actual 2017-18	Presupuesto abrobado 2018-19	Presupuesto recomendado 2019-2020
Fondo general	\$ 15,024,991	\$ 17,772,599	\$ 17,759,746	\$ 20,154,513
Fondos empresariales	3,435,917	5,299,226	10,799,562	12,504,198
Fondos de ingresos especiales y de proyectos de capital	9,456,540	20,035,330	9,040,701	13,839,418
Fondos de servicio interno	1,543,750	1,333,528	1,781,371	1,817,705
Servicio de deudas	937,704	937,704	940,704	11,787,040
Total All Funds	\$ 30,398,902	\$ 45,378,386	\$ 40,322,084	\$ 60,102,874

Gastos del fondo general por departamento



Mirando hacia el futuro. A pesar de las proyecciones de ingresos positivos para el año fiscal 2019-20, varios economistas predicen una desaceleración económica en los próximos 12 a 18 meses que podría durar entre dos y cuatro años. **Sobre la base de este supuesto y la experiencia de la última recesión, el personal ha modelado un pronóstico de cinco años para ingresos y gastos que pronostica un déficit estructural a partir del año fiscal 2021-22 y que alcanza un aumento de \$844,000 para el año fiscal 2024-25 como se muestra en el gráfico de abajo.** Debido a esta preocupación, el personal está proponiendo el establecimiento de una reserva para la incertidumbre económica. El propósito de esta reserva es moderar los efectos de una desaceleración dramática en la economía que tendría un impacto negativo directo en las fuentes de ingresos principales de la Ciudad (es decir, impuesto a la propiedad, TOT impuesto sobre las ventas). Se preparará una política específica para el uso del fondo y se le proveera al Concejo Municipal durante el año fiscal. El objetivo general es tener fondos suficientes disponibles para evitar recortes drásticos en los servicios y el despido de empleados de la Ciudad.

Pronóstico de cinco años - Ingresos y gastos del fondo general



ASPECTOS DESTACADOS DEL PRESUPUESTO/CAMBIOS SIGNIFICANTES

El presupuesto se desarrolló con un énfasis en los elementos estratégicos generales del Concejo (sostenibilidad fiscal, comunidades saludables y seguridad pública, infraestructura y medio ambiente y gobierno inclusivo), así como en las cinco prioridades del Concejo enumeradas anteriormente. Los aspectos más destacados y los cambios clave se resumen a continuación:

- Hay tres nuevas posiciones propuestas en el presupuesto: Analista mayor – Gerente del programa de sostenibilidad; Líder de Recreación; Trabajador de mantenimiento II.
- El programa de becas para servicios comunitarios sin fines de lucro se renovó y el nivel de financiamiento de \$150,000 se aumentó comparado con el año anterior.
- Se creó un nuevo Departamento de Comunicaciones que combina el Secretario Municipal, Asuntos Gubernamentales y la Participación de la Comunidad / Empleados.
- El contrato del alguacil se extendió por tres años y se incrementó por \$326,000 para el año fiscal 2019-20. Este aumento refleja un aumento en el costo de la vida, \$150,000 para la "brecha de servicio" causada por los diputados de las áreas no incorporadas que prestan servicios a la Ciudad, y niveles mejorados de servicio durante los meses de verano en Poplar Beach y otras áreas clave.
- A principios de 2017, el directorio de CalPERS aprobó una disminución en la tasa de descuento de 7.5% a 7% para 2020. La tasa de descuento es la tasa de rendimiento

esperada de las inversiones. La disminución de la tasa de descuento tiene un gran impacto en el pasivo actuarial anual no financiado de la Ciudad (UAL). El pago de la Ciudad para el año fiscal 2016-17 fue de \$390,000 y será de aproximadamente \$877,000 en 2019-20. Las proyecciones actuales muestran que el UAL de la Ciudad aumenta a más de \$1 millón en cinco años. Este aumento en los costos de las pensiones planteará importantes desafíos presupuestarios y de nivel de servicio en los próximos años fiscales.

- El bono de obligación de juicio para la adquisición de la propiedad de Beachwood se retirará en el año fiscal 2019-20. Esta acción elimina un pago anual del servicio de la deuda de \$590,000 y devuelve una reserva única de \$400,000 al fondo general.
- Se creó una nueva reserva para la incertidumbre económica y se financió al nivel de 13% de los gastos operativos del fondo general (\$2.2 millones).
- La Ciudad recibió un préstamo de \$6 millones del Condado de San Mateo para la construcción de la biblioteca nueva. Los pagos del servicio de la deuda de \$600,000 por año comienzan en el año fiscal 2019-20.
- \$3 millones del fondo general se comprometieron a mejoras de capital. Esto es un aumento de \$1.1 millones con respecto al año anterior.

El Programa quinquenal de mejora de capital (CIP) se ha actualizado junto con la preparación del presupuesto operativo. El documento del CIP, que se presenta por separado, es un elemento importante del presupuesto de la Ciudad, ya que guía la infraestructura y el trabajo de las instalaciones de la Ciudad. El desarrollo del CIP también ha utilizado un proceso iterativo. El Concejo Municipal ha visto este plan varias veces y ha ofrecido aportes y comentarios en cada etapa, brindando constantemente orientación con un énfasis en la inversión en la comunidad a través de mejoras de capital.

CONCLUSIÓN

El presupuesto recomendado para el año fiscal 2019-20 es un presupuesto equilibrado que refleja las prioridades del Concejo Municipal y las necesidades de la comunidad. A través de una administración fiscal cuidadosa y conservadora, la Ciudad puede brindar servicios nuevos y mejorados al mismo tiempo que se prepara para una posible recesión en la economía, la cual puede llevar a un aplanamiento o una disminución de las fuentes de ingresos principales de la Ciudad.

Para obtener información más detallada de lo que se indica aquí, se recomienda al lector comenzar con el resumen ejecutivo y la descripción del presupuesto. Los presupuestos de los departamentos siguen y están claramente tabulados para facilitar la búsqueda de costos y servicios específicos para cada departamento.

Me complace informar que el presupuesto de la Ciudad para el año fiscal 2018-19 recibió el premio a la excelencia de parte de la Asociación de Oficiales de Finanzas Municipales de California. Este premio se otorga a las ciudades cuyos documentos presupuestarios cumplen con los criterios del programa como documento de políticas, guía operativa, plan financiero y dispositivo de comunicación. Creemos que el presupuesto del año fiscal 2019-20 continuará cumpliendo con los criterios para este premio.

El desarrollo del presupuesto se completa en una línea de tiempo muy comprimida y es una cantidad sustancial de trabajo para toda la organización. Quiero agradecer a los directores de departamento y su personal, pero especialmente agradecer al equipo de presupuesto dedicado que se reunió para completar este documento. Este fue un año extraordinario debido a la ausencia de un director de finanzas y otras posiciones financieras clave. Numerosos miembros del personal que no habían participado anteriormente en la preparación de un presupuesto municipal se ofrecieron como voluntarios para asumir esta tarea, y todos lo hicieron de la manera más profesional y competente. ¡Mi más sincero agradecimiento se extiende a este increíble equipo!

Respetuosamente,



Bob Nisbet
Administrador Municipal



La biblioteca nueva abrió al público el 18 de agosto de 2018

RESOLUTION No. C-2019-59

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
ADOPTING THE FISCAL YEAR 2019-2020 ANNUAL OPERATING AND CAPITAL BUDGET**

WHEREAS, the City Council of the City of Half Moon Bay has received and completed its review of the proposed FY 2019-20 Operating and Capital Improvement Program Budgets during the budget hearing held on June 4, 2019 and gave general direction on the recommendations contained therein during a public meeting; and

WHEREAS, the City Council of the City of Half Moon Bay has held a public hearing on June 18, 2019 for consideration of adoption of the proposed FY 2019-20 Operating and Capital Budget; and

WHEREAS, the proposed budget was prepared in accordance with the financial policies of the City; and

WHEREAS, the proposed budget is a balanced expenditure plan that ensures the maintenance of adequate reserves during FY 2019-20; and

WHEREAS, in accordance with Section 65103 of the State Government Code, the City's Planning Commission held a hearing on May 14, 2019 and determined that the Five-Year Capital Improvement Plan is consistent with the City's General Plan; and

WHEREAS, the City of Half Moon Bay now desires to adopt the 2019-20 Fiscal Year Appropriations Limit, Operating and Capital Improvement Program Budgets for FY 2019-20;

NOW THEREFORE, the City Council of the City of Half Moon Bay does hereby resolve as follows:

1. The City Council does hereby approve and adopt the City's budget of \$60,102,874, including CIP allocation of \$15,461,000, for fiscal year 2019-20 consisting of appropriations, inter-fund transfers and General Fund expenditures of \$20,154,513 as set forth in all Fund Summary section of the Fiscal Year 2019-20 Budget.
2. The City Council does hereby approve and adopt the City's budgeted revenue of \$36,578,876 for fiscal year 2019-20 and General Fund revenues of \$17,455,155 as set forth in all Fund Summary section of the Fiscal Year 2019-20 Budget.
3. The amount of the 2019-20 Fiscal Year Budget for each account area of the budget may be drawn upon in the form of warrants issued for payment of demands and certified in accordance with the provisions of California Government Code Sections 37208 and 37209.
4. The City Manager is hereby authorized to prepare an administrative budget document which further specifies the accounts for the expenditure of appropriations approved by the City Council and set forth in GANN Appropriation Limit Calculation section. The City Manager shall provide the Council with copies of this budget.

5. A copy of the adopted budget, signed by the Mayor and attested to by the City Clerk, shall be kept on file with the City Clerk of the City of Half Moon Bay, as the official budget of the City of Half Moon Bay for the 2019-20 fiscal year.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18th day of June, 2019 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers: Brownstone, Penrose, Ruddock, Eisen, Rarback

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:



Jessica Blair, City Clerk

APPROVED:



Harvey Rarback, Mayor



City of Half Moon Bay City Council



Mayor Harvey Rarback



Vice Mayor Adam Eisen



Councilmember
Debbie Ruddock



Councilmember
Deborah Penrose



Councilmember
Robert Brownstone



City Council Strategic Plan

The City Council develops Strategic Elements, Strategic Priorities, and a Capital Improvement Program to help guide the City’s actions and work plans, and focus efforts on addressing the City’s identified priority initiatives. Together, these comprise the City's Strategic Plan.

City Council Strategic Elements

Fiscal Sustainability	Healthy Communities and Public Safety	Inclusive Governance	Infrastructure and Environment
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The overarching Strategic Elements describe how the City will conduct its operations in service to the community, and are based on the principles and values that outline the City's purposes. They offer focus toward the City Council's key priorities, and are aimed at providing high quality public services and facilities in a fiscally sustainable, responsive, and friendly manner, fostering a safe, healthy, and thriving community.

Fiscal Sustainability

- Practice sound and responsible financial management, while providing fiscally sustainable government services that address the needs of the community.
- Support and sustain a business environment that contributes to economic prosperity and revenue generation, and improves the economic well-being of the community.
- Promote a balanced economic development approach that retains, attracts, and supports businesses Citywide for a strong, stable, complementary, and diverse business environment, including tourism, coastal resources, conservation, and farmland cultivation.

Healthy Communities and Public Safety

- Foster opportunities for affordable housing for very low, low, moderate, and above moderate-income households, including entry level housing, shared housing, etc.
- Enhance safety for pedestrians, bicyclist, and motorists through a “complete streets” approach.
- Promote the health and well-being of children, youth, families, and adults of all ages and abilities.
- Promote a sustainable, comprehensive, and forward looking environmentally/green conscious community.
- Prepare City staff and community members for inevitable natural disasters and other emergencies.
- Provide comprehensive and innovative law enforcement services to reduce crime and the fear of crime; Inform and educate the community around crime prevention and awareness.

Inclusive Governance

- Manage the operations of the City as an engaged, collaborative, and responsive team of professionals who provide services in an effective, accountable, and inclusive manner.
- Emphasize a high level of community engagement through public outreach and building mutually beneficial, innovative, collaborative community partnerships throughout the City.
- Provide organizational development that invests in staff leadership skills development and other human resources, to attract, develop, support, and retain a highly qualified, valued, and diverse municipal workforce.
- Maintain accuracy, consistency, and frequency in the City’s public communications, and increase Half Moon Bay’s efforts to build credibility and mutual trust with the community.
- Provide and manage a repository of City records that is easily accessible to the general public.
- Promote diversity by improving knowledge of and accessibility to City services among the Latino community with emphasis on bilingual access and inclusiveness and civic participation.
- Continue and enhance transparency and accountability with community members, providing easy access to information, helpful and informed staff, and meaningful opportunities to participate in the City’s decision-making processes and other municipal and community activities.

Infrastructure & Environment

- Preserve, upgrade, and maintain existing City infrastructure to manage and make progress on the backlog created as a result of deferred maintenance.
- Maintain functional and effective usage of City facilities; Sustain efforts to maintain the City as clean, inviting, accessible and aesthetically pleasing, throughout all segments of the community.
- Continue to build and enhance a more sustainable and resilient community by incorporating green and sustainable infrastructure projects and environmental conservation.
- Utilize technology to maximize efficiency and productivity for improved City operations.

City Council Priorities - FY 2019-20

Housing	Emergency Preparedness	Traffic and TDM	Sustainability	\$15 Minimum Wage
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The City Council Strategic Priorities are more specific areas which the City Council deems as critical to address during a given fiscal year (or over multiple fiscal years). Each Priority has a specific set of actions to be taken, which in turn contribute to, and outline, staff's objectives and work plans.

Affordable Housing

- Develop a plan to best utilize and replenish the City’s affordable housing funds
- Research community land trust options and feasibility
- Consider possible tenant protection measures

Emergency Preparedness

- Update the City Emergency Operations Plan (EOP)
- Develop disaster specific preparedness plans and City emergency communications plan
- Conduct Emergency Operations Center activation exercises in collaboration with community partners
- Conduct Second Annual Coastside Preparedness Day
- Train City staff to assist in emergency response (CERT style), CPR training for all staff
- Develop bilingual emergency communications

Traffic and Transportation Demand Management

- Develop Transportation Demand Management (TDM) strategic plan
- Develop TDM regulations
- Implement CIP and Pedestrian and Bicycle Master Plan projects related to TDM
- Enhance TDM collaboration with regional and local agencies

Sustainability

- Develop a Climate Action and Adaptation Plan (CAAP)
- Develop Green Infrastructure Plan
- Develop Sustainability Strategic Plan with timelines and goals for the City, businesses and residents
- Implement projects to improve the sustainability of City operations and infrastructure

\$15 Minimum Wage

- Conduct public outreach including a business survey and a community workshop
- Develop draft regulations for City Council consideration
- If implemented, develop education and outreach plan and materials

Capital Improvement Plan - FY 2019-20 through FY 2023-24

The City's Capital Improvement Program (CIP) addresses the community's needs for planned infrastructure improvements over a rolling five-year period. The CIP is intended to respond to the identified needs of the community, to ensure major infrastructure - such as streets, parks, trails, public facilities, sewers, and drainage - are well-maintained for maximum safety, public use, and enjoyment. The Capital Improvement Plan is published as a separate budget document.

About Half Moon Bay

“Live, Work, Play”



Location and Setting

Half Moon Bay sits on the Pacific Coast between forested hills and some of the most beautiful coastlines of California. It is located approximately 25 miles south of San Francisco and an easy 45-minute drive from almost anywhere in the Bay Area, within the western portion of San Mateo County. Half Moon Bay’s climate is usually mild throughout the year.

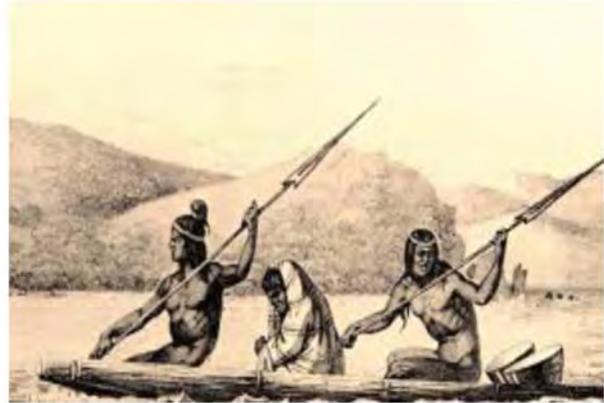
Half Moon Bay is considered a rural coastal community and is home to approximately 13,000 people. Featuring the best of Northern California all in one place, visitors to Half Moon Bay enjoy miles of white sandy beaches, redwood forests, a historic downtown filled with local artisan shops, beautiful state parks, fields of wildflowers, and trails along ocean bluffs and mountain ridges as far as the eye can see.



History

The original inhabitants of Half Moon Bay were members of the Costanoan Rumsen Ohlone Tribe, one of eight bands of an indigenous group affiliated as Ohlone and/or Costanoan. Evidence of human dwelling and daily life surface throughout San Mateo County, including Half Moon Bay's Pilarcitos Creek.

The ocean and land provided adequately for its earliest residents in terms of sustenance and trade. In addition to members of the Rumsen Tribe, Spanish explorers and Mexican cowboys lived or passed through this Coastside. The beautiful coast, accessible ports, proximity to San Francisco, and the availability of land grants to early Mexican settlers in the 1840's were all factors in attracting a new wave of people to the Half Moon Bay area.



Governor Juan B. Alvarado gave a 4,424-acre Mexican land grant to a soldier, Juan Jose Candelario Miramontes, in 1841. This land was known as Rancho Miramontes which eventually transitioned into today's Downtown Main Street. The Main Street Bridge over Pilarcitos Creek was the entrance to the Miramontes Ranch. A Spanish immigrant named Estanislao Zaballa married into the family. He and other business prospectors brought a commercial flavor by opening some of Half Moon Bay's first businesses such as saloons, rooming houses and blacksmith shops. Named San Benito in the 1840's, and later Spanishtown, Half Moon Bay received its current name in 1874 and is the oldest settlement in San Mateo County.



Settlers such as James and Petra Johnston, the original owners of the majestic 'White House of Half Moon Bay,' saw potential and aspirations for cattle grazing and raising a family. James' Scottish heritage and Petra's Hispanic background, in addition to the Portuguese, Italian, Mexican and Spanish

influences on the coast, demonstrate the distinct mix of ideas, traditions, occupations, and cultures that defined the area's character and identity.

In 1907, the Ocean Shore Railway was constructed along the shoreline from San Francisco to Tunitas Glen, just south of present-day Half Moon Bay. Due to financial problems and the increasing popularity of the horseless carriage, the railroad ceased operation in 1920.

The coast provided an ideal setting for “rum running” during Prohibition Era (1920 – 1933) because of its unique setting among the hidden ocean coves and thick fog. The city was small and isolated, yet close enough to access San Francisco by car. During this era, the Ocean Beach Hotel (presently Miramar Beach Restaurant) and other stops along the coast were raided numerous times for illegal liquor, gambling, and prostitution.



In 1942, the California State Highway Department constructed the Half Moon Bay Airport. Originally known as the Half Moon Bay Flight Strip, it was used during WWII by the U.S. Army and eventually turned over to the U.S. Navy at the conclusion of the war.



In 1947, San Mateo County acquired the airport, and ten years later, drag racing took it over. The Half Moon Bay Dragstrip quickly became one of the nation’s premier tracks. Half Moon Bay played host to every big name the sport had to offer during the 1950’s and 1960’s. Presently, the airport hosts the annual Pacific Coast Dream Machines show which features magnificent driving, flying, and working machines from the 20th and 21st centuries.

At any given time, the airport houses approximately 80 aircraft and is self-funded through airport user and business fees.

The City of Half Moon Bay was incorporated in 1959. It has many reminders of its early beginnings in the mid-nineteenth century as an agricultural town. Fields of flowers, artichokes, brussels sprouts, Christmas trees, pumpkins and other crops blanket the pastoral landscape in and around town.



The City’s location on the coast attracted hopeful business prospectors from many industries including fishermen and farmers. The American dream was reflected in these industrious individuals and their families whose ethnicities, aspirations, and languages converged to create a unique coastal community.

Culture, Recreation, and Local Attractions

The City and Coastside are a thriving agricultural, fishing and tourism destination. The local and surrounding agricultural community hosts a Saturday farmers' market, and many rural roadside stands sell the bounty of the local farms and nurseries.

Roughly 3,000 tons of pumpkins are grown on the Coastside every year and are featured in the Half Moon Bay Art and Pumpkin Festival held in October on Downtown's historic Main Street. The annual festival draws over 300,000 visitors for the two-day event and features some of the world's largest pumpkins.

Half Moon Bay provides a wide variety of public and private attractions. The historic downtown is home to shopping, art galleries, fine dining and entertainment. Visitors can stroll downtown to discover unique wares in local galleries, markets, shops and boutiques. Farm-fresh produce and one-of-a-kind art pieces are available side-by-side. Music, poetry readings, knitting classes and other entertainment are featured at parks, shops, wineries and eateries. First-class dining can be found at restaurants, bakeries, taquerias, delis and coffee shops. Menus include fresh fish straight off the boat and ethnic offerings from around the world.



A short distance from downtown, the California Coastal Trail meanders for five miles along beaches and bluff tops, providing a scenic setting for whale watching, biking, walking and horseback riding. Golf can be enjoyed at two golf courses acclaimed for their quality and spectacular ocean backdrops.

The Coastside has its well-known broad, sandy beaches. Adding to the coastal habitat diversity, just a few miles southwest of town is a redwood forest. Over a century ago, those forests were cut for the timber that was used in the development of the San Francisco Peninsula. Now those redwoods are enjoyed for their enduring natural beauty. There are thousands of parkland acres throughout the southern portion of San Mateo County offering coastal vistas and hillsides cloaked in vegetation, accessible via hiking and biking trails. Half Moon Bay serves as a gateway to these recreational offerings.

The City also boasts truly unique lodgings with breathtaking ocean views, world-class hotels, and quaint cottages, whose more than 200,000 guests generate over \$80 million in sales for the community each year. Within the city limit, there are 13 hotels, inns, and Bed and Breakfasts in addition to three RV parks and campgrounds. The average occupancy across the 640 hotel rooms available is 67.4%.

Population and Demographics

There is a rich culture of diverse backgrounds and multi-generational families who have lived in Half Moon Bay for well over 100 years. Several of its older residential neighborhoods feature century-old architecture enhanced by colorful yards and gardens. It is not uncommon to find farmers, high-tech entrepreneurs, and artists living together. There are approximately 4,900 households, and 3,500 families (71.4% of households). For persons 25 years and older, 85% have a high school diploma, and 45.5% have a bachelor’s degree or higher.¹ A snapshot of demographic highlights include:

San Mateo County Context

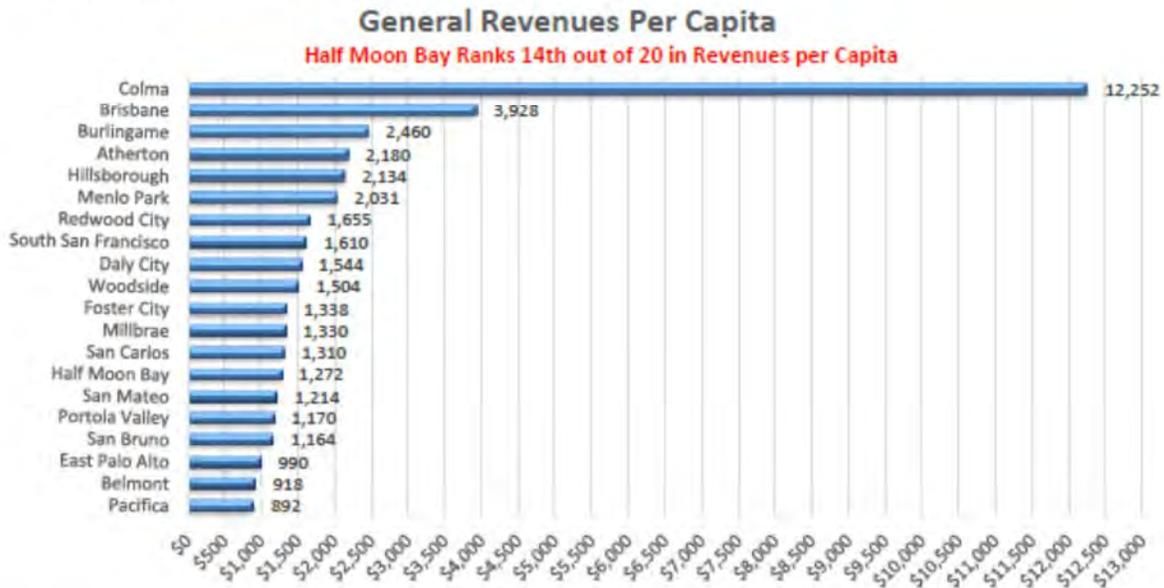
San Mateo County is part of the nine county Bay Area region. On the bayside, cities are linked by Highways 101 and 280, El Camino Real, and the CalTrain corridor. The area is a vibrant job center and part of Silicon Valley. Many Half Moon Bay employed residents work outside the City throughout this jobs-rich region.

Half Moon Bay has retained employment sectors traditional to the Coastsides, while also accommodating new businesses and industries that are otherwise primarily thought to be located “over-the-hill.” Despite its smaller size and distinct economic base, the City’s revenues and expenditures indicate that the range and cost of City services are within the norm for the county as a whole.

¹ <https://www.census.gov/quickfacts/fact/table/halfmoonbaycitycalifornia/PST045218>

San Mateo County Cities Comparison

The City of Half Moon Bay ranks the 14th in revenues per capita comparing to other cities within the San Mateo county. The City is prudent in managing its resources, ranking 10th in cost per capita.



City	Population	Report Totals			Per Capita		
		General Revenues	General Expenditures	Outstanding Debt	General Revenue	General Expenditure	O/S Debt
Colma	1,514	18,549,322	16,574,308	\$ 4,785,000	12,252	10,947	3,161
Brisbane	4,721	18,542,258	31,708,201	\$ 2,629,846	3,928	6,716	557
Hillsborough	11,444	24,420,897	23,629,528	\$ 37,261,419	2,134	2,065	3,256
Menlo Park	34,459	70,000,004	69,940,000	\$ 32,940,991	2,031	2,030	956
Atherton	7,187	15,670,043	14,088,033	N/A	2,180	1,960	N/A
Burlingame	30,467	74,936,500	58,274,812	\$ 48,605,686	2,460	1,913	1,595
Millbrae	22,557	29,993,962	39,235,473	\$ 24,221,213	1,330	1,739	1,074
South San Francisco	67,733	109,053,694	108,047,038	35,600,000	1,610	1,595	526
Redwood City	86,200	142,651,191	124,890,195	\$ 12,360,000	1,655	1,449	143
Half Moon Bay	12,973	16,504,058	17,754,647	6,000,000	1,272	1,369	462
Woodside	5,510	8,285,350	7,516,152	\$ 4,812,888	1,504	1,364	873
San Carlos	30,364	39,770,000	41,000,009	\$ 3,675,000	1,310	1,350	121
Foster City	34,151	45,709,109	45,519,467	\$ 3,975,000	1,338	1,333	116
San Mateo	105,020	127,443,429	133,209,741	\$ 23,500,000	1,214	1,268	224
Portola Valley	4,611	5,394,654	5,644,083	N/A	1,170	1,224	N/A
San Bruno	43,047	50,111,247	50,487,600	\$ 10,313,385	1,164	1,173	240
Pacifica	38,759	34,586,000	34,568,000	\$ 26,300,000	892	892	679
Belmont	27,113	24,900,000	23,800,000	\$ 33,600,000	918	878	1,239
East Palo Alto	29,519	29,232,000	25,280,000	\$ 16,238,000	990	856	550
Daly City	107,008	165,220,000	73,454,000	\$ 31,252,000	1,544	686	292
TOTAL	704,357	\$ 1,050,973,718	\$ 944,621,287	\$ 358,070,428	\$ 1,492	\$ 1,341	\$ 508

NOTE 1: Estimated population figures are for US Census Bureau estimates as of July 1, 2018.

NOTE 2: Source of data is from the most recent City Budgets and CAFRs (FY 2018-19).

NOTE 3: There are many factors that influence cost and revenue base. For example, some cities are full service cities that provide fire and police services, while others are not.

Government Structure and City Services

The City of Half Moon Bay operates under a council-manager form of government and is governed by a five-member elected City Council. The City Council appoints a City Manager who is responsible for the oversight of daily operations and provides leadership for the City's programs.

The City Council is the policy-making body. City voters elect five Councilmembers to staggered four-year terms. The City Council appoints commission and committee members to support the public policy making process. Beginning in 2020, the City will transition to district elections, with four Councilmembers elected directly by district and an at-large mayor.

The City Council meets regularly on the first and third Tuesdays of each month at 7:00 p.m. and may call additional special meetings. All meetings of City Council and Council-appointed commissions and committees are open to the public except when certain personnel matters and legal items are discussed.

By means of its own employees and through other shared or contract services, the City of Half Moon Bay provides a variety of municipal services to its citizens, including law enforcement, library, disaster preparedness, recreation programs, maintenance of streets, parks and buildings, sanitary sewer utility collection and maintenance, planning, housing, zoning and building inspection, storm drain maintenance, code and parking enforcement, engineering and general administrative services.



City offices are open 8:30 a.m. to 5:00 p.m., Monday through Friday (except holidays).

City of Half Moon Bay Main Line	(650) 726-8270	501 Main Street
City Manager's Office	(650) 726-8280	501 Main Street
City Clerk's Office	(650) 726-8250	501 Main Street
Administrative Services	(650) 750-2034	507-B Purissima St
Recreation Services	(650) 726-8297	535 Kelly Avenue
Community Development	(650) 726-8270	501 Main Street
Public Works	(650) 726-7177	880 Stone Pine Road
Code Enforcement	(650) 726-8253	501 Main Street
Public Safety (Business Line)	(650) 726-8288	537 Kelly Avenue
Non-Emergency - After Hours	(650) 726-8286	537 Kelly Avenue

Additional information about city services is available on the City of Half Moon Bay website at www.hmbcity.com





CITY OF HALF MOON BAY

Budget Overview



Basis of Budget Preparation and Budget Overview

The City Budget is the result of a thorough, lengthy, and collaborative process involving City Council leadership and City staff expertise. The City Council sets policy direction for the budget and City staff take into consideration economic trends to forecast revenue and create a budget that accomplishes the goals of the Council while ensuring the financial stability of the City. Local, County, State, and national economic trends are among the factors considered.

ECONOMIC UPDATE

During FY 2018-19, the City experienced its eleventh straight year of economic growth, led by consumer spending and tourism. Meanwhile, the real estate and labor market continued to remain steady and strong.

The unemployment rate in San Mateo County has dropped to approximately 2.0%. The City of Half Moon Bay's unemployment rate is even lower. This compares favorably with the unemployment rates for California and nationally during the same period.

State Budget Outlook and Impact on the City

The State of California's budget and economy play significant roles in the City's financial condition. The State's budget condition is healthy and the surplus funds, to a large extent, have been used to improve reserves and pay down debt and other one-time uses. The consensus forecast anticipates continuing economic expansion in the short term, but an anticipated economic downturn is on the horizon.

Despite the State placing a high priority on building its reserves for a recession, an economic downturn of any kind would put pressure on California's finances. This in turn could force the State to make some difficult choices, such as budgetary cuts and tax increases that may directly and indirectly affect the Bay Area, San Mateo County and the City of Half Moon Bay's overall economic condition.

BUDGET DEVELOPMENT PROCESS

City staff prepare an annual operating budget each year containing revenues, appropriations, and other financial information pertaining to City's operating and capital budgets. The philosophy employed in creating this budget focuses the City's efforts on continuing to provide quality "core" municipal services in the most efficient way possible. This budget must be adopted by the City Council.

Council Strategic Planning

In preparation for the upcoming budget, the City Council hosted four community listening sessions, which allowed the Council to hear directly from members of the community to gain additional insight into the community's priorities for budget allocation of resources over the next year and beyond.

On March 26, 2019, the City Council held a Priority Setting Workshop, where the Council reaffirmed previously adopted Strategic Plan Elements and Initiatives, and identified the following list of FY 2019-20 priorities:

1. Affordable Housing
2. Emergency Preparedness
3. Traffic and Transportation Demand Management
4. Sustainability
5. \$15 Hourly Minimum Wage

The table below demonstrates how the Council’s FY 2019-20 priorities fit in the larger Strategic Plan Elements and Initiatives that were adopted on February 9, 2016 and reaffirmed for FY 2019-20.

Strategic Elements				
PRIORITY	Infrastructure/ Environment	Healthy Communities/ Public Safety	Fiscal Sustainability	Inclusive Governance
Affordable Housing		✓	✓	✓
Emergency Preparedness	✓	✓	✓	✓
Traffic and Transportation Demand Management	✓	✓		✓
Sustainability	✓	✓		✓
\$15 Minimum Wage		✓		✓

The Executive Team held subsequent meetings to develop a Work Plan for the upcoming year to meet the Council’s priorities. Funding to support Council priorities has been included in the FY 2019-20 Budget.

Budget Preparation

The annual budget cycle begins each year with the development of budget instructions, including policy directives and a budget calendar, early in the calendar year and concludes with the budget adoption by the City Council in June as shown in the budget timeline table below.

Budget Timeline	
March 2, 3, 7, 17	Community Listening Sessions
March 26	Council Strategic Planning and Priority Setting Retreat
May 16	Finance Subcommittee Meeting
May 21	Study Session – Budget Methodology, Base Budget Assumptions, Capital Plan and Budget Recommendations
June 4	City Council Review of Proposed FY 2019-20 Budget
June 18	City Council Formal Adoption

Each department was provided a Base Budget expenditure allotment consistent with the authorized FY 2018-19 Budget, adjusted by known personnel salary and benefit increases, and a

3.0% inflationary increase in other operating expenses. Each department was then given an opportunity to submit prioritized program changes for service enhancements or reductions to the Base Budget.

The City Manager reviewed department requests and formulated a Recommended Budget for Council's consideration. Staff recommendations are based on many considerations, including the City's strategic plan, staffing capacity, and potential impacts to the overall City operation and services provided to the community.

The City Council held two budget study sessions in May and June to review and discuss the Recommended Budget for the FY 2019-20. Final adoption of the Recommended Budget for FY 2019-20 is scheduled for June 18, 2019.

Basic Accounting

The City's accounting system is maintained on a fund basis in accordance with governmental accounting standards. Each fund is considered a separate accounting entity with a self-balancing set of accounts that record assets, liabilities, fund equity, revenue, and expenditures. All governmental funds are budgeted and accounted for using the modified accrual basis of accounting, which recognizes revenues when they become susceptible to accrual—i.e., measurable and available. Expenditures are recognized when the fund expense or liability is incurred.

Budgetary Control

The City utilizes the following procedures to establish budgetary control:

1. The City Manager submits to the City Council a proposed balanced operating and capital budget for the following fiscal year.
2. After a review by the City Council, a public hearing is conducted, and further comment is received from the City Council and general public.
3. Upon completion of the hearings and modifications, if any, to the proposed budget, it is adopted by the City Council through passage of an appropriate resolution.
4. The department heads are responsible to ensure the expenditures of their departments stay within the budget.
5. The budget is amended during the year by the Council as needed.
6. The City Manager is authorized to reallocate budget amounts of operational expenditure categories within funds as deemed necessary in order to meet the City's operational needs.
7. City Council approval is required for all inter-fund transfers and use of reserves, and for transfers to/from the capital expenditure category. The legal level of budgetary control is at the fund level. This is the level that City management cannot overspend the budget without approval from the City Council.

The City Council holds public budget study sessions and adopts the City operating and capital budgets no later than June 30th of each year.

The philosophy employed in creating this budget document has been to focus the City's efforts in continuing to provide quality municipal services, as well as the timely addressing of key infrastructure needs.

The City's budget goal is to achieve a balanced budget with operating revenue, including reimbursements from other funds for services provided, equal to or greater than operating expenditures (including debt service).

Staff used the following guidelines in preparation for this budget: ending fund balance (or working capital in the enterprise fund) should meet the minimum level of no less than 30% of operating expenditures, where applicable. Under this policy, it is allowable for total expenditures to exceed revenue in a given year to fund capital improvement plan projects or other "one-time" non-recurring expenditures.

Ultimately, the City's financial position and the resources in each fund will determine the level of services and the projects that the City will be able to deliver to the community in the upcoming fiscal year. These services and projects are included in the adopted annual budget.

FY 2019-20 ADOPTED BUDGET OVERVIEW

The Recommended FY 2019-20 Budget is balanced and has a small structural surplus when general revenue is compared to operating expenses.

In FY 2019-20, General Fund ongoing revenue of \$17.5 million is projected to exceed General Fund operating expenses of \$17.2 million by \$0.3 million.

This means that the City will be able to adequately fund the cost of day-to-day operations and services in Half Moon Bay; however, future contributions from the General Fund to the CIP are contingent upon new revenues or one-time funds becoming available in the future.

Transient occupancy tax (i.e. "hotel tax"), property tax, and sales tax revenue make up 75% of General Fund revenue. All major General Fund Revenues are experiencing continued growth, as further described in the General Fund section of the budget document.

Budget Assumptions

The Base Budget is not an exact duplicate of the Adopted or Amended FY 2018-19 Budget because of actions the Council may have taken to modify the budget during the year, and most notably due to the FY 2019-20 budget assumptions used to develop the Base Budget. The following are the major assumptions used to develop the initial FY 2019-20 Base Budget:

Base Budget General Fund Revenue Assumptions

- **Total General Fund revenue** of \$17.5 million shows an increase of 5.5% from the FY 2018-19 Budget.
- **The top three revenue sources**, Transient Occupancy Tax (TOT), Property Tax, and Sales and Use Tax are estimated to increase by 3% compared to the current budget; the growth of other revenues is estimated at 2%.
- **One-time** transfer from the Judgement Obligation Fund of \$400,000 upon the scheduled

retirement of these bonds on August 1, 2019 and the close out of the Bond Reserve Fund.

Base Budget Expenditures Assumptions

- Total General Fund expenditures of \$20.2 million, which includes \$17.2 million in operating expenditures and \$3 million in capital transfers to fund the Capital Improvement Program.
- Salary and Benefits projections include funding for 42 full-time equivalent (FTE) positions city-wide, including three new positions.
- Vacant positions are budgeted at top step. Projections also include salary step increases for staff members who may be eligible on their performance review dates.
- Overtime funding is included in the projections based on historical averages of overtime hours worked.
- FY 2019-20 PERS retirement rates are budgeted as provided by CalPERS: Tier 1 (2.0% @ 55) at 10.15% for classic members and Tier 2 (2% @ 62) at 7.27% for new employees without prior municipal experience or who have had a break in service.
- Salary adjustments have been made to reflect MOU provisions.
- An annual transfer of \$100,000 to the Retirement Stabilization Fund, in addition to the annual amounts needed to pay for the unfunded liability.
- An annual transfer of \$50,000 from General Fund to the Equipment Fund (Fund 62) is included to fund future technology and equipment needs.
- Operating Expenses are increased by 3% over FY 2018-19 budgeted amounts to account for normal inflationary increases.

Capital Improvement Program (CIP) Budget

The City's 5-Year Capital Improvement Program (CIP) is a financial planning and prioritization tool that represents the City's continuous efforts to protect public health and safety and enhance the quality of life and experience for visitors and residents in Half Moon Bay. It is adopted in conjunction with the City's Operating Budget and is presented as a separate document.

Updating the CIP annually requires coordination and cooperation between all City departments. The process includes many internal meetings to discuss current and future CIP improvements, prioritization of identified improvements, review by various advisory boards, General Plan consistency finding by the Planning Commission, and adoption by City Council.

While staff continuously assesses the needs of the City and prioritizes projects accordingly, the process to create the FY 2019-20 CIP officially began in December 2018. This resulted in the preliminary draft FY 2019-20 Capital Budget presented during the City Council Priority Setting Workshop on March 26, 2019. At the study session on May 21, 2019, guided by Council direction from the workshop, staff provided a more focused list of projects, project descriptions, and project costs. City Council approved the project list and directed staff to present the list to the Planning Commission and return with a final recommended CIP.

Staff has continued to refine project scope and budget with a summary of the CIP included in the “Capital Improvement Program” section of this document. Individuals interested in learning more about the specific improvements planned for the upcoming Fiscal Year should refer to the published Capital Improvement Program book.

Budgetary Reserves

The Government Finance Officers Association (GFOA) has issued its recommended best practice for determining the appropriate level of unrestricted General Fund balance to be, at a minimum, no less than two months of regular General Fund operating revenues or expenses, which equates to approximately 17% of annual expenses.

The City’s Fund Balance Policy identifies fund balances (or reserves) as falling into the following categories: Restricted, Committed, Assigned, or Unassigned. In accordance with Government Accounting Standards Board (GASB) Statement No. 54 requirements and the City policy, the Council established the following designations for General Fund Committed Fund Balances:

- Operating Contingency Reserve 30% of annual expenditures
- Economic Uncertainty Reserve of up to 20% annual operating expenditures

The General Fund balances for FY 2017-18 through FY 2019-20 are detailed in the table below. Total operating expenses are also listed to demonstrate the percentage level of reserves and compliance with the City’s Fund Balance Policy.

GENERAL FUND (RESTRICTED & UNRESTRICTED BALANCES)

Designations	Actual 2017-18	Budget 2018-19 ¹	Recommended Budget 2019-20 ²
Beginning Fund Balance	\$ 11,057,160	\$ 9,962,452	\$ 10,000,000
Total Revenue	16,499,748	16,540,058	17,455,155
Net Operating Expenditures	10,560,924	13,478,351	15,109,432
Operating Transfers	1,626,766	2,362,690	2,045,081
Total Operating Expenditures	12,187,690	15,841,041	17,154,513
Capital Transfers	3,780,001	1,918,705	3,000,000
Total Expenditures	17,594,456	17,759,746	20,154,513
Ending Fund Balance	9,962,452	8,742,764	7,300,642
Operating Contingency (30% of Op. Exp.)	3,656,307	4,752,312	5,146,354
Assigned for Main Street Bridge Contingencies	1,500,000	1,500,000	-
Economic Uncertainty Reserve ³ (Target 20% Op. Exp.)	-	-	2,154,288
Total Designations	\$ 5,156,307	\$ 6,252,312	\$ 7,300,642
Undesignated Fund Balance	\$ 4,806,145	\$ 2,490,452	\$ -
Ending Fund Balance as % of Net Op. Expenses	94%	65%	48%
Ending Fund Balance as % of Total Op. Expenses	82%	55%	43%

¹ Fund balances for the Adopted Budget 2018-19 reflect audited FY 2017-18 ending balance and budgeted revenues and expenditures.

² Beginning Balance for FY 2019-20 higher than budgeted FY 2018-19 ending balance due to anticipated favorable variances in budgeted revenues and expenditures.

Conclusion

The FY 2019-20 General Fund total budget expenditures total \$20.2 million and include a \$3 million contribution to CIP. The FY 2019-20 in the City's Revenue and Capital Funds, Enterprise Funds, Debt Service Funds, and Internal Service Funds total \$39.9 million. The proposed 5-Year Capital Improvement Program (CIP) includes budgeted expenses of \$15.5 million for FY 2019-20. The CIP is comprised of 46 programs and projects scheduled for FY 2019-20, 17 of which are scheduled for completion by the end of the fiscal year.

The City continues to benefit from the stable local economy and the economic growth throughout San Mateo County, Silicon Valley and the Bay Area. This is reflected in the financial outlook for the 2019-20 Fiscal Year.

Some of the challenges that the City may face in the future are:

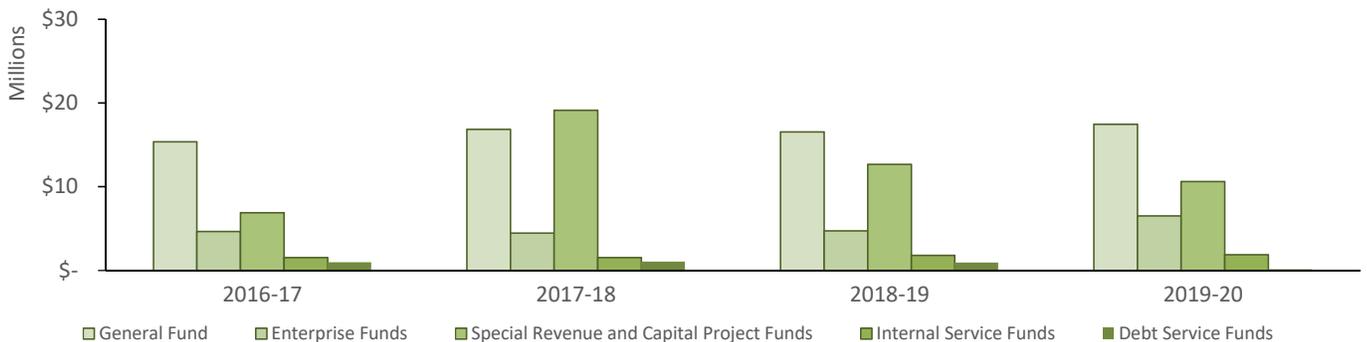
- Federal and State Budget challenges and potential threat to local governments. Various capital projects are expected to be funded by grant awards.
- Capital improvements that will need to be funded by the City.
- Increased contractual costs. The City uses outside contractors extensively, including for police services.
- Increased pension costs.
- An anticipated economic downturn and ensuring the City is financially equipped to weather a recession.

Fiscal sustainability remains a high priority for Half Moon Bay. To that end, staff continues to project revenues and expenditures in a conservative manner. In addition, the new budget includes a new Economic Uncertainty Reserve with a target amount of 20% of the operating budget in addition to the existing Contingency Reserve (30%).

Staff looks forward to continuing work with the City Council and the community in the upcoming year to address any potential financial challenges that may lay ahead, identify operational efficiencies, pursue appropriate economic development opportunities, and advise on alternative revenue options in order to ensure a high quality of life for the residents and visitors of the City of Half Moon Bay.

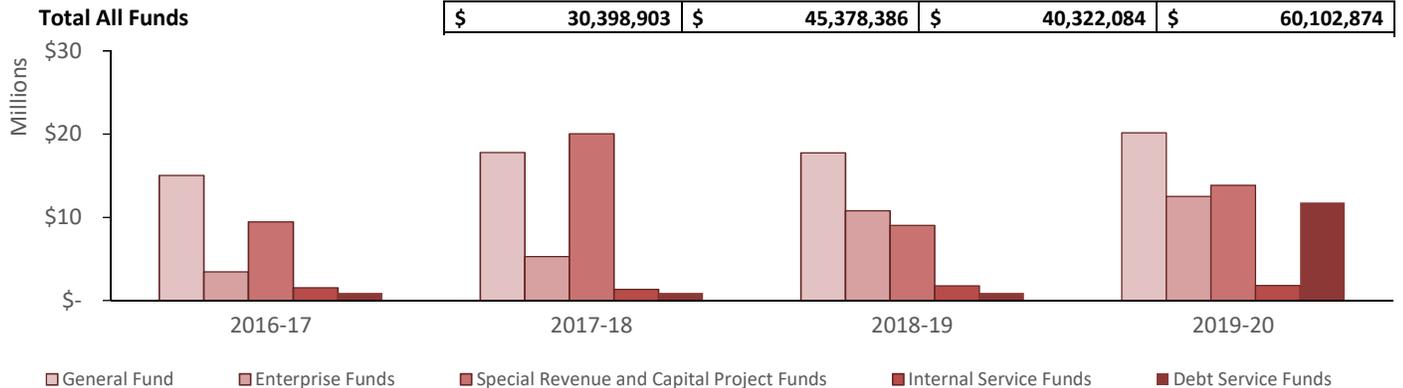
**City of Half Moon Bay
FY 2019-20 Recommended Budget
Summary of Revenue & Transfers by Fund**

Fund Name	Actual 2016-17	Actual 2017-18	Adopted 2018-19	Recommended 2019-20
GENERAL FUND	\$ 15,350,137	\$ 16,843,109	\$ 16,540,058	\$ 17,455,155
ENTERPRISE FUNDS				
Sewer Operating	3,420,119	2,459,071	4,567,900	6,359,258
Sewer Capital	1,239,242	1,997,798	176,983	146,557
TOTAL ENTERPRISE FUNDS	4,659,361	4,456,869	4,744,883	6,505,815
SPECIAL REVENUE FUNDS				
Storm Drain Operating	51,248	52,264	50,600	50,612
Main Street Bridge	45,085	7,642	1,146,622	3,774
Gas Tax	253,172	442,661	475,795	485,311
Streets and Roads	525,106	837,254	7,844,695	5,809,632
Measures A and W	287,595	338,275	276,100	572,910
Traffic Mitigation	507,271	869,541	50,578	35,822
Library Operation	10,967	41,140	70,700	-
Library Capital	215,590	11,520,446	32,200	-
Park/Facilities Development	1,615,994	681,493	1,346,756	1,473,793
Affordable Housing	344,034	27,409	11,100	411,322
Capital General	2,188,770	1,797,680	12,210	605,000
Police Grants	131,436	143,274	101,700	120,560
Drainage Capital	478,817	547,115	300,677	156,846
Public Facilities	224,551	1,818,494	938,500	885,567
TOTAL SPECIAL REVENUE AND CAPITAL PROJECT FUNDS	6,879,636	19,124,688	12,658,233	10,611,149
Vehicle Replacement	22,668	33,518	4,000	12,789
Equipment Replacement	262,164	203,286	203,200	206,596
Risk Management	855,028	672,831	645,970	655,334
Pension Stabilization	415,591	642,304	949,900	1,004,998
INTERNAL SERVICE FUNDS	1,555,451	1,551,939	1,803,070	1,879,717
Judgement Bonds - A	4,104	-	1,341	-
Judgement Bonds - B	978,321	1,027,227	944,998	127,040
DEBT SERVICE FUNDS	982,425	1,027,227	946,339	127,040
Total Other Funds	14,076,873	26,160,723	20,152,525	19,123,721
Total All Funds	\$ 29,427,010	\$ 43,003,832	\$ 36,692,583	\$ 36,578,876



**City of Half Moon Bay
FY 2019-20 Recommended Budget
Summary of Expenditures & Transfers by Fund**

Fund Name	Actual 2016-17	Actual 2017-18	Budget 2018-19	Recommended 2019-20
GENERAL FUND	\$ 15,024,991	\$ 17,772,599	\$ 17,759,746	\$ 20,154,513
ENTERPRISE FUNDS				
Sewer Operating	3,162,753	4,985,659	4,800,676	6,356,152
Sewer Capital	273,165	313,567	5,998,886	6,148,046
TOTAL ENTERPRISE FUNDS	3,435,918	5,299,226	10,799,562	12,504,198
SPECIAL REVENUE FUNDS				
Storm Drain Operating	24,260	-	52,800	54,386
Main Street Bridge	46,762	-	140,000	450,000
Gas Tax	419,512	217,941	660,009	336,746
Streets and Roads	1,236,297	1,388,588	3,095,897	6,735,862
Measure A	272,662	259,122	87,492	91,387
Traffic Mitigation	38,158	64,254	25,600	-
Library Operation	33,460	26,039	104,800	109,996
Library Capital	5,118,395	14,970,295	23,400	2
Park/Facilities Development	837,318	182,206	1,908,609	1,971,827
Affordable Housing	-	14,833	102,000	(40)
Capital General	461,474	1,355,190	875,000	1,699,578
Police Grants	87,438	54,619	106,100	409,283
Drainage Capital	198,028	91,242	837,294	872,070
Public Facilities	682,775	1,411,000	1,021,700	1,108,321
Land Assets	-	-	-	-
TOTAL SPECIAL REVENUE AND CAPITAL PROJECT FUNDS	9,456,539	20,035,329	9,040,701	13,839,418
INTERNAL SERVICE FUNDS	1,543,751	1,333,528	1,781,371	1,817,705
DEBT SERVICE FUNDS	937,704	937,704	940,704	11,787,040
Total Other Funds	15,373,912	27,605,787	22,562,338	39,948,361
Total All Funds	\$ 30,398,903	\$ 45,378,386	\$ 40,322,084	\$ 60,102,874



**City of Half Moon Bay
FY 2019-20 Recommended Budget
Transfers/Allocations Summary**

	Budget Transfers In 2019-20
GENERAL FUND (01)	
From Sewer Operating (05)	472,290
From Sewer Capital (06)	16,796
From Gas Tax (10)	9,837
From Library Fund (15)	17,999
From Judgement Obligation Bond Fund (78)	400,000
GENERAL FUND (01)	916,922
SEWER OPERATING (05)	
From Sewer Capital (06)	2,006,000
SEWER OPERATING (05)	2,006,000
STORM DRAIN OPERATING (07)	
From General Fund (01)	50,000
STORM DRAIN OPERATING (07)	50,000
STREETS AND ROADS (11)	
From General Fund (01)	371,922
From Gas Tax (10)	217,500
From General Capital (25)	714,578
STREETS AND ROADS (11)	1,304,000
DRAINAGE FUND (14)	
From General Fund (01)	150,000
DRAINAGE FUND (14)	150,000
PARK FACILITY FUND (17)	
From General Fund (01)	1,333,078
From Measure J	-
PARK FACILITY FUND (17)	1,333,078
AFFORDABLE HOUSING FUND (19)	
From General Fund (01)	400,000
AFFORDABLE HOUSING FUND (19)	400,000
GENERAL CAPITAL FUND (25)	
From General Fund (01)	605,000
GENERAL CAPITAL FUND (25)	605,000
PUBLIC FACILITIES FUND (48)	
From General Fund (01)	540,000
From Library Fund (15)	91,997
PUBLIC FACILITIES FUND (48)	631,997
EQUIPMENT FUND (62)	
From General Fund (01)	141,516
From Sewer Operating (05)	56,687
From Gas Tax (10)	1,069
From Drainage Fund (14)	531
From Streets & Roads (11)	2,856
From Measure A (12)	876
EQUIPMENT FUND (62)	203,535
RISK MANAGEMENT FUND (63)	
From General Fund (01)	453,565
From Sewer Operating (05)	151,640
From Gas Tax (10)	2,765
From Drainage Fund (14)	1,881
From Streets & Roads (11)	11,063
From Measure A (12)	4,041
From Parks Facilities Fund (17)	381
RISK MANAGEMENT FUND (63)	625,336
PENSION STABILIZATION FUND (64)	
From General Fund (01)	1,000,000
PENSION STABILIZATION FUND (64)	1,000,000
GRAND TOTAL	9,225,868

**City of Half Moon Bay
FY 2019-20 Recommended Budget
Fund Balances Summary**

	Projected Fund Balance 6/30/2019	Revenues & Trsfrs In Budget	Expenditures & Trsfrs Out Budget	Revenue Over(Under) Expenditures	Projected Fund Balance 6/30/2020
GENERAL FUND					
01 General	\$ 10,000,000	\$ 17,455,155	\$ 20,154,513	\$ (2,699,358)	\$ 7,300,642
ENTERPRISE FUNDS					
05 Sewer Operating	120,000	6,359,258	6,356,152	3,106	123,106
06 Sewer Capital	7,920,000	146,557	6,148,046	(6,001,489)	1,918,511
Total Enterprise Funds	8,040,000	6,505,815	12,504,198	(5,998,383)	2,041,617
SPECIAL REVENUE FUNDS					
07 Storm Drain Operating	230,000	50,612	54,386	(3,774)	226,226
09 Main Street Bridge	1,700,000	3,774	450,000	(446,226)	1,253,774
10 Gas Tax	200,000	485,311	336,746	148,565	348,565
11 Streets and Roads	7,870,000	5,809,632	6,735,862	(926,230)	6,943,770
12 Measures A and W	430,000	572,910	91,387	481,523	911,523
13 Traffic Mitigation	1,680,000	35,822	-	35,822	1,715,822
15 Library	110,000	-	109,996	(109,996)	4
16 Library Capital	2,130,000	-	2	(2)	2,129,998
17 Park/Facilities Development	1,060,000	1,473,793	1,971,827	(498,034)	561,966
19 Affordable Housing	2,060,000	411,322	(40)	411,362	2,471,362
25 Capital General	1,300,000	605,000	1,699,578	(1,094,578)	205,422
22 Police Grants	330,000	120,560	409,283	(288,723)	41,277
14 Drainage Capital	750,000	156,846	872,070	(715,224)	34,776
48 Public Facilities	640,000	885,567	1,108,321	(222,754)	417,246
79 Land Assets ¹	-	-	-	-	-
Total Special Revenue and Capital Funds	20,490,000	10,611,149	13,839,418	(3,228,269)	17,261,731
INTERNAL SERVICE FUNDS					
61 Vehicle Replacement	910,000	12,789	151,891	(139,102)	770,898
62 Equipment Replacement	50,000	206,596	156,596	50,000	100,000
63 Risk Management	1,810,000	655,334	631,684	23,650	1,833,650
64 Retirement Stabilization Fund	1,150,000	1,004,998	877,534	127,464	1,277,464
Total Internal Service Funds	3,920,000	1,879,717	1,817,705	62,012	3,982,012
DEBT SERVICE FUNDS					
78 Judgment Obligation Bond -Series B	11,660,000	127,040	11,787,040	(11,660,000)	-
Total Debt Service Funds	11,660,000	127,040	11,787,040	(11,660,000)	-
Total Other Funds	\$ 44,110,000	\$ 19,123,721	\$ 39,948,361	\$ (20,824,640)	\$ 23,285,360
Total All Funds	\$ 54,110,000	\$ 36,578,876	\$ 60,102,874	\$ (23,523,998)	\$ 30,586,002

¹ Land Asset fund balance (Glencree and Beechwood) no longer included because it is not a fund balance available for appropriations.

City of Half Moon Bay

“Gann” Appropriations Limit

Article XIII B of the California State Constitution set an appropriations limit for governmental agencies. It became effective in Fiscal Year FY 1979-80 by passage of Proposition 4 (“The Gann Initiative”) and was modified by Proposition 111 in November 1989. With FY 1978-79 appropriations as the starting point, the limit is modified by the year-to-year changes both in per capita income and population, using the following alternative percentage changes for each:

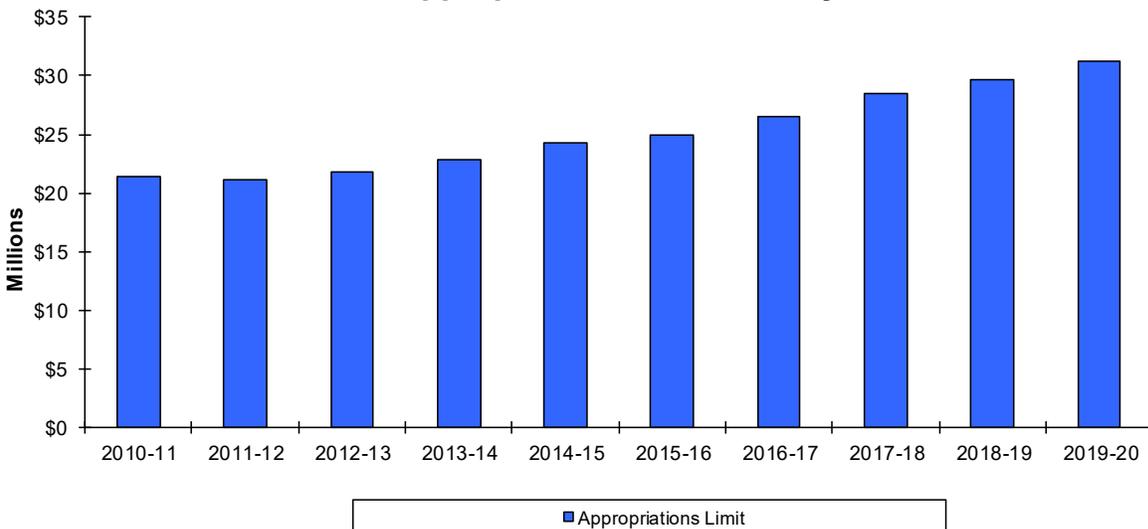
- (1) Income growth -
 - a. California per capita personal income, or
 - b. Nonresidential assessed valuation due to new construction in the city.
- (2) Population growth -
 - a. City of Half Moon Bay, or
 - b. County of San Mateo.

Article XIII B also sets the guidelines as to what can be included in the appropriations limit, using “Proceeds of Taxes,” as defined in the Article, in the limit calculations. The City has remained well below the appropriations limit. It is unlikely that the limit will apply in the near future.

APPROPRIATIONS LIMIT CALCULATION FY 2019-20

FY 2018-19 Appropriation Limit	\$31,224,802
Per Capita Personal Income Growth	3.85% 1.0385 factor
Population Change	0.58% 1.0058 factor
Calculation of factor for FY 2019-20	1.0385 X 1.0058 = 1.0445233
FY 2019-20 Appropriation Limit	\$32,615,033

Appropriations Limit History



RESOLUTION NO. C-2019-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY, CALIFORNIA, ESTABLISHING THE APPROPRIATION LIMIT PURSUANT TO CALIFORNIA CONSTITUTION ARTICLE XIII B, AND SECTION 7900 ET. SEQ OF THE CALIFORNIA GOVERNMENT CODE FOR FISCAL YEAR 2019-20

WHEREAS, Article XIII B is an amendment to the California Constitution placing a restriction on the amount of proceeds of tax revenue which can be appropriated by state and local governments during a fiscal year; and

WHEREAS, the total appropriation subject to limitation shall not exceed the appropriation limit of the City of Half Moon Bay for the prior fiscal year, as adjusted for inflationary and population changes; and

WHEREAS, the City Council is required to elect which adjustment factors will be used to calculate the limit: (1) either the annual growth in California per capita personal income or the growth in non-residential assessed valuation due to new construction within the City, and (2) either the population growth in the City of Half Moon Bay or population growth in the County of San Mateo, as provided by the State Department of Finance; and

WHEREAS, the City Council has considered the matter at a regular scheduled City Council meeting.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby adopts the appropriations limit for the Fiscal Year 2019-20, as calculated in Exhibit A, and hereby determines the amount to be thirty-two million, six hundred fifteen thousand thirty-three dollars (\$32,615,033) for the City of Half Moon Bay, pursuant to Article XIII B of the California Constitution.

The City selected the following adjustment factors for the calculation of this amendment to the appropriations limit for the 2019-20 fiscal year: (1) the population factor of the City of Half Moon Bay; and (2) the Percentage Change in Per Capita Personal Income over prior year, which were provided by the State of California Department of Finance in May 2019.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 18th day of June, 2019 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers: Brownstone, Penrose, Ruddock, Eisen, Rarback

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

Jessica Blair, City Clerk

APPROVED:

Harvey Rarback, Mayor

**CITY OF HALF MOON BAY
 FY 2019-20 BUDGET
 (GANN) APPROPRIATIONS LIMIT CALCULATIONS**

Appropriations Limit Worksheet

	<u>Amount</u>	<u>Type</u>
A LAST YEAR'S LIMIT	31,224,802	
B ADJUSTMENT FACTOR		
1. POPULATION	1.0058	STATE FINANCE
2. INFLATION	1.0385	STATE FINANCE
3. TOTAL ADJUSTMENT	1.0445233	(B1 x B2)
C ANNUAL ADJUSTMENT	1,390,231	(A x B3)
D OTHER ADJUSTMENTS	-	
E TOTAL ADJUSTMENTS	1,390,231	(C+D)
THIS YEAR'S LIMIT	32,615,033	(A+E)

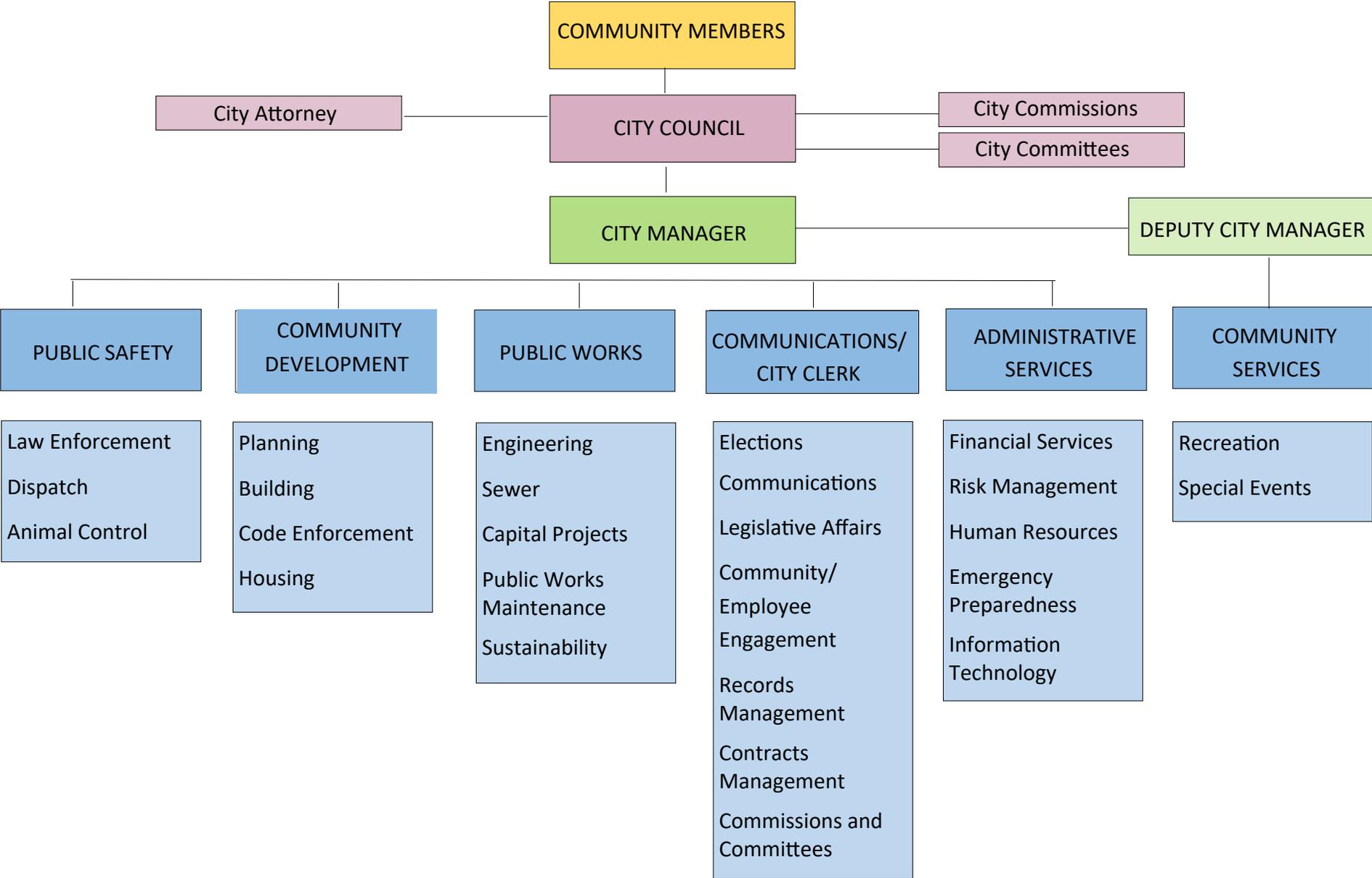


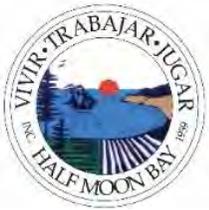
CITY OF HALF MOON BAY

Personnel Summary



City of Half Moon Bay Organizational Chart





City of Half Moon Bay Executive Team



City Manager
Bob Nisbet



City Attorney
Catherine Engberg



Communications Director/
City Clerk Jessica Blair



Deputy City Manager
Matthew Chidester



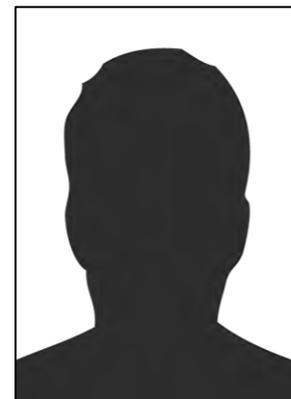
Public Works Director
John Doughty



Community Development
Director Jill Ekas



Captain Saul Lopez
San Mateo County Sheriff



Administrative Services
Director – Vacant

**City of Half Moon Bay
Fiscal Year Ending June 30, 2020
Personnel Summary**

Full-Time Equivalent	Actual 2015-16	Actual 2016-17	Actual 2017-18	Revised 2018-19	Proposed 2019-20
City Manager	1.00	1.00	1.00	1.00	1.00
Deputy City Manager	1.00	1.00	1.00	1.00	1.00
Administrative Services Director	0.00	0.00	1.00	1.00	1.00
Finance Director/City Treasurer	1.00	1.00	1.00	0.00	0.00
Public Works Director	0.00	1.00	1.00	1.00	1.00
Community Development Director	1.00	1.00	1.00	1.00	1.00
Administrative Services Manager	1.00	1.00	0.00	0.00	0.00
Communications Director/City Clerk	0.00	0.00	0.00	0.00	1.00
City Clerk	1.00	1.00	1.00	1.00	0.00
Accounting Technician	2.00	2.00	2.00	2.00	2.00
Administrative Assistant	2.00	2.00	4.00	4.00	3.00
Assistant Engineer	1.00	1.00	1.00	1.00	1.00
Associate Engineer	1.00	1.00	1.00	1.00	1.00
Associate Planner	0.00	0.00	1.00	2.00	2.00
Building Attendant	0.00	0.00	1.00	1.00	1.00
City Engineer	1.00	1.00	1.00	1.00	1.00
Communications Specialist	0.00	0.00	0.00	1.00	1.00
Community Preservation Specialist	0.00	0.00	0.00	1.00	1.00
Deputy City Clerk	1.00	1.00	0.00	0.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Finance Manager	0.00	0.00	1.00	1.00	1.00
Maintenance Worker (I/II)	3.00	3.00	5.00	4.00	5.00
Management Analyst	3.00	3.00	4.00	4.00	4.00
Permit Technician	1.00	1.00	1.00	1.00	1.00
Planning Manager	0.00	1.00	1.00	0.00	0.00
Public Works Superintendent	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator	0.00	1.00	1.00	1.00	1.00
Recreation Leader	0.00	1.00	1.00	1.00	2.00
Senior Accountant	1.00	1.00	0.00	0.00	0.00
Senior Maintenance Worker	0.00	0.00	0.00	2.00	2.00
Senior Management Analyst	1.75	2.50	2.00	2.00	3.00
Senior Planner	0.00	0.00	1.00	1.00	1.00
Total Regular Fulltime Employees	25.75	30.50	37.00	39.00	42.00

*FTE Count does not include limited term employees.

**City of Half Moon Bay
FY 2019-20 Budget
Staffing Level Summary**

Department Division	Actual 2016-17	Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
General Fund				
General Administration	12.40	12.40	12.60	12.85
Community Development				
Planning Services	4.05	4.05	5.00	5.20
Building and Code Enforcement	0.65	0.65	1.40	1.55
Total Public Works	4.70	4.70	6.40	6.75
Public Works				
Administration	0.00	0.00	0.00	2.40
Engineering	2.20	2.50	2.90	2.15
Facilities Maintenance	2.75	3.15	5.95	5.55
Total Public Works	4.95	5.65	8.85	10.10
Recreation Services				
Parks/Recreation	0.40	2.40	3.70	4.55
Community Services	0.00	0.00	0.00	1.35
Total Recreation Services	0.40	2.40	3.70	5.90
Total General Fund	22.45	25.15	31.55	35.60
Other Funds				
05 - Sewer Operating	1.65	1.80	1.90	2.00
11/12 - Streets & Roads/Measure A	1.00	1.15	2.25	2.15
14 - Storm Drains	0.90	0.90	0.20	0.35
17 - Parks Facilities	0.15	0.15	0.15	0.15
19 - Affordable Housing	0.00	0.00	0.00	0.00
48 - Public Facilities	0.15	0.15	0.00	0.80
61 - Vehicle Internal Service	0.10	0.10	0.00	0.00
63 - Risk Management	1.10	1.10	0.95	0.95
Total Permanent Staffing Levels (FTE)	27.50	30.50	37.00	42.00
City Council	5.00	5.00	5.00	5.00
Total Staffing Levels (FTE)	32.50	35.50	42.00	47.00

Service Area	Full Time Equivalents (FTE)				
	FY 2017-18	Net Change	FY 2018-19	Net Change	FY 2019-2020 Proposed
City Council	5.00	-	5.00	-	5.00
City Clerk/Communications	1.90	-	1.90	0.95	2.85
City Manager	3.10	0.70	3.80	(0.80)	3.00
Finance and Risk Management	4.60	-	4.60	0.90	5.50
Admin Svcs/HR/IT/Emergency Services	3.50	(0.30)	3.20	(0.75)	2.45
Community Development/Planning Services/Building Inspection	5.15	0.65	5.80	0.95	6.75
Public Works - Engineering/Facilities Maintenance	9.00	0.25	9.25	0.85	10.10
Public Safety	0.00	-	-	-	-
Recreation/Community Services	3.50	1.30	4.80	1.10	5.90
Other	5.25	0.40	5.65	(0.20)	5.45
TOTAL	41.00	3.00	44.00	3.00	47.00



CITY OF HALF MOON BAY

General Fund



General Fund Overview

The General Fund is the primary operating fund of the City and is used to account for day-to-day activities. It receives unrestricted revenue and provides City general administrative services, public safety and land development – related activities.

All general tax revenue and other revenues that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The General Fund is an unrestricted fund, and its resources can be used for any City service or governmental purpose.

The City's major revenue sources for the General Fund are transient occupancy (hotel) taxes, sales and property taxes, charges for services and other revenue.

The General Fund provides for the cost of operating City government and includes the City Attorney, City Clerk, City Council, City Manager, Finance, Risk Management, Human Resources, Information Technology, Emergency Services Operations, Public Safety, Planning Services, Building and Code Enforcement, Engineering, Facilities Maintenance, and Recreation Services. In addition, General Fund expenditures include capital projects and reserve funding.

The City provides services to the community using a combination of City staff, programs and contract services. The Community Development, Public Works, Engineering, Building, Administrative Services, Communications/City Clerk and City Manager departments consist primarily of City staff. This work is supplemented by contracts with other government agencies and service providers that provide the City with Animal Control, Building Inspection, Building Permit Processing including plan check, Dispatch, Engineering, Information Technology, Janitorial, Law Enforcement, Legal Services, Library Operations, and limited Landscaping Maintenance services.

BUDGET OVERVIEW

The General Fund budget for FY 2019-20 is \$17.5 million in revenue and \$17.2 million in operating expenditures, excluding capital and non-operating transfers. This will generate a structural surplus of \$0.3 million in the FY 2019-20 General Fund budget. The City continues to invest back to the community by substantially funding its aggressive Capital Improvement Program, including contributions from the General Fund. The FY 2019-20 General Fund contribution to the Capital Program is \$3.0 million. The fund balance/reserves are projected to be \$7.3 million at June 30, 2020, representing a reduction of \$1.4 million from June 30, 2019, due to the \$3.0 million contribution to CIP.

GENERAL FUND REVENUES

Unlike appropriations that can be established at the direction of the City, many key revenue sources are controlled by external forces to the City. For instance, property tax revenue varies with real estate values, and development-related revenue is affected by the volume and type of building permits and plan check requests. Sales tax and transient occupancy tax (TOT) revenues are subject to local and national economic cycles, businesses' decision to locate in the community and travel activity of businesses and tourists.

Three sources make up almost 75% of the revenue in the General Fund: Transient Occupancy (Hotel) Tax, Property Tax and Sales Tax. These revenues are projected to increase by 3% over the FY 2018-19 budget. All other revenues with some exceptions are estimated to go up by 2%.

General Fund revenue overall is projected to come in higher than the current year’s budget by 2%, as the economy continues to grow.

Key general fund revenue categories are further described below:

Transient Occupancy Taxes (TOT)

Transient occupancy taxes are assessed on The City’s thirteen hotels, motels, bed & breakfast establishments, and three campgrounds at a rate of 12%, generating the City’s largest source of revenue. Based on information provided by the City’s Chamber of Commerce, the 640 available rooms in 2019 averaged 68% occupancy. TOT revenue has increased at a healthy rate for the last 10 years.

Property tax

Property tax is the City’s second largest revenue source. Property tax revenue is collected and distributed by the County of San Mateo based on applying the constitutionally limited tax rate of 1% to the assessed value of certain secured and unsecured properties as determined by the County Assessor.

Where Do Property Taxes Go?*



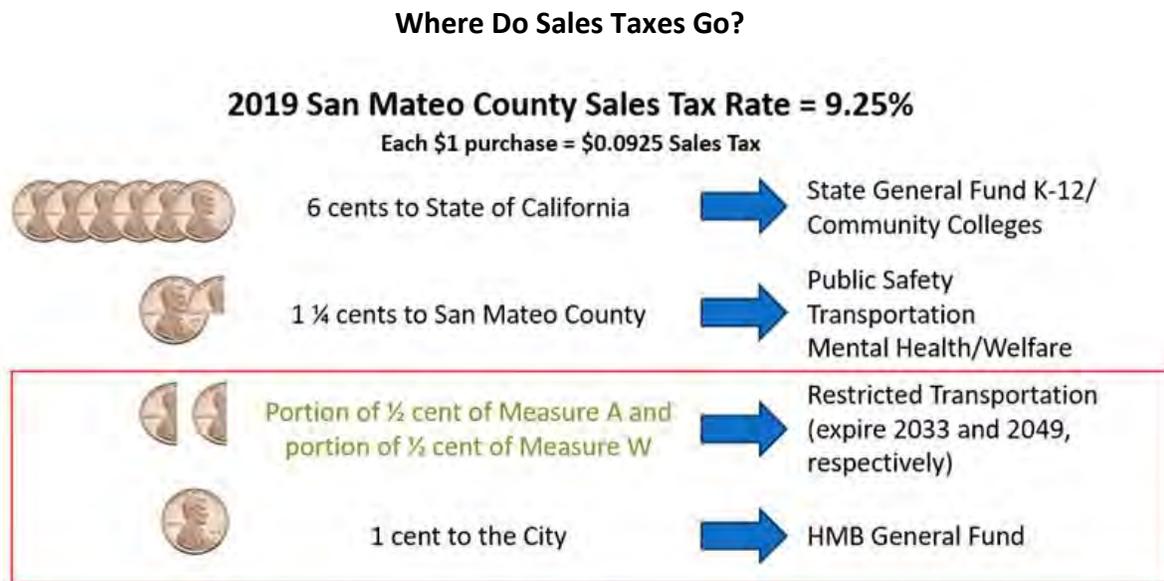
*Based on the City’s largest Tax Rate Area (TRA)

The City considers the historical rate of changes and potential economic conditions when forecasting property tax revenue. Property tax revenue shows increases based on figures from the San Mateo County Assessor's Office.

This revenue includes the distributions of excess Educational Revenue Augmentation Fund (ERAF) at 50% of the historic distribution level due to the uncertain nature of these revenues.

Sales and Use Tax

The Sales Tax is currently the City's third largest revenue source. Sales tax is collected by the State Board of Equalization against tangible items. The local portion is distributed to cities and counties based on the location of the sale. The City of Half Moon Bay receives 1¢ on every \$1 purchase as listed in the chart below.



Most of Half Moon Bay Sales Tax is generated from three major economic sectors, listed below. Approximately 76% of the City's total sales tax is generated from twenty-five businesses.

- Food (grocery, restaurants) – 47%
- General Retail – 15%
- Transportation (car sales, gas station) – 22%
- Other – 16%

The City's sales tax revenues are expected to continue to rise modestly, assuming favorable economic conditions continue.

Other Taxes

Other taxes include franchise fees assessed on franchise agreements with utility companies, and business license registration taxes that are being assessed on all businesses operating within the City limits.

Charges for Services

Cost of Services fees are revised on an annual basis based on a comprehensive review of actual cost. This revenue source is approximately 5% of General Fund revenue.

In FY 2017-18, staff completed a comprehensive citywide user fee study, conducted by an outside consultant. The study revised the method of calculating user-based fees, that will allow the City to accurately account for the true cost of providing various programs and services within City operations and approach full cost recovery when setting user fees. Based on the results of the study and Council adoption of the revised Master Fee Schedule, the City moved from a 56% to close to 99% recovery rate for the majority of City services that provide private benefit (e.g. most of building and planning services), while still being able to offer subsidies for services that provide public benefit (e.g. public safety, recreation, and senior services).

Other Revenues

This revenue category includes San Mateo County reimbursement relating to unfunded pension liability for safety personnel that the City pays directly to CalPERS, golf fees per the development agreement with Ocean Colony and parking fees.

GENERAL FUND EXPENDITURES

The FY 2019-20 General Fund total expenditure budget is \$20.2 million, which includes \$17.2 million in operating expenditures and \$3 million in capital transfers to fund the City's FY 2019-20 Capital Improvement Program. This is an increase of \$2.4 million or 13.5% over the FY 2018-19 budget of \$17.8 million, primarily due to the increase in contribution to the CIP, additions to the budget to address Council priorities, and regular COLA adjustments.

TRANSFERS FOR CAPITAL PROJECT FUNDS

The General Fund makes contributions to the City's Capital Improvement Plan (CIP) that is budgeted in various Special Revenues and Capital Funds.

Staff always strives to identify probable funding sources for projects and explore outside funding sources whenever possible. These include Federal and State Grants, County contributions, Gas Tax and various other tax measures. When no external sources of funding can be identified, General Funds are allocated to help cover the cost of projects.

The proposed 5-Year Capital Improvement Program (CIP) has a total FY 2019-20 budget of \$15.5 million, which includes a \$3 million contribution from the General Fund. The CIP has 46 programs and projects scheduled for FY 2019-20, with 17 of those improvements scheduled for completion by the end of the fiscal year. Additional information on the CIP can be found in the FY 2019-24 CIP Budget document.

RESERVES AND ASSIGNED FUNDS

The City's Fund Balance Policy identifies fund balances (or reserves) as falling into the following categories: Restricted, Committed, Assigned or Unassigned. In accordance with GASB Statement No. 54 requirements and the City policy, the Council established the following designations for General Fund Committed Fund Balances:

- Operating Contingency Reserve of 30% of annual expenditures (\$5 million)
- Economic Uncertainty Reserve of target 20% of annual expenditure (\$2.6 million)

The General Fund balance components are detailed in the table below. The City will have a balanced budget for FY 2019-20 with no ending undesignated fund balance.

GENERAL FUND (RESTRICTED & UNRESTRICTED BALANCES)

Designations	Actual 2017-18	Budget 2018-19¹	Recommended Budget 2019-20²
Beginning Fund Balance	\$ 11,057,160	\$ 9,962,452	\$ 10,000,000
Total Revenue	16,499,748	16,540,058	17,455,155
Net Operating Expenditures	10,560,924	13,478,351	15,109,432
Operating Transfers	1,626,766	2,362,690	2,045,081
Total Operating Expenditures	12,187,690	15,841,041	17,154,513
Capital Transfers	3,780,001	1,918,705	3,000,000
Total Expenditures	17,594,456	17,759,746	20,154,513
Ending Fund Balance	9,962,452	8,742,764	7,300,642
Operating Contingency (30% of Op. Exp.)	3,656,307	4,752,312	5,146,354
Assigned for Main Street Bridge Contingencies	1,500,000	1,500,000	-
Economic Uncertainty Reserve ³ (Target 20% Op. Exp.)	-	-	2,154,288
Total Designations	\$ 5,156,307	\$ 6,252,312	\$ 7,300,642
Undesignated Fund Balance	\$ 4,806,145	\$ 2,490,452	\$ -
Ending Fund Balance as % of Net Op. Expenses	94%	65%	48%
Ending Fund Balance as % of Total Op. Expenses	82%	55%	43%

¹ Fund balances for the Adopted Budget 2018-19 reflect audited FY 2017-18 ending balance and budgeted revenues and expenditures.

² Beginning Balance for FY 2019-20 higher than budgeted FY 2018-19 ending balance due to anticipated favorable variances in budgeted revenues and expenditures.

The Committed Contingency Reserve provides funds for the City to cover unexpected and sharp drops in revenues due to the economy, emergency events and other unanticipated expenditures and events. The City's policy requires this reserve to be 30% of budgeted annual operating expenditures. In calculating the FY 2019-20 operating contingency reserves, staff included operating transfers in the expenditures figures and set aside \$5 million for this purpose.

The assigned Economic Uncertainty Reserve is new and is in preparation for the next recession, considered overdue by historical standards. The goal of this reserve is to have 20% of budgeted annual operating expenditures which would amount to \$3.2 million. The FY 2019-20 budget provides \$2.6 million for this reserve.

Altogether, General Fund projected fund balance of \$7.6 million represents 46% (vs 49% in the FY 2018-19 budget) of operating General Fund expenditures.

**City of Half Moon Bay
FY 2019-20 Recommended Budget
General Fund Summary**

	Actual 2017-2018	Budget 2018-19	Recommended 2019-20
Revenue	\$ 16,843,109	\$ 16,540,058	\$ 17,455,155
Operating Expenditures	(11,921,403)	(13,478,351)	(15,109,432)
General Fund Transfers Out- Operating	(2,685,180)	(2,362,690)	(2,045,081)
Excess of Operating Revenue Over/(Under) Expenditures	2,236,526	699,017	300,642
General Fund Transfers Out - Capital (CIP)	(3,166,016)	(1,918,705)	(3,000,000)
Net Change to General Fund	(929,490)	(1,219,688)	(2,699,358)
Beginning Total Fund Balance	8,570,000	9,960,000	10,000,000
Ending Fund Balance	9,960,000	7,300,642	7,300,642
Committed Contingency Reserve	(4,381,975)	(4,752,312)	(5,146,354)
Assigned Contingency Reserves			
Economic Uncertainty Reserve	-	-	(2,154,288)
Main Street Bridge Contingency	(1,500,000)	(1,500,000)	-
Unassigned Fund Balance	\$ 4,078,025	\$ 1,048,330	\$ -

Excess Revenue Over/(Under) Expenditures

There is a structural surplus in the FY 2019-20 budget of \$300,642, which is down 57% from the FY 2018-19 budget surplus.

Committed Contingency Reserve

The City's reserve policy requires a reserve of 30% of budgeted annual operating expenditures. The FY 2019-20 budget is in compliance with policy and allocates \$5.15 million as a General Fund contingency reserve.

Assigned Reserves for FY 2019-20

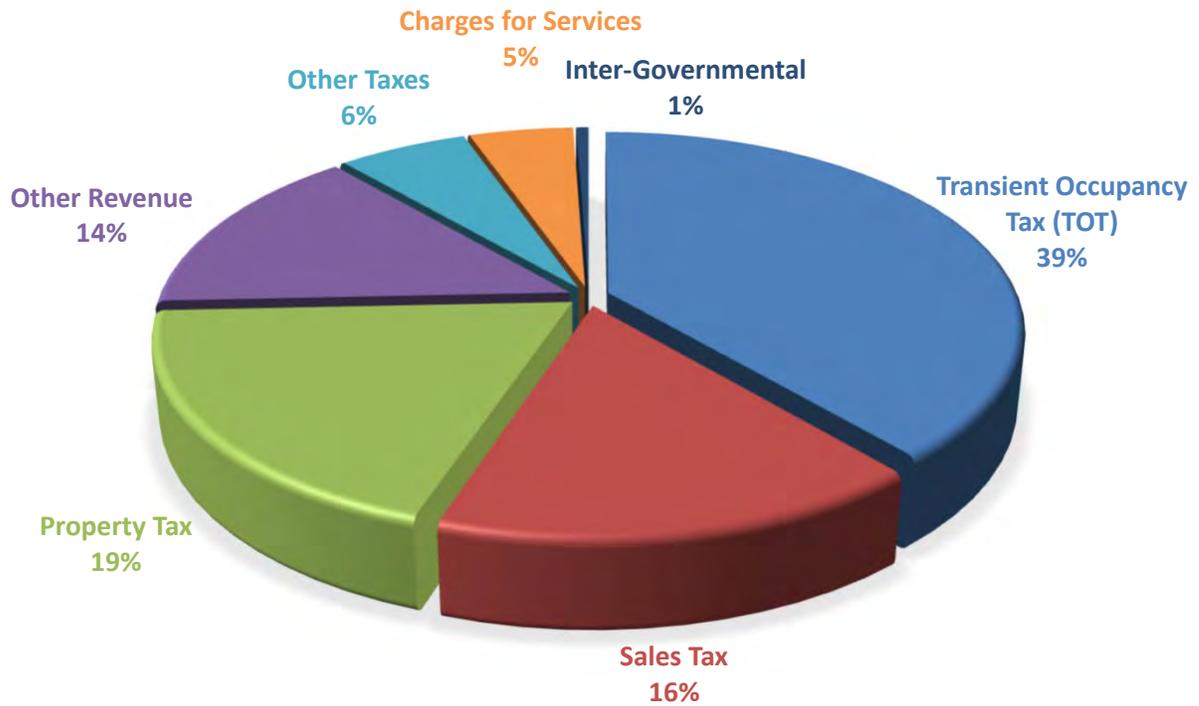
In prior years, the City assigned \$1.5 million for Main Street Bridge contingencies. As of FY 2019-20, that reserve has been discontinued. Beginning in FY 2019-20, the City created an Economic Uncertainty Reserve targeted at 20% of budgeted annual operating expenditures.

City of Half Moon Bay
FY 2019-20
General Fund Revenue Detail

Description	Actual 2016-17	Actual 2017-18	Adopted 2018-19	Recommended 2019-20
Taxes				
Transient Occupancy Tax	\$6,024,855	\$6,434,808	\$6,603,000	\$6,801,090
Property Tax	\$3,134,138	\$3,386,659	3,268,250	3,364,798
Sales & Use Tax	\$2,514,852	\$2,836,614	2,791,538	2,875,123
Franchise Fees and Tax	\$626,443	\$668,277	709,000	723,180
Business License Tax	\$293,223	\$318,815	320,000	326,400
Total Taxes	12,593,511	13,645,172	13,691,788	14,090,591
Intergovernmental				
Dept of Motor Vehicles Fees (VLF)	6,407	6,628	8,000	8,160
State Reimbursements (POST/SB90)	2,529	-	3,500	-
Total Intergovernmental	8,936	6,628	11,500	8,160
Charges for Services				
Building Permits	401,324	308,737	360,895	250,073
Engineering & Planning Fees	135,305	442,204	261,708	312,392
Police Services	95,883	192,192	135,500	140,052
Recreation Services	10,080	87,536	186,000	72,220
Other	25,625	23,090	67,000	68,340
Total Charges for Services	668,218	1,053,760	1,011,103	843,077
Other Revenue				
Other Fees	614,781	407,616	190,600	425,246
Golf Fees	398,027	440,559	439,000	447,780
Interest	96,563	153,020	26,200	26,724
Parking	125,224	125,850	135,300	140,006
County Credit Reimbursement	555,822	541,121	535,548	556,649
Allocation In from Other Funds	288,956	444,430	486,754	916,922
Total Other Revenues	2,079,373	2,112,596	1,813,402	2,513,327
Ongoing General Fund Revenue ¹	15,350,038	16,818,156	16,527,793	17,055,155
Total General Fund Revenue	\$15,350,038	\$16,818,156	\$16,527,793	\$17,455,155

¹Excludes one-time transfer of \$400,000 from Judgement Obligation Fund B (Fund 78).

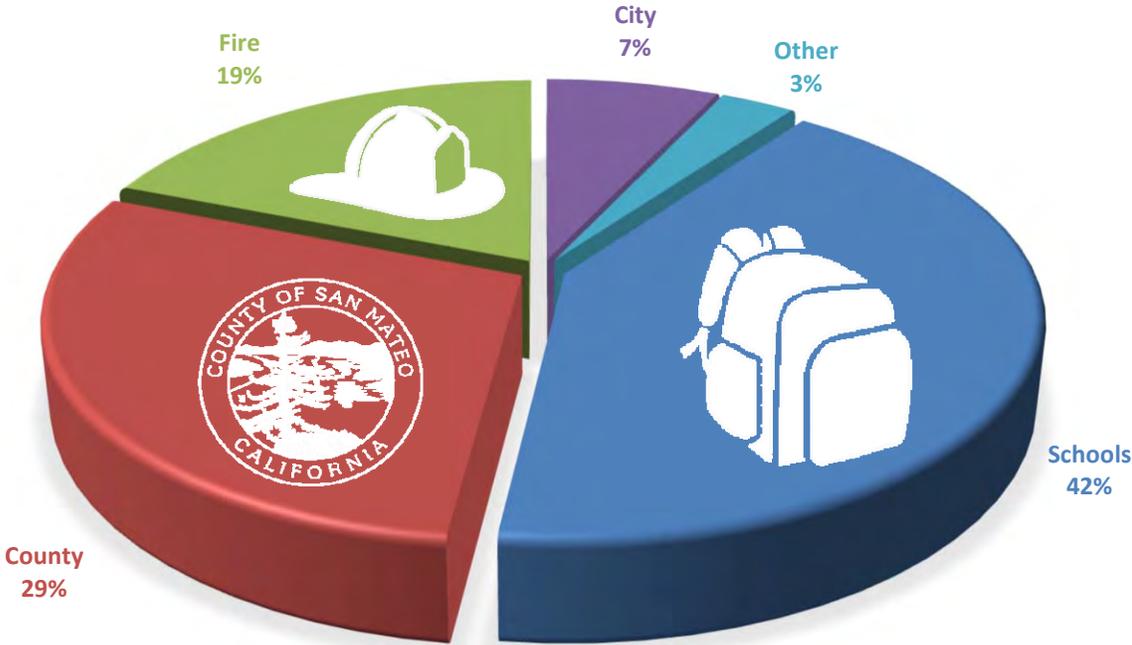
**City of Half Moon Bay
FY 2019-20 Budget
General Fund Revenue**



Transient Occupancy Tax (TOT)	\$6,801,090
Sales Tax	2,875,123
Property Tax	3,364,798
Other Revenue	2,513,327
Other Taxes	1,049,580
Charges for Services	843,077
Inter-Governmental	8,160
Total FY 2019-20 Budget	<u><u>\$ 17,455,155</u></u>

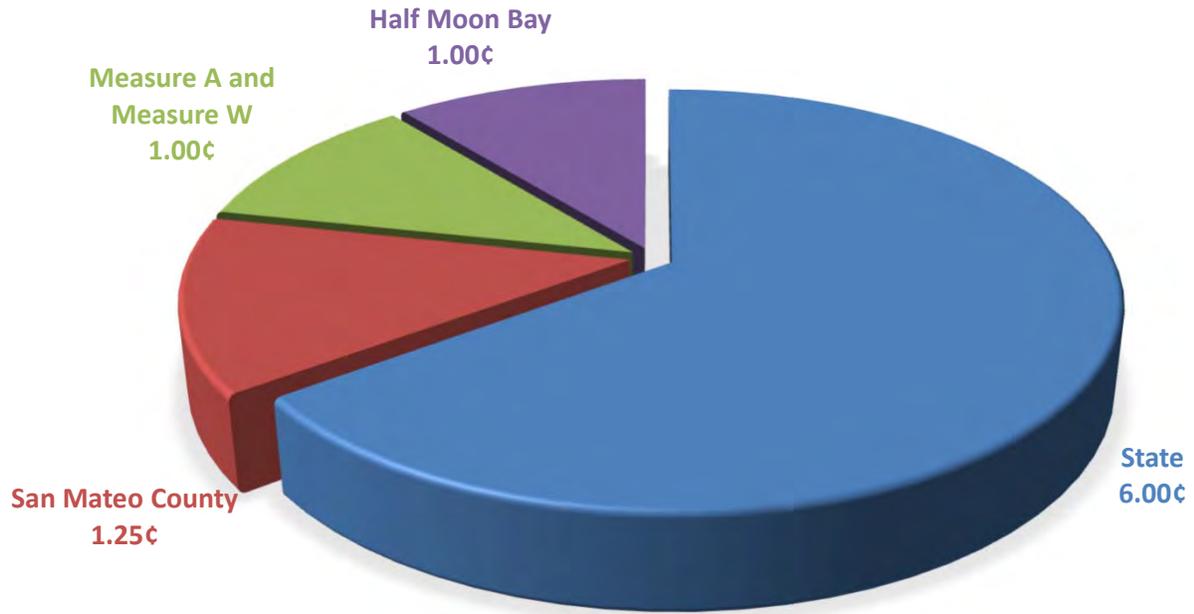
The City of Half Moon Bay's three primary revenue sources are Transient Occupancy Tax (TOT), Property Tax, and Sales Tax, which comprise 75% of total General Fund Revenue.

**City of Half Moon Bay
FY 2019-20 Budget
Property Tax Revenue**



The City of Half Moon Bay is a low property tax city with a share of 7% of Property Taxes. The average allocation percentage for San Mateo County cities is 18%.

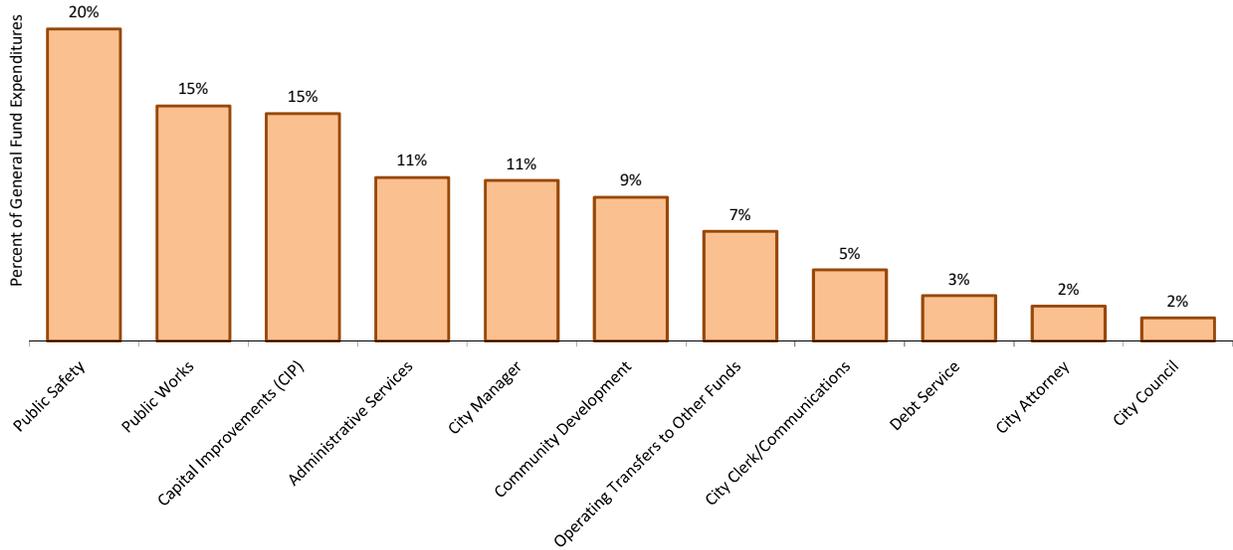
**City of Half Moon Bay
 FY 2019-20 Budget
 Sales Tax Revenue (9.25%)**



Half Moon Bay Sales Tax is generated primarily from three sectors. Approximately 76% of total Sales Tax is generated from twenty-five businesses.

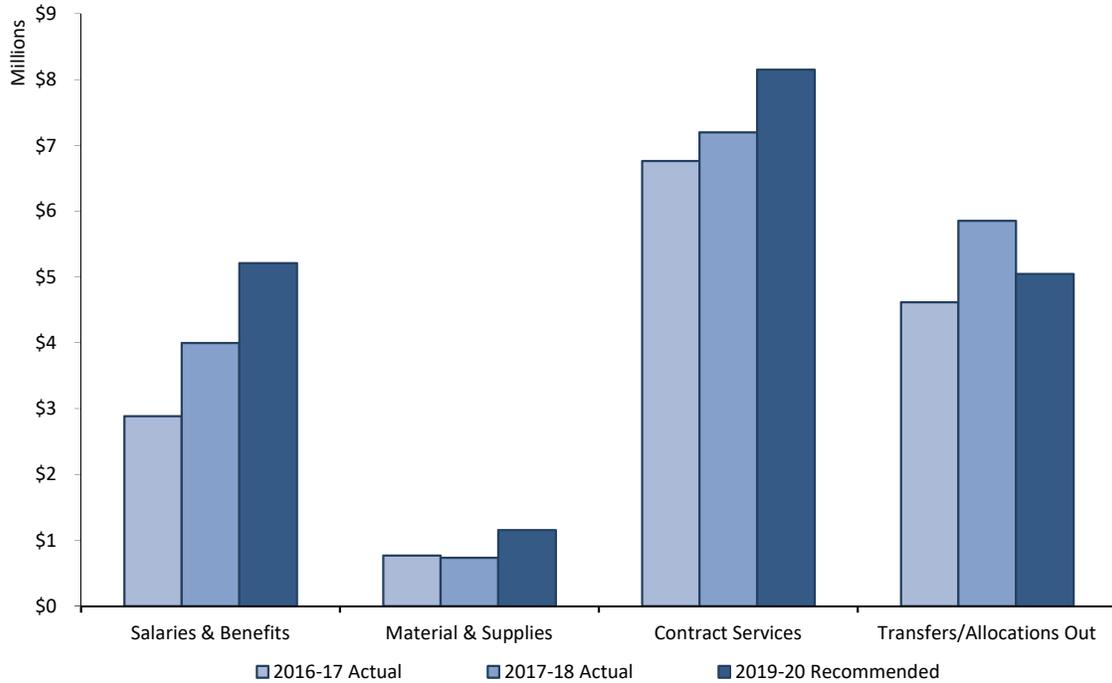
Food (grocery, restaurants)	45%
General Retail	17%
Transportation (car sales, gas stations)	21%
Other	17%
	<u>100%</u>

**City of Half Moon Bay
FY 2019-20 Budget
General Fund Expenditures**



Public Safety	\$ 4,116,032
Public Works	\$ 3,101,872
Capital Improvements (CIP)	\$ 3,000,000
Administrative Services	\$ 2,158,590
City Manager	\$ 2,118,248
Community Development	\$ 1,898,136
Operating Transfers to Other Funds	\$ 1,450,000
City Clerk/Communications	\$ 940,156
Debt Service	\$ 600,000
City Attorney	\$ 463,500
City Council	\$ 307,978
Total FY 2019-20 Budget	<u>\$ 20,154,513</u>

**City of Half Moon Bay
FY 2019-20 Budget
General Fund Expenditures Trend - By Type**



Expenditures	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2019-20 Recommended	2018-19 vs 2019-20\$	2018-19 vs 2019-20%
Salaries & Benefits	\$ 2,882,228	\$ 3,995,516	\$ 4,794,233	\$ 5,207,409	\$ 413,176	8.6%
Material & Supplies	768,194	730,855	1,046,800	1,153,957	\$ 107,157	10.2%
Contract Services	6,760,078	7,195,031	7,637,318	8,148,066	\$ 510,748	6.7%
Transfers/Allocations Out	4,614,804	5,851,196	4,281,395	5,045,081	\$ 763,686	17.8%
Debt Service ¹	-	-	-	600,000	\$ 600,000	N/A
Total General Fund Exp.	\$ 15,025,304	\$ 17,772,599	\$ 17,759,746	\$ 20,154,513	\$ 2,394,767	13.5%

Salaries and Benefits

The following new positions were added to FY 2019-20 Budget:

Senior Management Analyst

Recreation Leader I

Maintenance Worker II

Contract Services

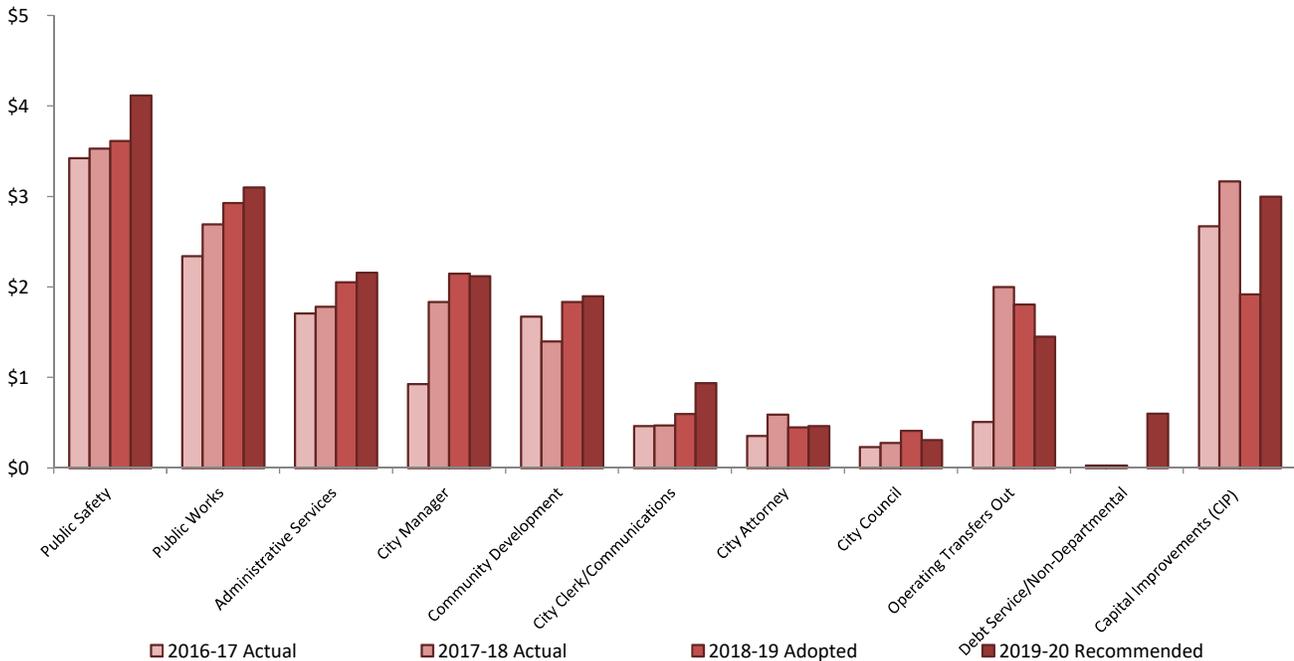
The City of Half Moon Bay contracts with outside service providers for animal control, building inspection, including plan check, dispatch, information technology, janitorial services, law enforcement, legal services, library, and some minimal landscaping maintenance.

Transfers

Transfers include Capital Improvement Program (CIP) funding, debt service, and reserve funding.

¹Debt Service on county loan is new to general fund in FY 2019-20. There are no prior amounts available for comparison.

**City of Half Moon Bay
FY 2019-20 Budget
General Fund Expenditures Trend - By Department**



Expenditures	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2019-20 Recommended	2017-18 vs 2018-19 %	2018-19 vs 2019-20 %
Public Safety	\$ 3,424,435	\$ 3,527,924	\$ 3,614,926	\$ 4,116,032	2.5%	13.9%
Public Works	\$ 2,342,524	\$ 2,692,665	\$ 2,927,462	\$ 3,101,872	8.7%	6.0%
Administrative Services	\$ 1,706,584	\$ 1,782,797	\$ 2,054,014	\$ 2,158,590	15.2%	5.1%
City Manager	\$ 928,623	\$ 1,834,068	\$ 2,146,732	\$ 2,118,248	17.0%	-1.3%
Community Development	\$ 1,673,975	\$ 1,400,234	\$ 1,833,892	\$ 1,898,136	31.0%	3.5%
City Clerk/Communications	\$ 465,269	\$ 472,213	\$ 598,153	\$ 940,156	26.7%	57.2%
City Attorney	\$ 354,229	\$ 591,857	\$ 450,000	\$ 463,500	-24.0%	3.0%
City Council	\$ 230,862	\$ 277,130	\$ 409,323	\$ 307,978	47.7%	-24.8%
Departmental Expense Subtotal	\$ 11,126,501	\$ 12,578,888	\$ 14,034,502	\$ 15,104,513	11.6%	7.6%
Operating Transfers Out	\$ 509,947	\$ 2,001,417	\$ 1,806,539	\$ 1,450,000	-9.7%	100.0%
Debt Service/Non-Departmental	\$ 26,384	\$ 26,278	\$ -	\$ 600,000	-100.0%	N/A
Operating Expenses Subtotal	\$ 11,662,832	\$ 14,606,583	\$ 15,841,041	\$ 17,154,513	8.5%	8.3%
Capital Improvements (CIP)	\$ 2,671,933	\$ 3,166,016	\$ 1,918,705	\$ 3,000,000	-39.4%	56.4%
Total General Fund Exp.	\$ 14,334,765	\$ 17,772,599	\$ 17,759,746	\$ 20,154,513	-0.1%	13.5%

Communications

The City has created a new Communications Department which will be responsible for Community Engagement, Advertising, and Web/Social Media outreach, which were previously under the City Manager, City Clerk, and individual departments, as needed. One Communications Specialist and 40% of the reclassified City Clerk/Communications Director position were allocated to the FY 2019-20 budget for this department.

Public Works

One Senior Management Analyst and one Maintenance Worker II positions were added to the FY 2019-20 budget.

Capital Improvements (CIP)

A one-time transfer of General Fund reserves to Capital Improvement projects (CIP) has been budgeted for FY 2019-20.

Community Development

The previously approved but not budgeted Community Preservation Specialist has been added to the FY 2019-20 budget.

Recreation and Community Services

One Recreation Leader position was added to the FY 2019-20 budget.

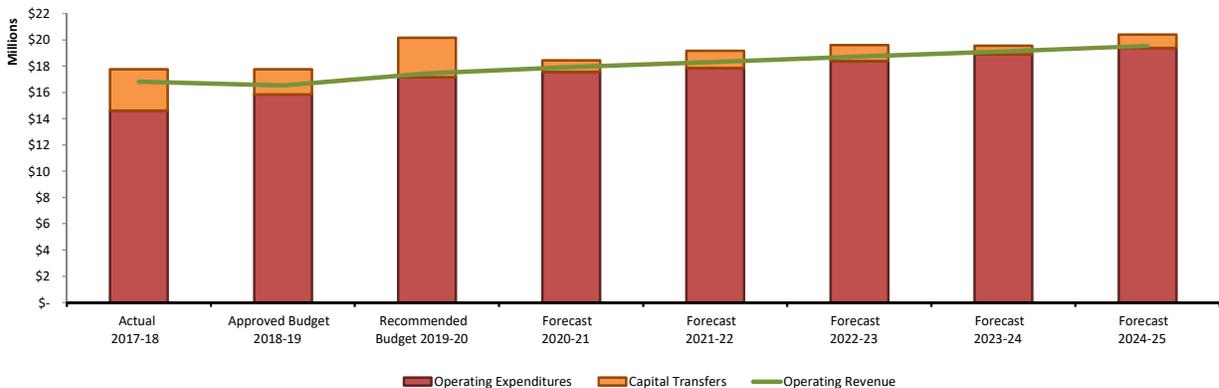
**City of Half Moon Bay
FY 2019-20 to FY 2024-25
General Fund Projections**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
REVENUES	Actual	Adopted Budget	Recommended Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Transient Occupancy Tax	\$ 6,434,808	\$ 6,603,000	\$ 6,801,090	\$ 7,005,123	\$ 7,145,225	\$ 7,288,130	\$ 7,433,893	\$ 7,582,571
% Change	6.80%	2.61%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%
Property Taxes	\$ 3,386,659	\$ 3,268,250	\$ 3,364,798	\$ 3,432,094	\$ 3,500,736	\$ 3,570,751	\$ 3,642,166	\$ 3,715,009
% Change	6.67%	-3.50%	2.95%	2.00%	2.00%	2.00%	2.00%	2.00%
Sales Taxes	\$ 2,836,614	\$ 2,791,538	\$ 2,875,123	\$ 2,981,503	\$ 3,079,893	\$ 3,178,450	\$ 3,276,982	\$ 3,375,291
% Change	12.79%	-1.59%	2.99%	3.70%	3.30%	3.20%	3.10%	3.00%
Total Other Taxes	\$ 987,092	\$ 1,029,000	\$ 1,049,580	\$ 1,070,572	\$ 1,091,983	\$ 1,113,823	\$ 1,136,099	\$ 1,158,821
% Change	7.33%	4.25%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Revenue	\$ 3,172,984	\$ 2,836,005	\$ 3,364,564	\$ 3,431,855	\$ 3,500,492	\$ 3,570,502	\$ 3,641,912	\$ 3,714,750
% Change	34.69%	-10.62%	18.64%	2.00%	2.00%	2.00%	2.00%	2.00%
Total General Fund Revenue	\$ 16,818,156	\$ 16,527,793	\$ 17,455,155	\$ 17,921,147	\$ 18,318,329	\$ 18,721,656	\$ 19,131,052	\$ 19,546,442
% Change	11.22%	-1.73%	5.61%	2.67%	2.22%	2.20%	2.19%	2.17%

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
EXPENDITURES	Actual	Adopted Budget	Recommended Budget	Forecast	Forecast	Forecast	Forecast	Forecast
Salaries & Benefits	3,995,516	4,794,233	5,207,409	5,378,129	5,539,473	5,705,658	5,876,827	6,053,133
% Change	26.68%	16.66%	7.93%	3.28%	3.00%	3.00%	3.00%	3.00%
Materials & Supplies	730,855	1,046,800	1,153,957	1,188,576	1,224,233	1,260,960	1,298,789	1,337,753
% Change	-5.32%	30.2%	9.3%	3.00%	3.00%	3.00%	3.00%	3.00%
Contract Services	7,195,031	7,637,318	8,148,066	8,392,508	8,644,283	8,903,611	9,170,719	9,445,841
% Change	6.78%	5.79%	6.27%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Service	-	-	600,000	600,000	600,000	600,000	600,000	600,000
%Change	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OP Transfers & Allocations	\$ 2,685,180	\$ 2,362,690	\$ 2,045,081	2,015,451	1,842,966	1,917,092	1,959,728	1,956,106
% Change	27.64%	-14%	-16%	-1.45%	-8.56%	4.02%	2.22%	-0.18%
Capital	\$ 3,166,016	\$ 1,918,705	\$ 3,000,000	\$ 855,000	\$ 1,319,961	\$ 1,209,961	\$ 655,000	\$ 1,000,000
% Change	15.61%	-65.01%	36.04%	-71.50%	54.38%	-8.33%	-45.87%	52.67%
Total General Fund Expenses	17,772,599	17,759,746	20,154,513	18,429,664	19,170,916	19,597,282	19,561,063	20,392,833
% Change	15.45%	-0.07%	11.88%	-8.56%	4.02%	2.22%	-0.18%	4.25%

Structural Surplus (Excludes Capital)	\$ 2,211,573	\$ 686,752	\$ 900,642	\$ 946,483	\$ 1,067,374	\$ 934,335	\$ 824,989	\$ 753,609
Beginning Fund Balance	11,057,000	9,963,000	10,000,000	7,300,642	6,792,125	5,939,538	5,063,912	4,633,901
Ending Fund Balance	10,102,557	8,731,047	7,300,642	6,792,125	5,939,538	5,063,912	4,633,901	3,787,510
REVENUE OVER / (UNDER)	(954,443)	(1,231,953)	(2,699,358)	(508,517)	(852,587)	(875,626)	(430,011)	(846,391)

Transient Occupancy Tax (TOT) has increased by no less than 6% each year since FY 2009-10. The City conservatively assumes 3% annual increases in this forecast.
Property Tax is conservatively projected to increase 2% each year. Please note that excess Educational Revenue Augmentation Fund (ERAF) receipts are not included due to uncertainty.
Sales Tax is projected to increase by between 3.0% and 3.7% each year based on information provided by the City's external sales tax consultant.
OP Transfers and Allocations assume Operating Transfers of 10% of Total General Fund Expenses for FY 2020-21 through FY 2024-25.
Capital is based on the 5-year Capital Improvement Program (CIP) through FY 2023-24. FY 2024-25 is a placeholder estimate.



**City of Half Moon Bay
General Fund (01)
Statement of Revenue, Expenditures and Changes in Net Assets**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Taxes	\$ 12,593,511	\$ 13,645,172	\$ 13,691,788	\$ 14,090,591
Intergovernmental	8,936	30,531	11,500	8,160
Charges for Services	1,637,188	1,873,250	1,590,403	1,563,263
Interest	96,563	153,020	26,200	26,724
Other Revenue	724,983	696,706	733,413	849,495
Total Revenue	<u>\$ 15,061,181</u>	<u>\$ 16,398,679</u>	<u>\$ 16,053,304</u>	<u>\$ 16,538,233</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 2,882,228	\$ 3,995,516	\$ 4,794,233	\$ 5,207,409
Material & Supplies	768,194	730,855	1,046,800	1,153,957
Contract Services	6,760,078	7,195,031	7,637,318	8,148,066
Debt Service	-	-	-	600,000
Miscellaneous	(313)	-	-	-
Total Expenditures	<u>\$ 10,410,187</u>	<u>\$ 11,921,403</u>	<u>\$ 13,478,351</u>	<u>\$ 15,109,432</u>
Excess revenue over (under) expenditures	<u>\$ 4,650,994</u>	<u>\$ 4,477,277</u>	<u>\$ 2,574,953</u>	<u>\$ 1,428,801</u>
Other financing sources (uses)				
Transfers in/(out)				
Transfers In ¹	\$ 288,956	\$ 444,430	\$ 486,754	\$ 916,922
Transfers Out	(4,614,804)	(5,851,196)	(4,281,395)	(5,045,081)
Total financing sources (uses)	<u>\$ (4,325,848)</u>	<u>\$ (5,406,766)</u>	<u>\$ (3,794,641)</u>	<u>\$ (4,128,159)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 325,146</u>	<u>\$ (929,490)</u>	<u>\$ (1,219,688)</u>	<u>\$ (2,699,358)</u>
Beginning Net Assets, July 1 ²	<u>\$ 10,739,444</u>	<u>\$ 11,064,591</u>	<u>\$ 10,135,101</u>	<u>\$ 10,000,000</u>
Ending Net Assets, June 30	<u>\$ 11,064,591</u>	<u>\$ 10,135,101</u>	<u>\$ 8,915,413</u>	<u>\$ 7,300,642</u>

¹ FY 2019-20 includes a one-time transfer of \$400,000 from Judgement Obligation Bond Fund (Fund 78)

² Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.



CITY OF HALF MOON BAY

Department Budgets





City Council



City Council

Mission

The mission of the City Council of Half Moon Bay is to create policy related to providing high-quality public services and facilities in a fiscally sustainable, responsive, and friendly manner, which fosters a safe and healthy community in a semi-rural setting.

Description

The City Council is the governing body of the City. It provides community leadership, establishes policies that reflect the needs, wishes, and priorities of the community of Half Moon Bay and enacts laws and adopts resolutions and ordinances. The Mayor and City Council represent the City on various local, regional, and state policy committees and commissions. The City Council also reviews proposed State of California legislation and provides formal input into the legislative process. The City Council meets the first and third Tuesday of each month in formal public session and occasionally in additional special meetings and study sessions.

Service Priorities

- Deliberate on all matters brought before the City Council at its public meetings, and making decisions relative to those matters, while striving to meet the Elements of the Strategic Plan.
- Establish priorities for the City of Half Moon Bay.
- Allocate financial resources necessary to meet priorities and goals to provide community services.

Staffing

The Council is composed of five members who are elected at-large on a non-partisan basis for four-year staggered terms. The Mayor is appointed annually from among the elected Council members. Starting November 2020, members will be elected by-district with an at-large elected Mayor.

Service Level Changes

The current level of service will be maintained.

Budget Highlights / Summary of Changes

The City Council budget consists of funding for the five independently-elected Councilmembers as well as travel and miscellaneous expenses to carry out the work of the City.

Fiscal Year 2018-2019 Accomplishments

- Completed construction of the City's new 22,000 square foot library.
- Continued work on updating the City's General Plan and Local Coastal Program.
- Held four Council listening sessions with more than 150 participants.

- Continued to restore and remediate the former homeless encampment site on Pilarcitos Creek, responded to new encampments as they occurred, and continued to develop relationships with County and non-profits that serve the homeless.
- Adopted an ordinance to switch from at-large elections to by-district elections with an elected at-large Mayor.
- Completed the commercial cannabis tax analysis and white paper studies and prepared options for advisory ballot measures, a nursery ordinance, and a tax measure for commercial cannabis activities on the November election ballot.
- Continued efforts to maximize Transient Occupancy Tax collections, especially on short-term rentals and develop a short-term rental regulatory ordinance.
- Completed and implemented the Parks Master Plan by initiating improvements to existing Park facilities and working to identify locations for a new community-wide park.
- Hired a new City Manager.
- Adopted a smoking ordinance.

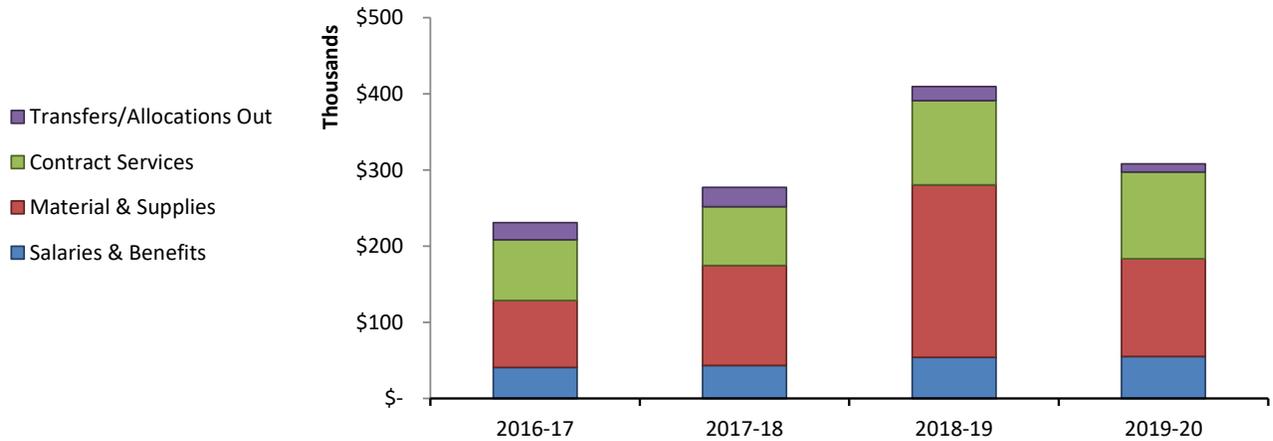
Fiscal Year 2019-2020 Goals / Strategic Plan Elements

- **Affordable Housing:** Develop a plan to best utilize and replenish the City's affordable housing funds; Research community land trust options and feasibility; Consider possible tenant protection measures (Healthy Communities and Public Safety)
- **Emergency Preparedness:** Update the City Emergency Operations Plan (EOP); Develop disaster specific preparedness plans and City emergency communications plan; Conduct Emergency Operations Center activation exercises in collaboration with community partners; Conduct Second Annual Coastside Preparedness Day; Train City staff to assist in emergency response (CERT style), CPR training for all staff; Develop bilingual emergency communications (Fiscal Sustainability, Healthy Communities and Public Safety, Inclusive Governance, Infrastructure and Environment)
- **Traffic and Transportation Demand Management:** Develop Transportation Demand Management (TDM) strategic plan; Develop TDM regulations; Implement CIP and Pedestrian and Bicycle Master Plan projects related to TDM; Enhance TDM collaboration with regional and local agencies (Healthy Communities and Public Safety, Inclusive Governance, Infrastructure and Environment)
- **Sustainability:** Develop a Climate Action and Adaptation Plan (CAAP); Develop Green Infrastructure Plan; Develop Sustainability Strategic Plan with timelines and goals for the City, businesses and residents; Implement projects to improve the sustainability of City operations and infrastructure (Fiscal Sustainability, Healthy Communities and Public Safety, Infrastructure and Environment)
- **\$15 Minimum Wage:** Conduct public outreach including a business survey and a community workshop; Develop draft regulations for City Council consideration; If implemented, develop education and outreach plan and materials (Healthy Communities and Public Safety, Inclusive Governance)

**City of Half Moon Bay
FY 2019-20 Budget**

City Council (01-11)

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 40,819	\$ 43,124	\$ 53,950	\$ 55,135
Material & Supplies	\$ 87,816	\$ 131,384	\$ 226,600	\$ 128,338
Contract Services	\$ 79,766	\$ 77,330	\$ 110,400	\$ 113,712
Transfers/Allocations Out	\$ 22,462	\$ 25,292	\$ 18,373	\$ 10,793
Total	\$ 230,862	\$ 277,130	\$ 409,323	\$ 307,978
Revenue Sources				
General Fund	\$ 230,862	\$ 277,130	\$ 409,323	\$ 307,978
City Council Members	5.00	5.00	5.00	5.00





City Manager



City Manager

Mission

The mission of the City Manager's Office is to provide overall leadership and management of the City, execute Council policy, and ensure that residents of Half Moon Bay receive fair treatment, excellent customer service, and appropriate stewardship of tax revenue, in support of a vibrant community with well-maintained infrastructure and a broad range of customary public services.

Description

The City Manager's Office provides overall management of City operations and oversight of City departments. The City Manager is responsible for carrying out the strategic goals, policies, and directives of the City Council, for the effective and cost-efficient management of City operations and personnel, and for preparing and submitting the annual budget to the Council. The City Manager authorizes and oversees the hiring of all City Staff.

Service Priorities

- Oversee the delivery of public services in accordance with all federal and state laws, and the policies, ordinances, and resolutions adopted by the City Council.
- Direct and organize City departments, programs, and services.
- Carry out elements of the Strategic Plan and City Council priorities.
- Recommend the adoption of policies and ordinances as necessary.
- Ensure the long-term fiscal viability of the City.
- Increase the productivity, efficiency, and effectiveness of the organization.
- Enforce contracts, agreements, and permits authorized by the City Council.
- Advise the City Council on matters regarding current and future fiscal, staffing, and program needs of the City.
- Oversee customer service, and community engagement.
- Provide and expand quality recreational services and opportunities to individuals and families.
- Provide and expand health and wellness opportunities to youth, adults, and seniors.
- Provide and expand enrichment activities for all ages.
- Provide community gathering and meeting spaces through facility rentals.
- Provide opportunities for community engagement in recreation services programs.

Staffing

The City Manager's Department is comprised of the City Manager, Deputy City Manager, Executive Assistant, and Senior Management Analyst. The City Manager's Office provides direct oversight of the Recreation and Community Services Divisions, which respectively include a Recreation Coordinator, Recreation Leader, and part-time Building Attendants, as well as a Management Analyst.

Service Level Changes

Communication services has been transferred to the Communications/City Clerk's Office, which included one FTE for a Communications Specialist. One full-time Recreation Leader has been added to provide needed coverage of City facilities and additional service to patrons of recreation programs and facilities, which will allow the Recreation division the opportunity to expand and create new City-run recreation programs.

Budget Highlights / Summary of Changes

A one-time contract for Latino Outreach Services has been carried over from FY 2018-19 to assist in developing short and long-term strategies to better communicate and engage with the Spanish speaking Latino community. Funding for staff and consultants has been allocated to develop and implement a plan to increase the minimum wage to \$15 per hour. Funding has been allocated for outreach and support for the 2020 Census.

The Department is comprised of the following divisions:

Recreation Division

Mission

The mission of the Recreation Division is to enrich lives within the community through affordable, accessible citywide programs that promote educational and recreational opportunities that contribute to a healthy community and lifestyles.

Description

The Recreation Division is responsible for delivering quality, affordable recreation programs and opportunities for community enrichment to the residents of Half Moon Bay and the Coastsides. The Division is responsible for coordinating, renting, and scheduling City facilities, including Smith Field, the Train Depot, the Ted Adcock Community Center and the new Half Moon Bay Library.

Community Services Division

Mission

The mission of the Community Services Division is to engage with the community through citywide programs and initiatives that enrich lives, create forums for multiple and diverse perspectives, and provide educational opportunities through public participation.

Description

The Community Services Division serves as a link between the City and community partners including other government agencies, educational institutions, and non-profits, and helps connect residents and visitors to a variety of social, health, and human services.

Fiscal Year 2018-2019 Accomplishments

- Maintained business continuity during City Manager and other key personnel transitions.
- Expanded Spanish language translation services for City publications and meetings.

- Guided the City Council in further updating its Strategic Plan and priorities.
- Coordinated and facilitated four City Council Listening Sessions for residents to express their priorities and interests, leading up to the development of the FY 2019-20 Budget.
- Held multiple study sessions and community meetings with the City Council on important community interests.
- Continued a weekly electronic newsletter (e-news) that is distributed to over 1,200 Coastside residents.
- Completed commercial cannabis tax revenue analysis and white paper study on impacts of commercial cannabis on cities and prepared four ballot measures and a tax measure for potential commercial cannabis ordinances for the November 2018 election.
- Strengthened and fostered partnerships with County and local non-profit organizations working with underserved populations, including immigrants and homeless residents.
- Implemented the Community Services Financial Assistance Grant Program to support local non-profits who serve the Half Moon Bay Community, made improvements for FY 2019-20.
- Participated in committees with local non-profits to address the City's homeless population.
- Hosted the fourth year of the Half Moon Bay NET Community Academy.
- Assisted in commemorating the opening of the historic jail.
- Collaborated with the Half Moon Bay Historical Association to offer staff tours of Historic Downtown Half Moon Bay.
- Entered into a new long-term agreement with Half Moon Bay Little League for the use of Smith Field Park.
- Held the City's fifth annual City Hall Open House during the Night of Lights event.
- Participated in National Night Out, supporting residents who hosted block parties.
- Revitalized the City's Music in the Parks Program, including the Community Concerts Series at Mac Dutra Plaza, which drew more than 200 participants over four concerts and the first annual Summers End Music Festival at John L. Carter Park, which drew more than 500 participants.
- Increased the number of recreation program offerings from 24 classes to 31 and increased enrollment from 762 to 982 participants.
- Began using the Half Moon Bay Skate Park for Recreation programming and classes.
- Expanded the Recreation Division's partnerships with charter and home school programs.
- Partnered with Boys and Girls Club to re-open a Teen Center at the Ted Adcock Community Center and offer after school activities to teens (Healthy Communities and Public Safety).
- Made improvements to the Ted Adcock Community Center to increase rental opportunities for residents and services to the community.

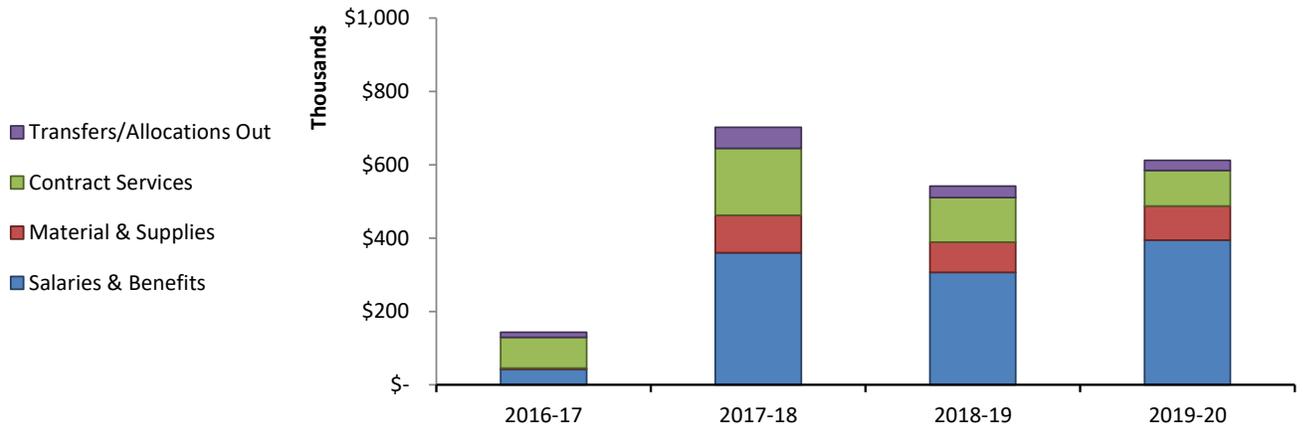
Fiscal Year 2019-2020 Goals / Strategic Plan Elements

- Advance projects that link to the City's Strategic Plan and Council Priorities (Infrastructure and Environment).

- Develop and implement plan to consider increasing the City's minimum wage to \$15 per hour, three years ahead of the state schedule.
- Review and revise staff structure to maximize efficiency and increase performance (Fiscal Sustainability, Inclusive Governance).
- Work with City Council to increase transparency and reporting on the City's Strategic Plan and Council Priorities (Infrastructure and Environment).
- Implement a master plan for the Civic Center site to identify the best use of existing facilities, including the 555 Kelly Avenue property acquired in 2017 (Infrastructure and Environment).
- Collaborate with Community Development to provide information, awareness and potential policies to address the lack of affordable housing (Healthy Communities and Public Safety).
- Collaborate with Administrative Services and the Communications Department to develop and implement plans to better prepare the City, its residents, and the greater Coastside for natural disasters and other emergencies (Healthy Communities and Public Safety).
- Continue to engage in regional partnerships to support projects in Half Moon Bay and those potentially impacting the Coastside (Inclusive Governance, Infrastructure and Environment).
- Support the Parks and Recreation Commission with a focus on City Council priorities and the Parks Master Plan, including the development of collaborations to create a community garden (Inclusive Governance, Healthy Communities and Public Safety).
- Continue to expand the number and types of classes offered in the Activity Guide to reach a broader and more diverse group of residents (Healthy Communities and Public Safety, Inclusive Governance).
- Continue to improve the Ted Adcock Community Center to make it more accessible and increase rental opportunities for residents and services to the community (Infrastructure and Environment; Healthy Communities and Public Safety).
- Work with other agencies and non-profits to provide immigration information and support (Healthy Communities and Public Safety).
- Provide on-going technical support to the Homeless Housing Collaborative to identify opportunities to build permanent supportive housing (Healthy Communities and Public Safety, Infrastructure and Environment).
- Coordinate with departments on developing, refining, and tracking service level metrics (Inclusive Governance).

**City of Half Moon Bay
FY 2019-20 Budget
Recreation Services (01-61)**

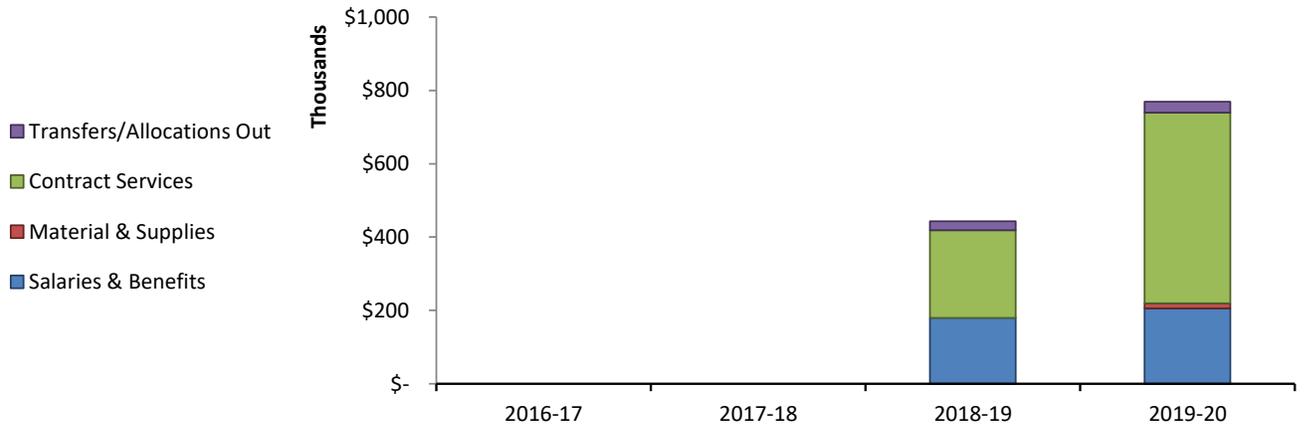
	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 42,248	\$ 359,744	\$ 306,643	\$ 394,029
Material & Supplies	\$ 3,142	\$ 102,382	\$ 82,700	\$ 93,181
Contract Services	\$ 83,776	\$ 182,319	\$ 121,100	\$ 97,333
Transfers/Allocations Out	\$ 14,366	\$ 57,665	\$ 31,511	\$ 27,252
Total	\$ 143,532	\$ 702,111	\$ 541,954	\$ 611,795
Revenue Sources				
Recreation Services	\$ 10,080	\$ 87,536	\$ 186,000	\$ 72,220
Classes	\$ 13,456	\$ 124,549	\$ 115,000	\$ 117,300
General Fund	\$ 119,996	\$ 490,025	\$ 240,954	\$ 422,275
Total Program Sources	\$ 143,532	\$ 702,111	\$ 541,954	\$ 611,795
Full-Time Equivalent Employees¹	24.00	2.50	3.50	4.55



¹FTEs for FY2018-19 corrected to 3.50 from the 2.50 shown in the published FY 2018-19 budget.

**City of Half Moon Bay
FY 2019-20 Budget
Community Services (01-64)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ -	\$ -	\$ 179,592	\$ 205,618
Material & Supplies	\$ -	\$ -	\$ -	\$ 14,000
Contract Services	\$ -	\$ -	\$ 239,400	\$ 519,582
Transfers/Allocations Out	\$ -	\$ -	\$ 24,015	\$ 30,273
Total	\$ -	\$ -	\$ 443,007	\$ 769,473
General Fund	\$ -	\$ -	\$ 443,007	\$ 769,473
Total Program Sources	\$ -	\$ -	\$ 443,007	\$ 769,473
Full-Time Equivalent Employees	-	-	1.30	1.35





City Attorney



City Attorney

Mission

The mission of the City Attorney is to provide the City Council and City staff with prompt and high-quality legal advice, counsel, and representation.

Description

The City Attorney reports directly to the City Council and is charged with the task of serving as the legal counsel to the City Council, Planning Commission, City Manager, and City staff on all legal aspects of municipal operations.

Legal services include legal advice and analysis, preparation of legislation including ordinances and resolutions, drafting or review of contracts and agreements, conducting research and supporting the City in litigation, civil and criminal actions, and code enforcement. The City Attorney attends all regular and special City Council meetings. Other services include meetings with the City Manager, City Executive Team, and other city officials on an on-call basis while keeping the City Council, City Manager, and staff advised of current laws affecting decisions and programs of the City.

Service Priorities

- Devote time and resources necessary to provide timely, affordable, high-quality legal advice.
- Minimize liability and work creatively to accomplish policy objectives of the City.
- Offer legal opinions and draft ordinances and other documents in a timely and professional manner.
- Provide high-quality litigation representation to ensure matters are resolved cost effectively.
- Respond to inquiries from the public as appropriate, and in a timely and constructive manner, while ensuring that the City's interests are protected, and policies are implemented.

Staffing

The department is comprised of the City Attorney, who is retained under contract with a law firm, and a staff of associate attorneys who act as Assistant or Deputy City Attorneys as required. Outside legal counsel may be retained for assistance on specialized issues and areas of law. The firm provides all legal services and includes all administrative costs such as paralegals, secretarial services, clerical services, continuing legal education, law library, and research costs, etc.

Service Level Changes

For FY 2019-20, the City Attorney's Office plans to continue its trend of increased onsite availability and accessibility for the City Council, Planning Commission, Parks and Recreation Commission, City committees, and staff.

Budget Highlights / Summary of Changes

The City Attorney budget consists of contract legal services for the City Attorney, Assistant and Deputy City Attorneys, and support staff. It excludes certain specialized services provided by outside legal counsel and is budgeted in respective department budgets.

FY 2018-19 Accomplishments

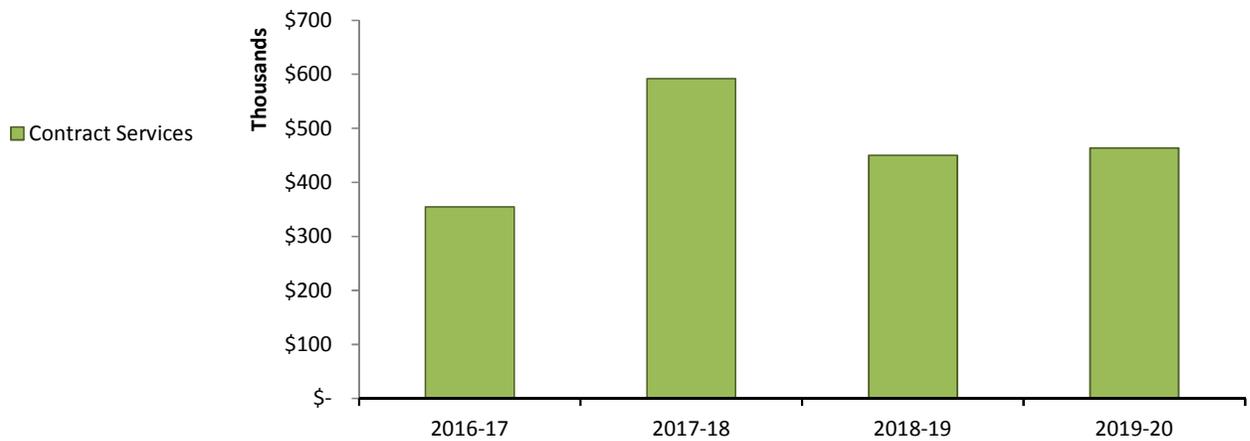
- Updated standard services agreements and public works contract documents.
- Drafted and implemented smoking and tobacco retailer ordinances, in cooperation with San Mateo County.
- Drafted code updates related to skate park liability, water efficient landscape ordinance, and off-leash dog park.
- Assisted with the City Manager transition.
- Drafted cannabis nursery ordinance and advised the City related to five local cannabis ballot measures on the November 2018 ballot.
- Lead role in drafting the accessory dwelling unit ordinance, and supported Council priority related to affordable housing.
- Negotiate voluntary compliance agreement for transient occupancy tax (TOT) collection.
- Successfully settled three civil lawsuits involving the City.

FY 2019-20 Goals / Strategic Plan Elements

- Continue to implement Council policy directives and ensure projects and directives are legally secure (Inclusive Governance).
- Draft/provide legal review of ordinances regarding Council priorities related to sustainability efforts, short term rentals, tenant protections, minimum wage and other priority matters (Inclusive Governance).
- Continue economic resolution of claims and litigation (Fiscal Sustainability).

**City of Half Moon Bay
FY 2019-20 Budget
City Attorney (01-13)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Contract Services	\$ 354,229	\$ 591,857	\$ 450,000	\$ 463,500
Total	\$ 354,229	\$ 591,857	\$ 450,000	\$ 463,500
Revenue Sources				
General Fund	\$ 354,229	\$ 591,857	\$ 450,000	\$ 463,500
Full-Time Equivalent Employees	-	-	-	-





Communications/ City Clerk



Communications / City Clerk

Mission

The mission of the Communications / City Clerk Department is to promote openness in government and the free exchange of public information to engage residents in City policies and decision-making processes. The Communications / City Clerk Department is committed to serving the citizens of our community in a neutral and ethical manner by providing equal access to open and transparent government, ensuring the integrity of the participatory process, bridging internal and external communication pathways, and enhancing the public's trust in local government.

Description

The Communications / City Clerk Department is comprised of two divisions: Communications and City Clerk.

The Communications Division is responsible for all internal and external communications. The division ensures the dissemination of timely and accurate public information regarding City operations, projects, policies, Council actions, services, and programs, through all forms of media. The division engages the community and increases transparency through the use of multiple social media platforms and online communication tools that promote accessible and convenient information.

The City Clerk Division conducts regular and special general municipal elections in consolidation with the County of San Mateo for the election of City Councilmembers and local initiatives, referendums, and recalls. The division manages the City's legislative and governmental affairs. The division administers Political Reform Act requirements related to campaign disclosure statements, conflict of interest filings, and AB1234 ethics training. Brown Act requirements are administered by the City Clerk Division ensuring meetings, agendas, minutes, reports, public notices, resolutions, and ordinances are prepared, posted, and published pursuant to law. The City Clerk serves as Clerk of the Council and attends, monitors, and retains complete records of all City Council proceedings. The City Clerk ensures open and transparent access through records-related services including records management, retention, and Public Records Act programs. Additionally, the division administers the boards and commissions program related to vacancies, orientation, commission handbook, and Maddy Act compliance. The City Clerk serves as the City's Elections Official, Political Reform Act Filing Officer, Records Manager, and Compliance Officer.

Service Priorities

- Maintain effective communication with community members, staff, and the Council to increase the understanding of and support for City programs, policies, and projects, and to develop positive relations through impactful outreach.
- Gather and share information to support and encourage open, participatory government and an informed community.
- Manage the City's governmental and legislative affairs, including tracking legislation, preparing position letters, seeking and applying for grant opportunities, and monitoring interagency appointments and actions.

- Provide City Council support, including agenda and packet preparation, public noticing, and distribution of materials to the City Council, staff, and the public.
- Support boards and commissions, including agenda and packet preparation, public noticing, and distribution of materials to Commissioners, staff, and the public.
- Process local legislation, including resolutions, ordinances, and minutes.
- Oversee elections, including qualifying candidates, petitions, and ballot measures, processing all necessary resolutions, monitoring campaign filing requirements, and certifying election results.
- Maintain records and archives, including responses to public records requests.

Staffing

The Communications / City Clerk Department is staffed by a Communications Director/City Clerk, a Communications Specialist, a Deputy City Clerk.

Service Level Changes

The current levels of service will be maintained with existing staff.

Budget Highlights / Summary of Changes

The Communications / City Clerk budget consists of costs for compensation and operations of the department. With the addition of communications and other functions into the department, funding that was previously in individual departments for advertising, marketing, and outreach has been consolidated into the Communications / City Clerk budget. One-time startup costs for technology, equipment and training has been added to the budget.

FY 2018-19 Accomplishments

- Conducted the City's November 2018 General Municipal Election for three Councilmember seats as well as five ballot measures.
- Managed the process of converting to district-based elections to comply with the California Voting Rights Act.
- Completed review of the City's Campaign Contributions Limit.
- Continued to oversee completion of the citywide, comprehensive Records Management Update project.
- Researched and drafted the City's first Legislative Platform, managed the Legislative Subcommittee, and managed the lobbyist contract for the City's legislative affairs.
- Conducted the City's first Elections Night Out event.
- Managed successful outreach and communications plans for multiple City events, projects, and priorities.
- Developed the Communications / City Clerk Department.
- Continued distribution of the City's quarterly and e-news newsletters.
- Managed the City's agenda management software, including making updates as needed, and provided training to staff.
- Inventoried 437 offsite document storage boxes.

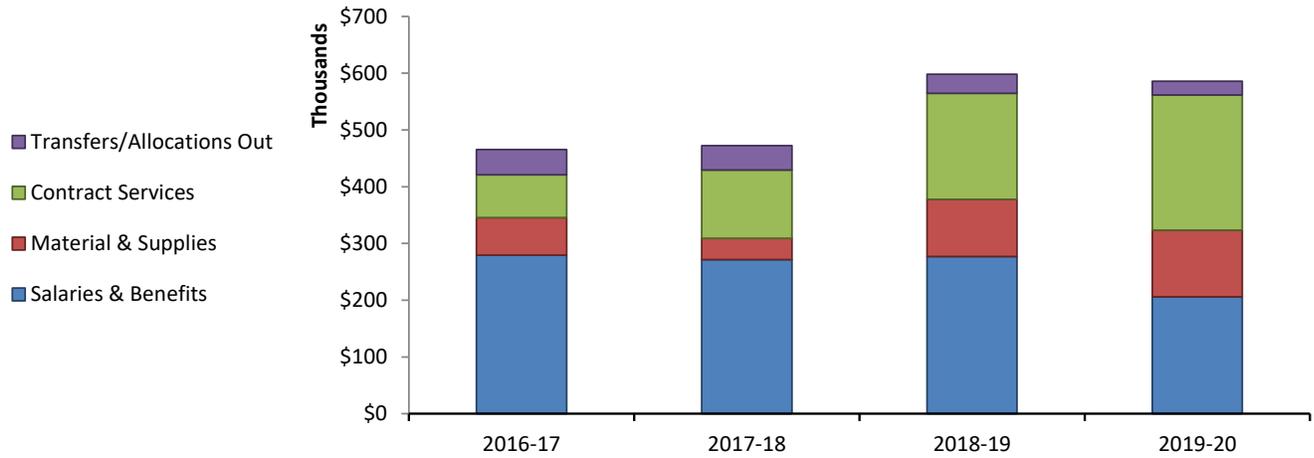
- Converted numerous paper documents to electronic records, clarified the records series to be included in the City's Electronic Document Management System, and provided training to staff.
- Processed 80 agreements, 8 ordinances, 111 resolutions, 22 City Council agenda packets, 21 City Council special meeting agendas, 7 City Council subcommittee agendas, 8 proclamations, and 71 public records requests.

FY 2019-20 Goals / Strategic Plan Elements

- Develop a Social Media Program and Policy (Inclusive Governance).
- Assist the County of San Mateo and the US Census Bureau on the 2020 Census and outreach (Inclusive Governance).
- Work with departments to update the content and usability of the City's website and department pages (Inclusive Governance).
- Conduct the City's first Future Leaders Civics Academy (Inclusive Governance).
- Continue to oversee completion of the citywide, comprehensive Records Management Update project (Inclusive Governance, Infrastructure and Environment).
- Continue to seek grant opportunities and monitor legislation in accordance with the City of Half Moon Bay Legislative Program (Healthy Communities and Public Safety, Inclusive Governance).

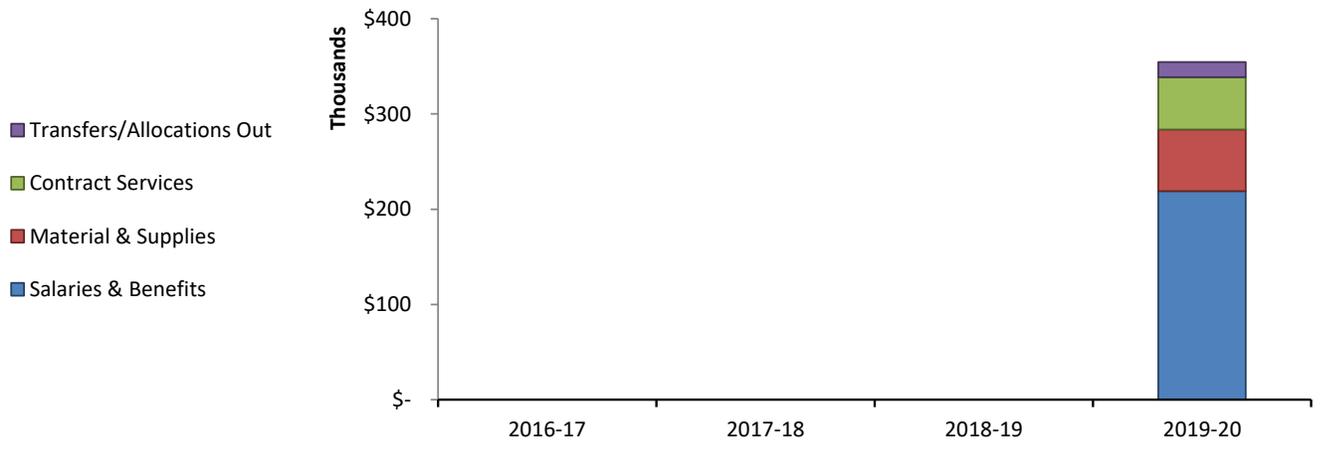
**City of Half Moon Bay
FY 2019-20 Budget
City Clerk (01-15)**

	Audited Actual	Audited Actual	Budget	Recommended Budget
	2016-17	2017-18	2018-19	2019-20
Expenditures				
Salaries & Benefits	\$ 279,447	\$ 271,437	\$ 277,098	\$ 205,743
Material & Supplies	\$ 65,967	\$ 37,331	\$ 100,400	\$ 117,400
Contract Services	\$ 75,569	\$ 120,682	\$ 186,900	\$ 238,507
Transfers/Allocations Out	\$ 44,286	\$ 42,763	\$ 33,755	\$ 24,077
Total	<u>\$ 330,733</u>	<u>\$ 472,213</u>	<u>\$ 598,153</u>	<u>\$ 585,727</u>
Revenue Sources				
General Fund	\$ 330,733	\$ 472,213	\$ 598,153	\$ 585,727
Full-Time Equivalent Employees	1.80	1.90	1.90	1.45



**City of Half Moon Bay
FY 2019-20 Budget
Communications (01-22)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ -	\$ -	\$ -	\$ 219,079
Material & Supplies	\$ -	\$ -	\$ -	\$ 64,500
Contract Services	\$ -	\$ -	\$ -	\$ 55,000
Transfers/Allocations Out	\$ -	\$ -	\$ -	\$ 15,849
Total	\$ -	\$ -	\$ -	\$ 354,428
Revenue Sources				
General Fund	\$ -	\$ -	\$ -	\$ 354,428
Full-Time Equivalent Employees	-	-	-	1.40





Administrative Services



Administrative Services

Mission

The mission of the Administrative Services Department is to manage the City's Administrative Services and administrative policies by providing high quality support services to City departments, staff and community through finance, human resources, information technology, and emergency services.

Description

The Administrative Services Department provides financial services that protect and maximize the use of City resources, reliable and current technology resources to staff, members of the City Council, Commissioners, and the community. The Department properly records all financial transactions, implements best practices in employee relations, provides quality internal customer service, and strives to promote a positive work environment for the City's talented workforce. The Department works in partnership with the San Mateo County Office of Emergency Services to train City staff and help Coastside communities prepare for emergencies. 1

Service Priorities

- Undertake financial planning and oversee preparation of the annual budget.
- Ensure internal controls through accountability, financial reporting, and audits.
- Manage cash assets including banking, cashiering, disbursements, and revenues.
- Perform accounts payable, receivable, and payroll functions.
- Fulfill the City Treasurer function, ensuring an appropriate investment of funds and debt service administration.
- Provide sound financial advice to the City Council, City Manager, and staff.
- Recruit, hire, develop, and retain a diverse and talented, professional staff.
- Manage administrative and personnel policies and procedures and ensure compliance with related laws and regulations.
- Manage confidential information when consulting employees and handling personnel records.
- Manage labor relations with all bargaining units and unrepresented employees.
- Manage grievances related to the Personnel Policies and Procedures, and MOUs.
- Enhance staff productivity with a secure network, desktop and portable hardware and supporting software.
- Minimize IT equipment down time and maximize response time and maintain IT systems for disaster recovery and business continuity.
- Maintain an effective, visitor-friendly, and informative website that conveys the City's image, mission, and services.
- Develop, review, update emergency operation and the hazard mitigation plans.
- Assist in the planning and implementation of exercises, drills, and emergency services training programs for City employees and/or other public entities.

Staffing

The Administrative Services Department is comprised of an Administrative Services Director, Finance Manager, Senior Management Analyst, two Management Analysts, two Accounting Technicians, and an Administrative Assistant.

Organization Changes

The department has been reorganized to merge the positions of Finance Director and Administrative Services Director, thereby eliminating one position.

Budget Highlights / Summary of Changes

The Administrative Services budget consists of four budget units, with compensation and operating costs for the portions of employee time allocated to each division. Contract expenditures are budgeted for professional services, emergency preparedness services from the San Mateo County Office of Emergency Services, labor relations, labor-related legal services, and Information Technology (IT) services.

The Department is comprised of the following divisions:

Finance Division

Mission

The mission of the Finance Department is to maintain accurate financial records and reports, provide financial support to other departments, and ensure compliance with the City's policies and procedures.

Description

The Finance Department is responsible for all financial operations and risk management. Finance tracks revenue, expenditures, bonded debt, and properly records all financial transactions in accordance with Generally Acceptable Accounting Principles (GAAP) and the requirements of the Government Accounting Standards Board (GASB). The department's goals are to provide financial oversight and support, including implementation and enforcement of financial policies consistent with federal, state, and local mandates, as well as industry best practices.

Human Resources Division

Mission

The mission of Human Resources Division is to provide high quality labor and employee relations, staff recruitment and retention, and staff professional development services that support the City's objectives in serving the needs of the community.

Description

The Human Resources Division recruits, develops, and supports the organization's most valuable resource – its staff. The Division implements best practices in recruitment, benefits management, professional development, labor relations, grievance management, policy development and implementation, and employee classification and compensation. The Division manages highly

sensitive and confidential information to effectively conduct workplace investigations, implement practices to enhance employee performance, manage claims and ensure compliance with local, state and federal labor regulations. The Division also participates in San Mateo County Training and Development and the Liebert Cassidy Whitmore Employment Relations Consortiums that offer training and professional development to local governments throughout the County to help recruit and retain talent in local government careers.

Information Technology Division

Mission

The mission of the Information Technology Division is to provide high quality technology-based services that support the City's goal to effectively serve the needs of the community.

Description

The Information Technology Division manages the City's information technology program, provides and maintains appropriate hardware and software to City departments, develops and maintains a secure network infrastructure, manages the City's data and voice infrastructure, maintains the City's telecommunication systems and manages the City's website. The Division ensures that staff have the resources and training to effectively use equipment and technology in furtherance of their departmental goals. The division also assists with providing research and information for Public Records Requests.

Emergency Services Division

Mission

The mission of the Emergency Services Division is to assist residents and businesses, along with other Coastside communities and City staff to be prepared for and better respond to emergencies and disasters.

Description

The Emergency Services Division works in partnership with the San Mateo County Office of Emergency Services to prepare staff, Coastside agencies and residents to effectively respond to emergencies. The Division develops and updates the general emergency operations plans and the Hazard Mitigation Plan, trains staff in emergency operations procedures, and serves as the City's representative on the Coastside Emergency Action Program and the San Mateo County Emergency Managers Association to assist with local and regional emergency preparedness efforts.

FY 2018-19 Accomplishments

- Recruited for a total of 21 permanent, interim and temporary positions.
- Successfully negotiated three-year Memorandum of Understanding agreements and Employee Compensation and Benefit plans.
- Developed funding policy related to pension unfunded actuarial liability with CalPERS.

- Appended side letters to Memorandum of Understanding agreements and Employee Compensation and Benefit plans to update sick and bereavement leave usage.
- Created or revised eight job classifications and reclassified four positions
- The City hosted 11 regional training workshops and webinars.
- Updated the five-year Hazard Mitigation Plan to ensure the City's eligibility for SMC Pre-Disaster Mitigation, and Flood Mitigation Assistance grant programs.
- Organized and facilitated public outreach for Americans with Disabilities Act (ADA) transition plan.
- Planned and executed a Coastside Community Emergency Preparedness event.
- Hosted a tabletop exercise (Yellow Command) at the Emergency Operations Center in collaboration with Office of Emergency Services and HAM Radio Club.
- Conducted Emergency Operations Center training/exercise for City staff.
- Secured a Red Cross shelter agreement for the Ted Adcock Community Center.
- Audited the Emergency Operations Plan (EOP).
- Established a state contract (CALNET 3) to reduce costs and which resulted in a substantial credit.
- Received the Budget Excellence Award from the California Society of Municipal Finance Officers and the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the FY 2018-19 Operating Budget document, representing compliance with best practices in budgeting.
- Received a Certificate of Achievement for Excellence in Financial Reporting from GFOA, indicating best practices in annual financial reporting were followed.
- Completed annual audit, prepared the City's Comprehensive Annual Financial Report (CAFR), and received a clean audit opinion from independent auditors.
- Prepared the City's Popular Annual Financial Report (PAFR) and received the Outstanding Achievement award from the GFOA.
- Completed mandated State Controller's and other financial reports in a timely manner.
- Processed 194 journal entries, 2018 vendor checks, 697 payroll checks, over 4,100 invoices, 36 special event permits and 1,804 business license applications.
- Began the implementation phase of Casselle's Enterprise Resource Planning software
- Installed GPS units in all City-owned vehicles.

FY 2019-20 Goals / Strategic Plan Elements

- Implement onboarding process to effectively educate and orient new staff (Inclusive Governance).
- Complete the implementation of Casselle Enterprise Resource Planning software (Infrastructure and Environment, Fiscal Sustainability, Inclusive Governance)
- Continue revising the City's Personnel Policies and Procedures (Inclusive Governance).
- Continue revising the employee evaluation process to ensure compliance with Personnel Policies and Procedures (Inclusive Governance).
- Finalize implementation of a new file server and continue to establish new file structure to better support users (Infrastructure and Environment).

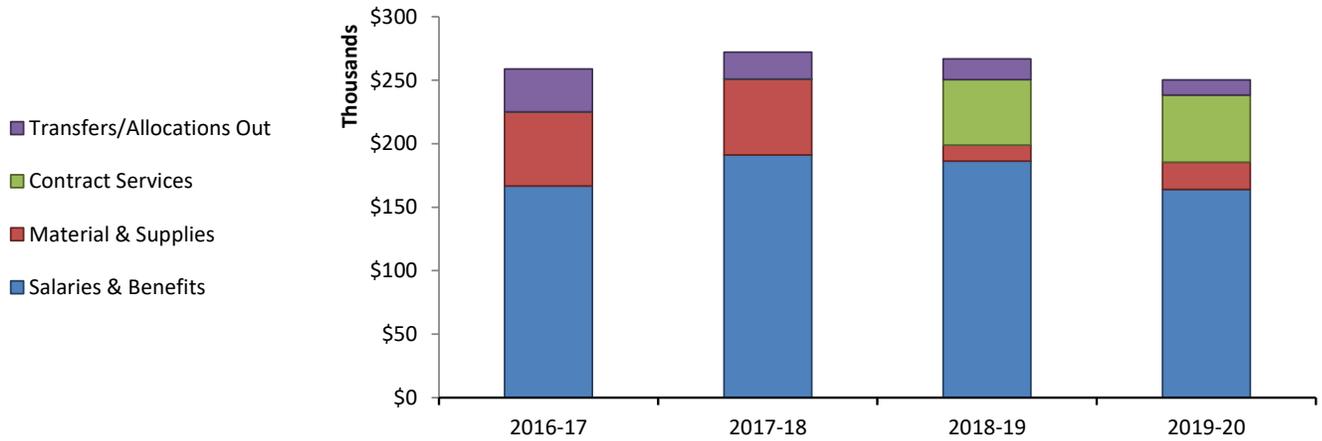
- Coordinate and support the Community Development Department with the purchase and implementation of an inhouse GPS system (Infrastructure and Environment and Inclusive Government).
- Coordinate and plan training exercises with partnering agencies to help increase awareness in fire safety and earthquake preparedness (Infrastructure and Environment, Healthy Communities and Public Safety).
- Update training matrix to ensure compliance with California and federal law, including CPR training (Healthy Communities and Public Safety).
- Plan and execute annual Coastside Community Emergency Preparedness event (Healthy Communities and Public Safety).
- Update the Emergency Operations Plan (Healthy Communities and Public Safety)
- Create a Continuity of Operations Plan and disaster specific preparedness plans (Healthy Communities and Public Safety)
- Continue to train employees and consultants on the City's purchasing policy and other financial and administrative matters (Fiscal Sustainability, Inclusive Governance).
- Support the City Council's Strategic Plan Elements and Initiatives as they relate to the City's Financial Operations (Infrastructure and Environment, Healthy Communities and Public Safety, Fiscal Sustainability, Inclusive Governance).

**City of Half Moon Bay
FY 2019-20 Budget
Administrative Services (01-18)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 166,572	\$ 191,209	\$ 186,342	\$ 164,067
Material & Supplies	\$ 58,459	\$ 59,553	\$ 12,600	\$ 21,274
Contract Services	\$ 86	\$ 56	\$ 51,500	\$ 53,045
Transfers/Allocations Out	\$ 33,655	\$ 21,155	\$ 16,427	\$ 11,830
Total	\$ 258,772	\$ 271,974	\$ 266,869	\$ 250,216

Revenue Sources				
General Fund	\$ 258,772	\$ 271,974	\$ 266,869	\$ 250,216

Full-Time Equivalent Employees	3.20	1.40	1.40	1.25
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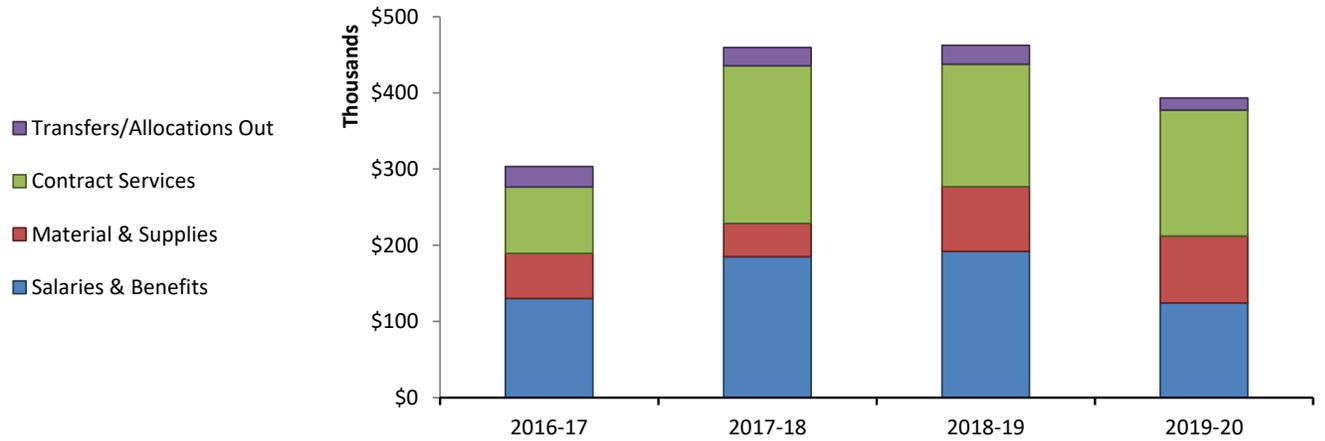


**City of Half Moon Bay
FY 2019-20 Budget
Human Resources (01-17)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 130,219	\$ 185,034	\$ 191,838	\$ 124,386
Material & Supplies	\$ 59,286	\$ 43,838	\$ 85,200	\$ 87,756
Contract Services	\$ 86,832	\$ 206,750	\$ 160,700	\$ 165,521
Transfers/Allocations Out	\$ 27,086	\$ 23,935	\$ 24,563	\$ 15,747
Total	\$ 303,423	\$ 459,558	\$ 462,301	\$ 393,410

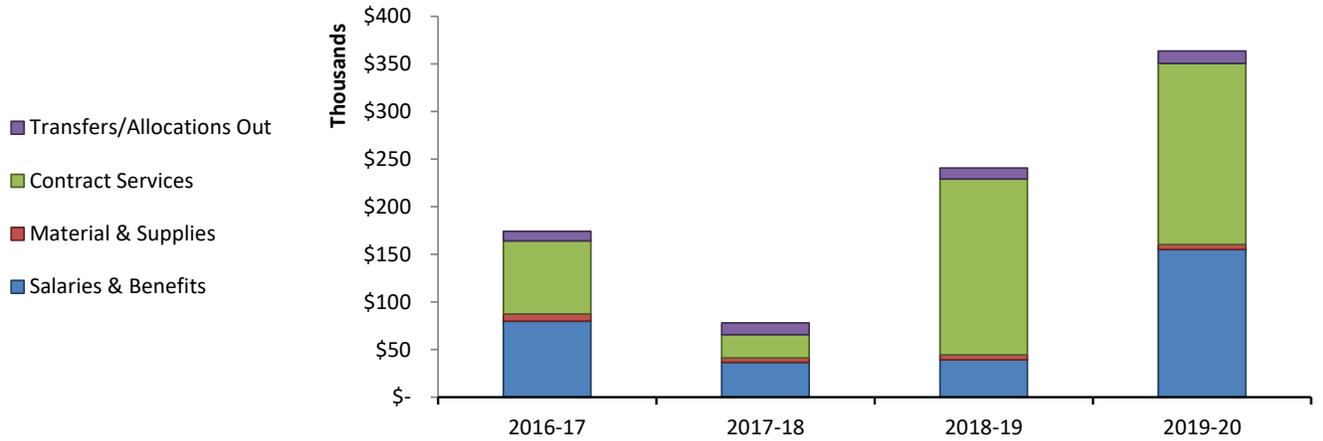
Revenue Sources				
General Fund	\$ 303,423	\$ 459,558	\$ 462,301	\$ 393,410

Full-Time Equivalent Employees		1.20	1.20	0.80
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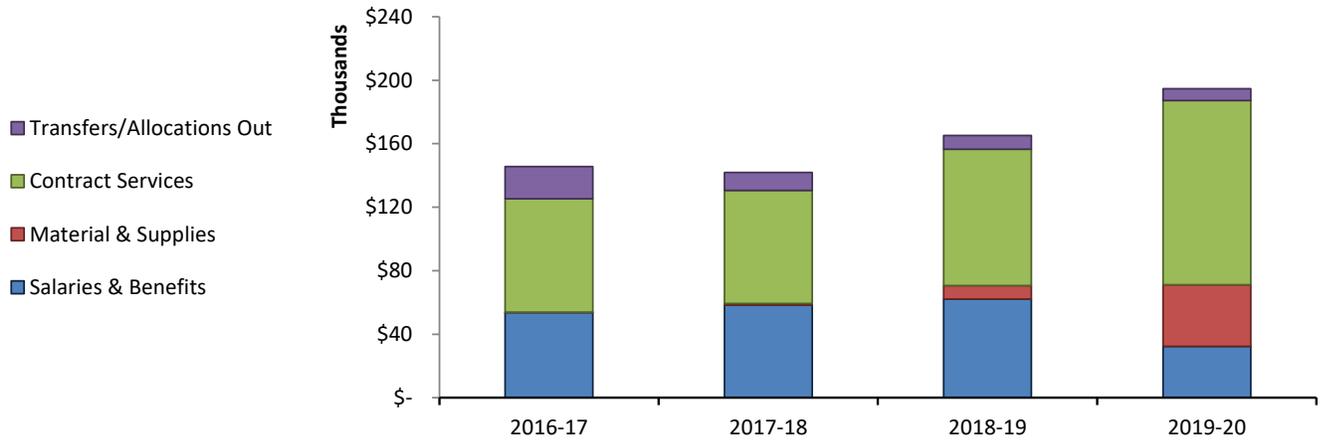
**City of Half Moon Bay
FY 2019-20 Budget
Information Technology (01-19)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 79,772	\$ 36,614	\$ 39,076	\$ 154,977
Material & Supplies	\$ 7,742	\$ 4,555	\$ 5,300	\$ 5,459
Contract Services	\$ 76,772	\$ 24,447	\$ 184,800	\$ 190,344
Transfers/Allocations Out	\$ 9,959	\$ 12,357	\$ 11,435	\$ 12,740
Total	\$ 174,245	\$ 77,974	\$ 240,611	\$ 363,520
Revenue Sources				
General Fund	\$ 174,245	\$ 77,974	\$ 240,611	\$ 363,520
Full-Time Equivalent Employees		0.20	0.20	0.15



**City of Half Moon Bay
FY 2019-20 Budget
Emergency Services (01-42)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 53,683	\$ 58,328	\$ 62,139	\$ 32,422
Material & Supplies	\$ 144	\$ 1,049	\$ 8,500	\$ 38,755
Contract Services	\$ 71,418	\$ 71,238	\$ 85,800	\$ 115,974
Transfers/Allocations Out	\$ 20,296	\$ 11,208	\$ 8,682	\$ 7,432
Total	\$ 145,541	\$ 141,823	\$ 165,121	\$ 194,583
Revenue Sources				
General Fund	\$ 145,541	\$ 141,823	\$ 165,121	\$ 194,583
Full-Time Equivalent Employees		0.40	0.40	0.25





Risk Management



Risk Management

Mission

The mission of Risk Management is to enhance safety and protect citizens, employees, and assets of the City by fostering a culture of proactive risk management to effectively forecast, control, and mitigate the City's risk through effective loss prevention, claims management, and risk financing.

Description

The Risk Management Department is comprised of two programs: General Liability and Workers Compensation. Risk Management implements safety policies, and best practices and procedures, to mitigate the City's risk exposure. The Risk Management Program protects City assets, provides liability insurance and claims management services, and promotes the safety and well-being of City employees. The program includes managing liability, property and auto claims, and insurance programs. It also develops risk reduction policies and procedures, ensures compliance with the City's risk management operational best practices, and safety standards and regulations as defined by OSHA and the City's Injury and Illness Prevention Program (IIPP). The budget provides for premiums as well as operating funds for legal and other cost resulting from claims against the City.

The City is a member of the PLAN JPA (Pooled Liability Assurance Network Joint Powers), which is comprised of 28 greater Bay Area municipalities and is currently administered by York Risk Control Services staff under the direction of a Board of Directors, represented by its member cities. The Administrative Services Director is a member of the PLAN JPA Board of Directors and serves on the Board's Risk Management and Finance Committees.

The City's Workers Compensation program is self-funded through membership in a five-city JPA (Joint Powers Authority – The Cities Group). The JPA was formed to administer workers compensation and safety programs. The Cities Group programs are augmented by City-sponsored training, a City-wide safety committee, and workplace injury prevention assessments.

Service Priorities

- Ensure the City has adequate insurance coverage for its operations.
- Undertake and complete timely claims management.
- Promote policies and programs to reduce risk exposure.
- Develop safety policies and procedures and implement risk management best practices.

Staffing

The City's General Liability Risk Management and Workers Compensation Program is supported by the Administrative Services Director and a Management Analyst, as well as the entire Executive Team, who comprise the City's Risk Management Committee.

Service Level Changes

There are no service level changes to the Risk Management Program for FY 2019-20.

Budget Highlights / Summary of Changes

The Risk Management Program is budgeted in the Internal Service Fund and is allocated to various City programs and budget units. The Program will continue to receive direct full-time equivalent allocation of 1.15 FTE in the FY 2019-20 budget.

FY 2018-19 Accomplishments

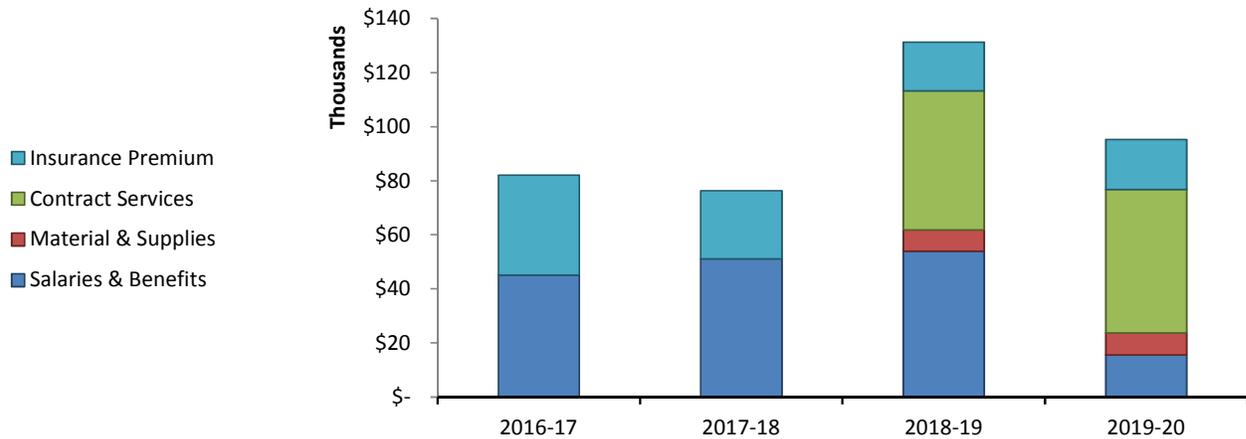
- Held regular meetings of the City's Executive Risk Management Committee to provide oversight, coordination, and direction for the City's safety and risk management programs.
- Received risk management training grants from the PLAN JPA.
- Completed a Vehicle Use Policy to comply with vehicle operations best practices and state requirements.
- Completed a citywide ADA Transition Plan to comply with the Americans with Disabilities Act and ensure that City facilities, programs, and services are accessible to disabled citizens and employees.
- Completed enrollment of City employees and officials in the DMV Pull Notice Program to comply with vehicle operations policy and best practices.
- Implemented new risk management and safety policies and procedures to ensure the City's compliance with risk management best practices framework and eligibility for grants.

FY 2019-20 Goals / Strategic Plan Elements

- Support the City Council's Strategic Elements and Initiatives as they relate to the City's Risk Management Program (Infrastructure and Environment, Healthy Communities and Public Safety, Fiscal Sustainability, Inclusive Governance).
- Comply with OSHA standards, regulations, and requirements to prevent work-related injuries and illnesses (Healthy Communities and Public Safety).
- Provide citywide training for employees and supervisors on Risk Management Program, including general liability and workers compensation procedures (Fiscal Sustainability, Inclusive Governance, Healthy Communities and Public Safety).
- Process and handle general liability and workers compensation claims in a timely manner, so that the risks to public and employees, claim expenses and legal costs can be minimized (Fiscal Sustainability, Inclusive Governance,).
- Continue to efficiently manage claims and seek recovery of costs when actions of a third-party cause damages to City property (Healthy Communities and Public Safety, Fiscal Sustainability).
- Continue to identify and reduce risks to the City (Healthy Communities and Public Safety, Fiscal Sustainability).

**City of Half Moon Bay
FY 2019-20 Budget
Risk Management - Workers' Compensation (63-21)**

	Audited Actual	Audited Actual	Budget	Recommended Budget
	2016-17	2017-18	2018-19	2019-20
Expenditures				
Salaries & Benefits	\$ 45,128	\$ 51,071	\$ 53,877	\$ 15,548
Material & Supplies	\$ -	\$ -	\$ 7,900	\$ 8,137
Contract Services	\$ -	\$ -	\$ 51,500	\$ 53,045
Insurance Premium	\$ 36,965	\$ 25,275	\$ 18,000	\$ 18,540
Total	\$ 82,093	\$ 76,345	\$ 131,277	\$ 95,270
Revenue Sources				
Transfers/Allocations In	\$ 141,605	\$ 156,804	\$ 131,277	\$ 99,088
Full-Time Equivalent Employees	0.30	0.30	0.30	0.10



* The Risk Management - Worker's Compensation program was moved from the City-wide and Human Resources Departments. The program will account for activities related to worker's compensation claims and insurance premiums. The program operates on a full cost reimbursement basis from other departments.



Public Safety



Public Safety

Mission

The mission of the Public Safety Department is to work in partnership with City departments and the community to protect life and property, enhance health and safety, and improve the quality of life of all residents, businesses, and visitors to Half Moon Bay.

Description

The City contracts with the County of San Mateo Sheriff's Office for law enforcement services including regular patrols, dispatch responses to emergency and 911 calls, investigative services, community policing, and specialized law enforcement services as needed. The San Mateo County Sheriff's Office is dedicated to the preservation of public safety by providing innovative and progressive service in partnership with the Half Moon Bay community. Animal control services are also provided through the County.

Service Priorities

- Deliver 24-hour emergency response.
- Coordinate emergency preparedness efforts.
- Detect and reduce crime.
- Enforce traffic laws.
- Manage records and reporting.
- Provide community policing.
- Coordinate the annual Youth Summit.
- Coordinate the Sheriff's Activity League on the Coastside.

Staffing

The Public Safety budget consists of key contracts for services with San Mateo County for law enforcement, dispatch, and animal control, as well as contracts with agencies that provide other related services such as citation processing. A new commanding officer was appointed to the City of Half Moon Bay/Coastside that will help establish relationship with the Spanish speaking community.

Service Level Changes

There are no service level changes to Public Safety for FY 2019-20.

Budget Highlights / Summary of Changes

The Law Enforcement budget includes a cost of living adjustment. Additionally, the contract for with the Sheriff's Office for Law Enforcement Services has been renewed for an additional three years and has been increased to better reflect the actual level of services provided to the City. The Dispatch Services budget also includes a contractually negotiated increase, while the Animal Control budget includes a reduction due to an increase in pet licensing fees.

FY 2018-19 Accomplishments

- Held Annual Youth Summit at Cunha Middle School focused towards 8th graders.
- Provided incident command and public safety for community events including the Pumpkin Festival, Night of Lights, Half Moon Bay Triathlon, 4th of July Parade and Chamarita Parade.
- Utilized School Resource Deputies and Sheriff's Activities League (SAL) staff to facilitate activities, educational programs, crime prevention, and anti-bullying efforts, and to work with school officials on safety issues.
- Participated in Gang Task Force with deployments to Half Moon Bay.
- Participated in San Mateo County Saturation Traffic Enforcement Program (STEP) with deployments to Half Moon Bay.
- Continued the Empowering Young Women Group to engage and facilitate positive outcomes in young women.
- Continued work with the Homeless Outreach Team to address homeless issues.
- Conducted, in partnership with the Sheriff's Office CARON group, numerous events held at the Half Moon Bay Library.
- Equipped Deputies with Body Worn Cameras(BWCs).
- Increased traffic enforcement with a part time motorcycle unit.

FY 2019-20 Goals / Strategic Plan Elements

- Continue to make community policing a priority and facilitate additional community events (Healthy Communities and Public Safety).
- Continue to coordinate with the City on homeless issues (Healthy Communities and Public Safety).
- Participate in the Gang Task Force (Healthy Communities and Public Safety).
- Utilize the Sheriff's Office Bicycle Unit and off-road motorcycle unit to patrol coastal trails, Poplar Beach, and other coastal areas. (Healthy Communities and Public Safety).
- Continue traffic safety through utilization of the Sheriff's Office Motorcycle Unit (Healthy Communities and Public Safety).
- Educate and disseminate prevention information regarding phone scams, burglary trends, and other crimes of opportunity (Healthy Communities and Public Safety).

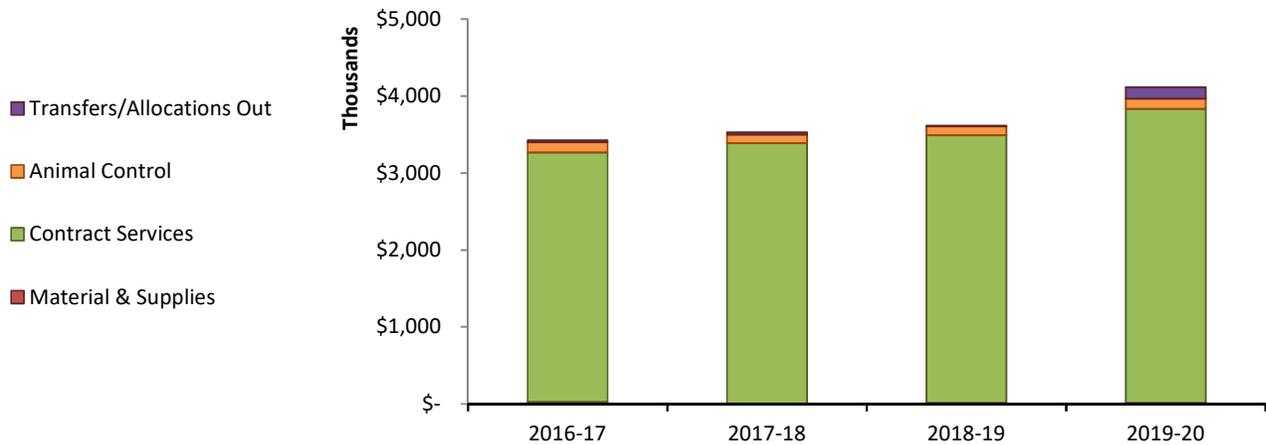
**City of Half Moon Bay
FY 2019-20 Budget
Public Safety (01-41)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Material & Supplies	\$ 24,965	\$ -	\$ 12,100	\$ 12,463
Contract Services	\$ 3,244,010	\$ 3,385,489	\$ 3,477,087	\$ 3,821,597
Animal Control	\$ 129,074	\$ 115,257	\$ 115,731	\$ 134,034
Transfers/Allocations Out	\$ 26,386	\$ 27,177	\$ 10,008	\$ 147,937
Total	\$ 3,424,435	\$ 3,527,924	\$ 3,614,926	\$ 4,116,031

Revenue Sources				
Police Fees	\$ 95,883	\$ 192,192	\$ 135,500	\$ 140,052
¹ County Credit Reimbursements	555,822	541,121	535,548	556,649
General Fund	2,772,729	2,794,611	2,943,878	3,419,330

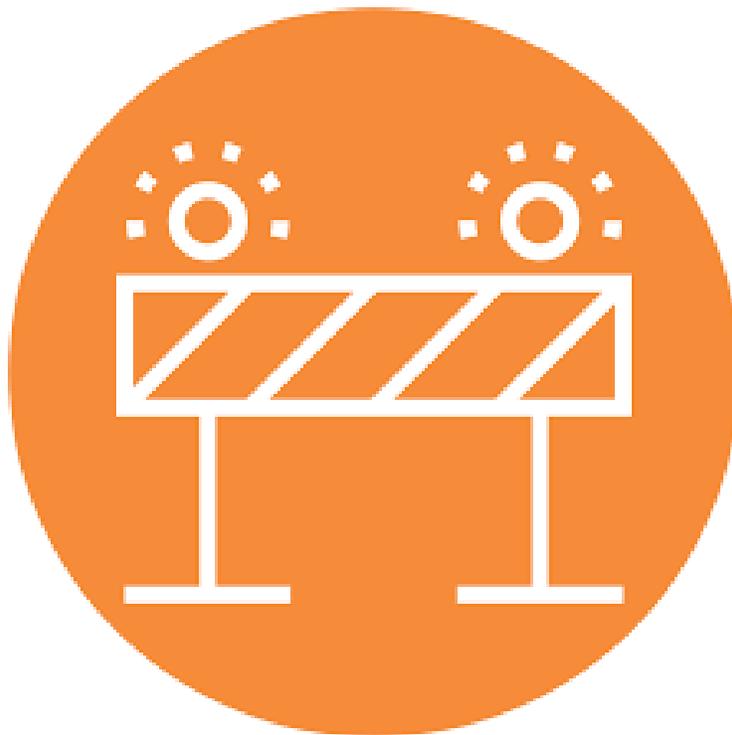
Full-Time Equivalent Employees - - - -

¹ Amount reimbursed by the San Mateo County Sheriff's Office toward annual unfunded pension liability paid by City directly to CalPERS.





Public Works



Public Works

Mission

The mission of the Public Works Department is to promote safety, livability and sustainability through effective management of streets, parks, facilities, and utilities. The Department is also dedicated to excellence, integrity, and environmental stewardship.

Vision

Making Half Moon Bay the premier place to vivir (live), trabajar (work) and jugar (play)!

Description

The Public Works Department coordinates and manages maintenance, replacement, and enhancement of City infrastructure, including streets, street lights, street and regulatory markings and signage, medians, parkways, the storm water collection and conveyance system, the sewer collection system, parks and trails, as well as public facilities. The Department develops, manages, and implements the City's Five-Year Capital Improvement Program (CIP), reviews private development applications, coordinates with Caltrans on Highways 1 and 92, manages and oversees the City's solid waste franchise agreement, develops and implements sustainability programs, and ensures private and public compliance with local, state, and federal regulations, including the Federal Clean Water Act, National Pollutant Discharge Elimination System, and the endangered species acts. The Department also serves as liaison to the Sewer Authority Mid-Coastside (SAM), City County Association of Governments (C/CAG), the Metropolitan Transportation Commission (MTC), Caltrans and other agencies.

Service Priorities

- Protect and enhance the public health, safety, and welfare of the community.
- Maintain critical City infrastructure, parks, trails, and public facilities.
- Develop and implement the City's Five-Year Capital Improvement Program (CIP).
- Implement preventive maintenance efforts where possible to reduce pre-mature and costly replacement.
- Implement complete streets and neighborhood traffic calming to enhance quality of life in existing and new neighborhoods.
- Encourage multi-modal transportation, traffic management and transportation demand management strategies.
- Incorporate green infrastructure, watershed management, and habitat enhancement / protection into capital infrastructure planning and design efforts.
- Identify and implement sustainability programs.
- Maintain City compliance with CalRecycle.
- Monitor and manage the City's 10-year solid waste franchise agreement.

Staffing

The Public Works Department consists of a Director, the City Engineer, Public Works Superintendent, Senior Management Analyst (added in FY 2019-20), Management Analyst, Associate Engineer, Assistant Engineer, Administrative Assistant, two (2) Senior Maintenance Workers, five (4) Worker I/II positions (one additional position added in FY 2019-20), a part time contract sewer engineer, a 32-hour contract Public Works Inspector and two (2) part time contract engineers for public works inspection and management of capital projects.

Service Level Changes

The department was formed in FY 2017-18 through reorganization of the former Community Development Department and merger of the Public Works-Facilities Maintenance Division from the City Manager's Office. In FY 2017-18 the City Council authorized the one additional Maintenance Worker I/II position to assist in maintenance efforts. In FY 2018-19, the City opened the new Half Moon Bay Library. Contract building engineer services have been utilized during the start-up and warranty period. In the coming year, we anticipate a shift away from contract maintenance to in-house day-to-day services, supplemented by contracted experts.

Budget Highlights / Summary of Changes

The department budget includes funding for personnel-related costs and consultant services as well as management and operation of departmental programs. In FY 2018-19 Administration and Sustainability division was created to provide support to the other Public Works divisions. With the creation of a new Senior Management Analyst position in FY 2019-20, the Department will assume a lead role in City sustainability programming and implementation efforts.

The Department is comprised of the following divisions:

Administration and Sustainability

Mission

The mission of Administration and Sustainability is to provide support to each of the other three divisions: 1) the Engineering Division; 2) the Capital Projects Division 3) the Infrastructure and Facilities Maintenance Division. Duties include ensuring each division is fulfilling their respective duties to protect public health, safety, welfare, and improve the quality of life of residents and visitors alike.

Description

Administration and Sustainability serves as the primary point of contact for the City Manager, City Council, SAM, the Community Development Department and other departments and agencies. The Division generally serves as the Public Information Officer (PIO) for issues pertaining to Public Works. The Division is responsible for identification, assessment, and implementation of sustainability programs, participating in the CalRecycle program, and oversight of the solid waste agreement and franchisee. The Division collaborates and coordinates projects and programs with the Community Development Department including future updates of the City's Greenhouse Gas inventory and in preparation of the Climate Action and Adaptation Plan (CAAP). The Division is also responsible for oversight of public outreach efforts including

coordination of CIP and managing Public Works information on the website. The Public Works Director serves as principal liaison to SAM staff, the SAM Board of Directors and City SAM Board representatives. The Division is responsible for the department's budget preparation, including the capital budget and oversight, management of public procurement, and accounts receivable for the department.

Engineering Division

Mission

The mission of the Engineering Division is to protect public health and safety, and improve the quality of life of residents and visitors by ensuring safe and functional streets, bridges, intersections, and infrastructure that is designed, inspected, and maintained in accordance with best practices and applicable local, state, and federal regulations and laws.

Description

The Engineering Division is responsible for review of private development, issuance of applicable permits, assisting with environmental reviews, coordination with other divisions, consultant engineers, and other utility providers in the design and construction of new public and privately funded projects and infrastructure. This division serves as lead on the preparation of studies and master plans of the City's streets, buildings and grounds, sewage and drainage systems. The Division is also responsible for managing the Traffic Safety Committee, related traffic safety regulations and other special purpose committees including the Bike Pedestrian Advisory Committee and the Main Street Advisory Committee.

Capital Projects Division

Mission

The mission of the Capital Projects Division is to protect public health and safety and improve the quality of life of residents and visitors by ensuring public infrastructure and facilities are designed, built, and inspected in accordance with the City Council approved Five-Year Capital Improvement Program (CIP).

Description

The Capital Projects Division is responsible for preparing and seeking annual approval from the City Council of the Five-Year Capital Improvement Program (CIP) and one-year capital budget. The Division identifies capital improvement needs in consultation with other divisions and departments, coordinates with non-City utility providers on design and implementation of the CIP, and oversees design, permitting, bidding, bid award, and construction of projects identified in the CIP. Division staff assist the Engineering Division in the preparation of studies and master plans for streets, parks, trails, buildings and grounds, and sewer and storm drainage systems.

Infrastructure and Facilities Maintenance Division

Mission

The mission of the Infrastructure and Facilities Maintenance Division is to proactively maintain and enhance City streets, parks, trails, facilities and infrastructure to ensure compliance with local, state, and federal laws, and continued functional and safe operations and use.

Description

The Infrastructure and Facilities Maintenance Division provides cost-effective and timely maintenance of City utilities including the sewer collection system, storm drain system, streets, sidewalks, street trees, trails/paths and parks, as well as City-owned and operated buildings to enhance and protect the health, safety, and welfare of residents and visitors alike.

FY 2018-19 Accomplishments

- Administration/Community Building
 - Hired new Public Works Superintendent, Maintenance Worker I and Administrative Assistant.
 - Collaborated with Community Development on the Bicycle and Pedestrian Master Plan, Local Coastal Land Use Plan and General Plan
 - Supported community events including Night of Lights, Pumpkin Festival and July Fourth Parade.

- Facilities
 - Finished close-out of new Half Moon Bay Library and initiated work on finalizing LEED and Zero Net Energy Certifications.
 - Designed and Bid Ted Adcock Community Center remodel project.
 - Completed Sheriff Substation assessment and remodel design.
 - Completed Main Street tree trimming.
 - Re-painted Main Street Bridge.

- Streets and Sidewalks
 - Completed the reconstruction of portions of Magnolia Avenue, Church Street, Kelly Avenue, San Benito Street, Railroad Avenue, Naples Avenue and Miramontes Point Road.
 - Completed the sidewalk repair and replacement project.
 - Secured construction funding and completed design and solicited bids for Main Street South project.
 - Initiated work on Poplar Complete/Green Street Project.
 - Completed entitlements and environmental for Highway 1 North project.

- Sustainability
 - Continued to manage the 10-year solid waste franchise agreement with Republic Services. Assisted with Homeless Encampment Cleanup efforts and restoration planning/permitting.
 - Initiated work on Green Infrastructure Plan and managed related NPDES inspections.

- Sewer
 - Implemented new collection system maintenance contract with SAM.
 - Implemented contract services with Mark Thomas Company on oversight of sewer collection system maintenance and implementation of FOG program.
 - Conducted smoke testing for portion of sewer collection system (to assess I & I) and completed CCTV inspection of all designated City “Hot Spots”.
 - Completed 95-percent design of Ocean Colony Pump Station and Force Main.
 - Awarded construction contract for sewer point repair project.

- Parks
 - Designed and constructed emergency drainage repair at Poplar Beach access.
 - Awarded 40-percent design contract for Carter Park renovation.
 - Completed design and entitlement of new restrooms at Ocean View Park.
 - Initiated conceptual design and community outreach for Frenchmans Creek Park playground replacement.
 - Collaborated with Community Development on Parks Master Plan and Poplar Gateways Plan.

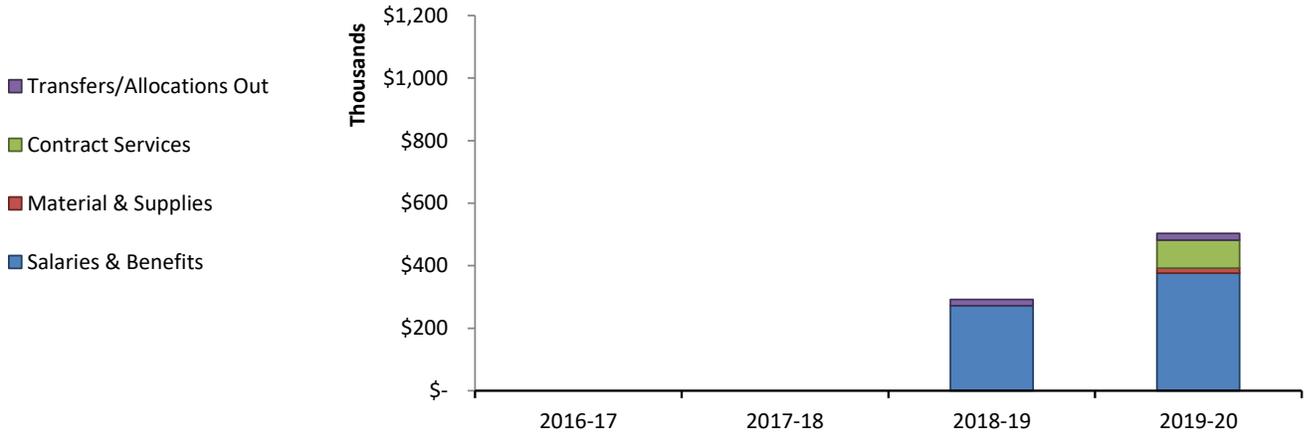
FY 2019-20 Goals / Strategic Plan Elements

- Maintain storm water conveyance ditches annually in conformance with the State Streambed Alteration Permit (Infrastructure and Environment).
- Maintain and monitor sewer collection system in conformance with the City’s adopted Sewer System management Plan (SSMP) and State law (Infrastructure and Environment).
- Coordinate and collaborate with Coastside emergency preparedness efforts (Healthy Communities and Public Safety, Infrastructure and Environment).
- Collaborate on the preparation of ADA Transition Plan and prioritization of implementation (Infrastructure and Environment).
- Update and prioritize the City’s Five-Year Capital Improvement Program for presentation and consideration by City Council (Fiscal Sustainability, Healthy Communities and Public Safety, Infrastructure and Environment, Inclusive Governance).
- Complete capital projects designated for FY 2019-20 (Fiscal Sustainability, Healthy Communities and Public Safety, Infrastructure and Environment, Inclusive Governance).
- Continue to implement preventive maintenance program for public facilities and infrastructure (Infrastructure and Environment).
- Monitor and manage the City’s 10-year Solid Waste Franchise Agreement (Fiscal Sustainability, Infrastructure and Environment).

- Evaluate opportunities to enhance / expand parks, multi-use trails, and path opportunities (Healthy Communities and Public Safety).
- Initiate work on Climate Action and Adaptation Plan (CAAP) and evaluate other sustainability projects and programs for FY 2019-20 (Healthy Communities and Public Safety).
- Complete sewer pump station replacement at Ocean Colony and other sewer collection system capital repairs and replacements (Infrastructure and Environment).

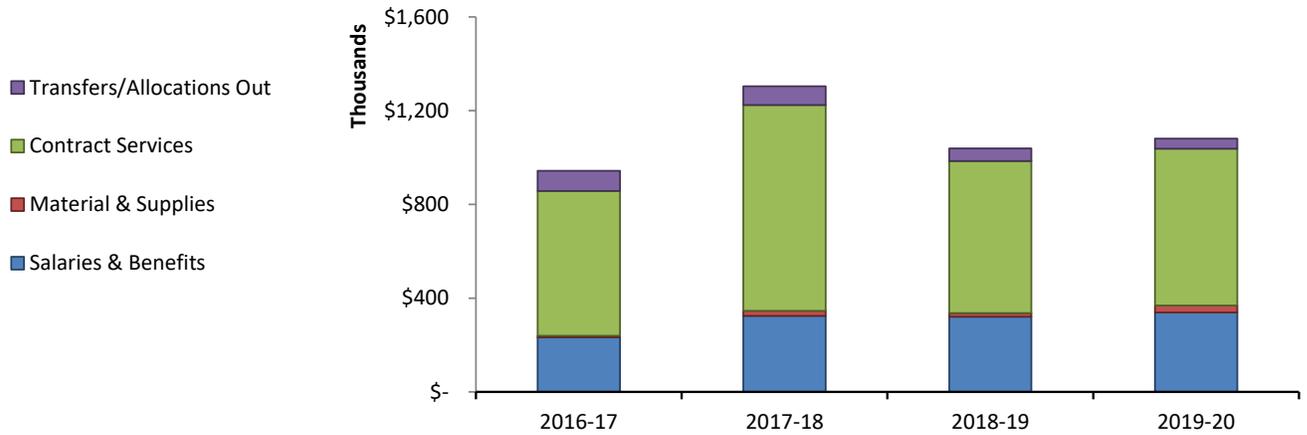
**City of Half Moon Bay
FY 2019-20 Budget
Public Works - Administration (01-50)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ -	\$ -	\$ 272,572	\$ 376,050
Material & Supplies	\$ -	\$ -	\$ -	\$ 16,000
Contract Services	\$ -	\$ -	\$ -	\$ 90,000
Transfers/Allocations Out	\$ -	\$ -	\$ 19,190	\$ 21,567
Total	\$ -	\$ -	\$ 291,762	\$ 503,617
Revenue Sources				
AB 939 Recycling Funding	\$ -	\$ -	\$ -	\$ 163,000
General Fund	\$ -	\$ -	\$ 291,762	\$ 340,617
Full-Time Equivalent Employees	-	-	1.85	2.40



**City of Half Moon Bay
FY 2019-20 Budget
Public Works - Engineering (01-51)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 232,486	\$ 324,216	\$ 321,197	\$ 338,338
Material & Supplies	\$ 7,050	\$ 22,324	\$ 14,800	\$ 30,566
Contract Services	\$ 617,539	\$ 877,409	\$ 649,500	\$ 668,985
Transfers/Allocations Out	\$ 86,225	\$ 79,844	\$ 53,557	\$ 42,897
Total	\$ 943,301	\$ 1,303,793	\$ 1,039,054	\$ 1,080,786
Revenue Sources				
Engineering Fees	\$ 18,691	\$ 316,393	\$ 91,945	\$ 134,006
AB 939 Recycling Funding	\$ 140,287	\$ 111,150	\$ 118,600	\$ -
General Fund	\$ 784,322	\$ 876,251	\$ 828,509	\$ 946,780
Full-Time Equivalent Employees	2.50	3.40	2.10	2.15





Community Development



Community Development

Mission

The mission of the Community Development Department is to protect public health, safety, and welfare; enhance the community through long range and current planning; support affordable housing and economic development initiatives; and ensure building safety and code compliance while providing for inclusive and transparent planning and policy making processes that encourage community participation.

Description

The Community Development Department coordinates and manages the City's development-related functions: long-range planning, development and subdivision review, entitlement and permit processing, building inspection services, and code compliance. The Department serves as a clearinghouse for all development-related housing and economic development services. It also functions as the environmental coordinator for the City, ensuring compliance with the California Coastal Act, California Environmental Quality Act (CEQA), and the National Environmental Policy Act (NEPA).

The Department provides staff support to the City Council, Planning Commission, the Bicycle and Pedestrian Advisory Committee, and other ad hoc committees; and monitors and participates with regional organizations including the City/County Association of Governments (C/CAG) and the Association of Bay Area Governments (ABAG). The Department also provides planning support for environmental review and entitlements required for public projects including parks, streets, and other infrastructure improvements.

Service Priorities

- Implement the Local Coastal Program (LCP) and the California Coastal Act through protection of coastal resources and maximization of coastal access.
- Implement the Housing Element and facilitate development of affordable housing.
- Protect and enhance the public health, safety, and welfare of community members.
- Create safe, livable, connected, and walkable neighborhoods.
- Enhance employment and economic development opportunities for residents and businesses.
- Be responsive to residents, Councilmembers, Commissioners, staff and community.

Staffing

The department consists of a Director, Senior Planner, two Associate Planners, Administrative Assistant, Permit Technician, Community Preservation Specialist, Contract Building Official/Inspector, and Part-Time Contract Planning Analyst.

Service Level Changes

The budget includes shifting building and planning contract services budgets to fund the new Community Preservation Specialist position. This change will give the Department capacity to better support community events, educate and inform visitors about the use of public spaces, and improve the appearance and property maintenance of residential and commercial neighborhoods.

Budget Highlights / Summary of Changes

The budget consists of personnel-related costs and contract services to cover staffing and related services. The contract planning portion of the contract services budget continues to be reduced as the planning function is returning to City staffing. There is additional reduction in contract services with the code compliance function being brought in-house. Funding for contract services will continue to cover on-call staffing support, consulting services from a housing and LCP policy specialists, planning project management services, biological consultant services, and permit tracking and GIS programs.

The department consists of two divisions:

Building Division

Mission

The mission of the Building Division is to protect public health and safety through the issuance of required building permits; and inspection of buildings, properties, and facilities in compliance with the California Building Standards, the Half Moon Bay Municipal Code, and other federal, state, and local requirements.

Description

The Building Division staffs the City Permit Center which coordinates intake of building, engineering, and planning permits, provides building plan check services, building inspection services, and zoning and other Municipal Code-related code compliance services. Division staff also provide responsive services including same-day inspections and issuance of over-the-counter permits for ministerial matters. Division staff spend significant time in the field and their firsthand knowledge of community conditions is essential to department operations as a whole.

Planning Division

Mission

The mission of the Planning Division is to protect public health and safety, safeguard coastal resources, and improve the quality of life of community members by ensuring residences, businesses, and other uses are developed and operated in accordance with the requirements of the LCP, Zoning Ordinance, General Plan, California Environmental Quality Act (CEQA), the Subdivision Map Act, State housing laws, and other applicable local, state, and federal laws and regulations.

Description

The Planning Division serves residents and businesses by overseeing and implementing the City's development-related regulations, Local Coastal Land Use Plan, and General Plan, in accordance with state law. The Division provides support to the City's Planning Commission, whose role is to consider current development proposals and provide recommendations on land use policy matters to the City Council. Planning staff strive to provide professional, courteous, responsive, and accountable public service to the community, and to implement Council-directed policy regarding the City's regulatory and environmental framework. The division works closely with the City Manager's Office and Public Works Department.

FY 2018-19 Accomplishments

- Made significant advances with the LCP Update project, including:
 - Established and served a Planning Commission LCP Update ad hoc committee;
 - Completed seven of nine LCP chapters for Planning Commission and public review;
 - Completed comprehensive biological mapping and other studies to establish the policy framework for Development through the 2040 plan horizon and buildout;
 - Established and managed contract services with specialized LCP policy and biological resources consultants.
- Hired a contract housing specialist to support City Council's priority to address affordable housing.
- Prepared a draft ordinance for City Council and community input to institute tenant protection measures.
- Conducted two comprehensive and well-attended Community Conversations about Housing in collaboration with Home for All and the Peninsula Conflict Resolution Center.
- Utilized results of Community Conversations to incorporate numerous new approaches into the Draft LCP update to support more affordable and diverse types of housing.

Multi-Family Homes	Smaller Homes	Shared Living Spaces
 <ol style="list-style-type: none">1. Green Multi-Family Homes2. Modular/Kit Homes3. Shopping Center Retrofit4. Live/Work Lofts5. Duplexes/Triplexes	 <ol style="list-style-type: none">1. Accessory Dwelling Units2. Mobile/Modular Homes3. Tiny House Villages4. Garden Cottage Communities	 <ol style="list-style-type: none">1. Communal Housing2. Home Sharing

Source: *October 23, 2018 – Second Community Conversation About Housing*
“Creative, diverse and more affordable housing”

- City Council approved and Coastal Commission certified new accessory dwelling unit ordinance compliant with State law; staff achieved administrative review timeline goal of 30 days; and processed more than four times of the number of accessory dwelling units as seen in prior years.
- Supported entitlements for mixed-use and small infill residential development.
- Supported the Engineering and Capital Projects Division of the Public Works Department for entitlements and environmental review of public infrastructure projects.
- Completed environmental review of the Parks Master Plan and Bicycle and Pedestrian Master Plans. The Parks Master Plan was adopted by City Council in January; the Bicycle and Pedestrian Master Plan adoption is pending.
- Secured a Coastal Development Permit and completed environmental review for the Highway 1 North signalization project.
- Secured a Coastal Development Permit for Highway 1 South gateway and signage in association with the Highway 1 South signalization project.
- Hired the second Associate Planner and established Community Preservation Specialist position.
- Managed contracts for Planning staffing services and project management support.
- Managed the contract for building inspection, plan check and code compliance services.
- Initiated data transfer and preparation for new permit tracking software.
- Conducted an RFP process for a new GIS system.
- Prepared application materials and trained staff to prepare for commercial cannabis nursery starts business applications to implement the new ordinance.

FY 2019-20 Goals / Strategic Plan Elements

- Complete LCP Land Use Plan Update for City Council approval and Coastal Commission consideration. The plan will incorporate the following City Council directives:
 - Incorporates improvements to the environmental and design review processes;
 - Updates and utilizes parking regulations appropriate to a mixed-use downtown environment;
 - Studies and initiates new approaches to water policy for the mixed-use downtown core area; and
 - Analyzes and addresses market conditions, cost to develop, and the potential for job creation and match for coastside residents.
- Establish a housing function to effectively implement the City's Housing Element and seek opportunities to accomplish the following to produce new and protect existing affordable dwelling units. For FY 2019-20 specifically address the following:
 - Affordable Housing Fund: Determine an allocation method, identify and establish new funding sources to create a sustainable fund.
 - Community Land Trust: Research and determine feasibility options for implementing a community land trust for affordable housing.
 - Tenant Protection Measures: Complete research and outreach to establish tenant protection measures.

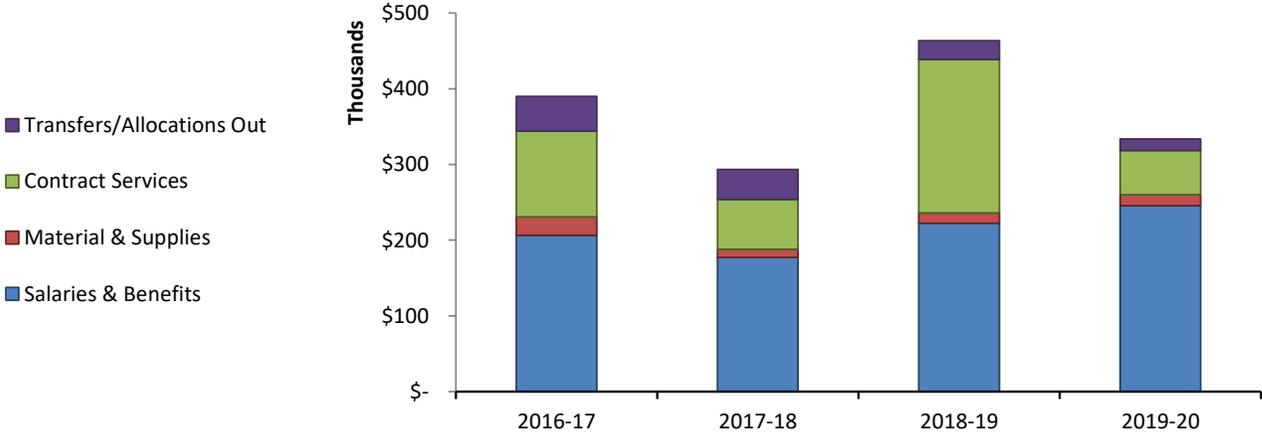
- Seek grant funding, including SB2, for housing, environmental and sustainability plans and projects. (Healthy Communities and Public Safety, Infrastructure and Environment)
- Complete ordinance updates to reduce barriers to the production of more affordable housing by improving regulations for multi-family and mixed-use parking, small-lot infill development, the below market rate (BMR) provisions), and permit process. (Healthy Communities and Public Safety, Infrastructure and Environment)
- Hire the Community Preservation Specialist and complete the transition of code compliance from an outside contractor to an in-house function; improve responsiveness and establish a proactive engagement and education approach to code compliance and neighborhood and community preservation and enhancement. (Healthy Communities and Public Safety, Infrastructure and Environment)
- Establish an Architectural Advisory Committee. (Inclusive Governance, Infrastructure and Environment)
- Continue to provide for community engagement and transparency in processing and review of private development proposals. (Inclusive Governance, Infrastructure and Environment)
- Provide planning support for community engagement, project development, environmental review and entitlement of Public Works projects including Poplar Gateways, Poplar Complete Streets, Carter Park and the Main Street Bridge. (Infrastructure and Environment)
- Continue to assist Public Works in the annual review of the City's Five-Year CIP document and ensure Planning Commission review of the capital projects for General Plan consistency and to provide entitlement and environmental review. (Infrastructure and Environment)

**City of Half Moon Bay
FY 2019-20 Budget
Community Development (01-70)**

	Audited Actual	Audited Actual	Budget	Recommended Budget
	2016-17	2017-18	2018-19	2019-20
Expenditures				
Salaries & Benefits	\$ 206,548	\$ 177,370	\$ 222,428	\$ 245,838
Material & Supplies	\$ 24,153	\$ 10,503	\$ 13,700	\$ 14,111
Contract Services	\$ 113,170	\$ 66,000	\$ 202,500	\$ 58,575
Transfers/Allocations Out	\$ 45,850	\$ 39,567	\$ 24,938	\$ 15,120
Total	\$ 389,721	\$ 293,440	\$ 463,566	\$ 333,644

Revenue Sources				
General Fund	389,721	293,440	463,566	333,644

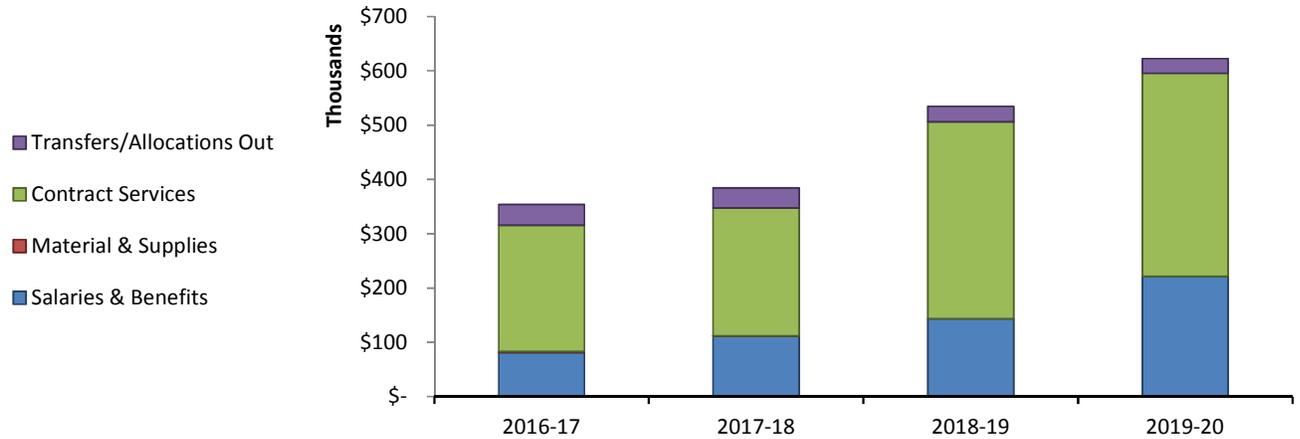
Full-Time Equivalent Employees	1.80	2.20	1.30	1.40
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**City of Half Moon Bay
FY 2019-20 Budget
Building and Code Enforcement (01-52)**

	Audited Actual 2016-17	Audited Actual 2017-18	Budget 2018-19	Recommended Budget 2019-20
Expenditures				
Salaries & Benefits	\$ 81,369	\$ 111,813	\$ 143,364	\$ 221,525
Material & Supplies	\$ 1,529	\$ 126	\$ -	\$ -
Contract Services	\$ 232,971	\$ 235,735	\$ 363,100	\$ 373,993
Transfers/Allocations Out	\$ 38,151	\$ 36,545	\$ 28,125	\$ 27,077
Total	\$ 354,020	\$ 384,219	\$ 534,589	\$ 622,595

Revenue Sources				
Building Permits	\$ 401,324	\$ 308,737	\$ 360,895	\$ 250,073
General Fund	(47,305)	75,482	173,694	372,522
Full-Time Equivalent Employees	0.65	0.90	1.05	1.55





CITY OF HALF MOON BAY

Other Funds





CITY OF HALF MOON BAY

Special Revenue and Capital Funds



Special Revenue and Capital Project Funds

Special Revenue Funds and Capital Project Funds are used to account for the proceeds of specific revenue sources that are, for the most part, legally or contractually restricted as to their use. In many instances, these funds pay for specialized services in the operating budget.

The Capital General Fund proceeds are derived from funds transferred from the General Fund (Fund 01). Unlike the special revenue funds, the Capital General Fund is unrestricted, and these proceeds can be used for any governmental purpose or project.

These funds typically are used to implement projects identified and prioritized annually in the Capital Improvement Program (CIP). The Capital improvement Program budgets for one fiscal year and plans for projects on a five-year horizon. The CIP is contained in a separate budget document that is adopted in conjunction with and as a companion to the operating budget.

STORM WATER MAINTENANCE & OPERATIONS (FUND 07)

The Storm Water Operating Fund (Fund 07) is a restricted fund that provides for the maintenance of the existing storm water system. The storm water system includes existing collectors, culverts, ditches, and streams. This fund is primarily supported by transfers from the General Fund.

Goals and Objectives

- Ensure existing storm water drainage systems remain clear and free of debris and contaminants.
- Annually clear debris from existing drainage systems and maintain them.
- Comply with the National Pollution Discharge Elimination System (NPDES) requirements.

MAIN STREET BRIDGE FUND (FUND 09)

The Main Street Bridge Fund is a restricted fund. It provides the funding for a major restoration of the Main Street Bridge which traverses the Pilarcitos Creek connecting downtown to Highway 92. Contributions to the Main Street Bridge Fund (Fund 09) come from the Gas Tax, federal funds and contributions from the General Fund.

Goals and Objectives

- Ensure Main Street Bridge is restored to meet seismic standards and provide access over Pilarcitos Creek for 50-75 years after completion.
- Ensure work complies with the approved local initiative and implementing City ordinance.
- Maximize use of federal, State, County and local governmental agency grants.

GAS TAX FUND (FUND 10)

The Gas Tax Fund is a restricted fund. Gas tax revenue is allocated to cities from the State in accordance with the Streets and Highways Code sections 2105, 2106, and 2107. The City uses these tax proceeds primarily for streets, road maintenance, minor improvements and related storm water improvements.

Goals and Objectives

- Maintain City streets and roads, including curbs, gutters and sidewalks, in accordance with the City's Pavement Management Program.
- Give priority to public safety in the programming of the Gas Tax Fund.

STREETS AND ROADS FUND (Fund 11)

The Streets and Roads Fund is a restricted fund. The fund accounts for the expenditures made for streets and roads and is funded by grants and other special revenues.

Goals and Objectives

- Maximize leveraging of federal, State, County and local government agency grants.
- Implement programs and projects that enhance public safety, address deferred maintenance and, where possible, leverage other funds.

MEASURE A AND MEASURE W FUND (Fund 12)

The Measure A/W Fund is a restricted fund. Measure A was originally approved by the San Mateo County voters to levy 0.5% sales and use tax within the County to fund local transportation-related maintenance and capital improvements beginning in 1988. In 2004, the voters approved a measure to continue the levy of the tax for an additional 25 years beginning in 2009. The Measure W Fund is a restricted fund. Measure W was approved by the San Mateo County voters in November 2018 to levy 0.5% sales and use tax within the County to fund road improvements, transit services, and implementation of the San Mateo County Congestion Relief Plan. The tax was approved for 30 years starting in 2019. These funds are restricted for use in maintenance and improvement of City streets and roads.

Goals and Objectives

- Maintain City streets and roads, including curbs, gutters and sidewalks, in accordance with the City's Pavement Management Program.
- Give priority to public safety and severely degraded streets and roads in the programming of the Measure A Funds.

TRAFFIC MITIGATION (Fund 13)

The Traffic Mitigation Fund is a restricted fund. Traffic mitigation fees defray the cost of constructing road improvements to mitigate the impacts of new development in Half Moon Bay. These funds are used by the City to reduce traffic congestion and provide for safety and street improvements including signals, lighting, and signage within the City.

Goals and Objectives:

- Maximize leveraging of federal, State, County and local governmental agency grants.
- Impose mitigation fees on new development as adopted by City Council.
- Implement programs that are defined to meet needs for improved infrastructure.

STORM WATER IMPROVEMENTS (Fund 14)

The Storm Water Improvements Fund is a restricted fund used for drainage improvements related to new development. The Fund is used to account for all proceeds from storm water (drain) improvement fees which are assessed on newly constructed or remodeled homes and businesses.

Goals and Objectives

- Impose mitigation fees on development as adopted by City Council.
- Maximize leveraging of federal, State, County and local governmental agency grants.

LIBRARY SERVICES OPERATING (Fund 15)

The Library Services Operating Fund is a restricted fund. The City, as part of the Countywide Library Joint Powers Authority (JPA), has assumed responsibility for the maintenance of the Half Moon Bay Branch Library structure and grounds. Maintenance is provided by Public Works Maintenance Division with assistance of specialized contract services.

Goals and Objectives

- Provide maintenance for the Half Moon Bay Library and grounds.
- Maintain as Zero Net Energy facility.
- Plan and budget for preventive maintenance.

LIBRARY CAPITAL (Fund 16)

The Library Capital Fund is a restricted fund. The Library Capital Fund includes revenue, grants, and other contributions that was used to build the new Half Moon Bay Library. This fund will continue to assist in the capital maintenance and replacement efforts in the coming years.

Goals and Objectives

- Provide funding for ongoing improvements, capital maintenance and capital replacements at the Half Moon Bay Library.

PARKS DEVELOPMENT (Fund 17)

The Parks Development Fund is a restricted fund. Development impact fees and federal, State, and County grants fund the Parks Development Fund. This fund is used for the acquisition, design and capital improvements of parks and trails in Half Moon Bay.

Goals and Objectives

- Impose park mitigation costs fees on development as adopted by City Council.
- Focus efforts on projects that Implement the Parks Master Plan and the Pedestrian and Bicycle Master Plan.
- Maximize leveraging of Federal, State, County, and local governmental agency grants.

AFFORDABLE HOUSING FUND (Fund 19)

The Affordable Housing Fund is a restricted fund. The City has the option of accepting in-lieu fees from residential projects of 10 or more units to put towards supporting the development of affordable (below market rate) units. Where the City Council chooses to accept fees, those fees are deposited in Fund 19 to be used for affordable housing programs and projects in Half Moon Bay.

Goals and Objectives

- Adopt a plan for prioritization of affordable housing funds.
- Consider alternate funding mechanisms and ordinance revisions to increase the availability and preservation of affordable housing in Half Moon Bay.

POLICE SERVICES (Fund 22)

The Police Services Fund is a restricted fund. The City receives funds for police services from federal, State, County and local governmental agencies. These funds are designated for specific police services, activities, and capital equipment. The source of revenue in FY 2019-20 is the COPS grant.

Goals and Objectives

- Maximize leveraging of grants from federal, State, County, and local governmental agencies.
- Continue to seek funding from the Association of Bay Area Governments (ABAG) for training, equipment, and risk management needs.

GENERAL CAPITAL (Fund 25)

The General Capital Fund is an unrestricted fund. The General Capital Fund includes funds transferred from the General Operating Fund (Fund 01) to implement much of the City's Capital Improvement Program. Projects include new facilities, capital maintenance/replacement, technology, and other infrastructure improvements.

Goals and Objectives

- Provide funding for CIP projects from the General Operating Fund (Fund 01).
- Provide unrestricted funds for a variety of desired Capital projects.

PUBLIC FACILITIES (Fund 48)

The Public Facilities Fund includes both restricted and unrestricted funds. Restricted funds are derived from Capital Outlay Impact Fees imposed on new development. Unrestricted funds are received from various contractual agreements that are one-time in nature and not otherwise specifically dedicated. The City uses this revenue for various public facility projects included in the CIP.

Goals and Objectives

- Impose capital outlay impact fees on development as adopted by City Council.
- Implement projects that improve usability and safety of City facilities.
- Maximize leveraging of federal, State, County, and local governmental agency grants.

LAND ASSETS (Fund 79)

In 2015, the City Council established a new restricted fund for City Land Assets. The Land Assets Fund includes the Beachwood and Glen Cree properties that were acquired by the City as part of the settlement of the Yamagiwa litigation in 2007. With the receipt of the Insurance Settlement payments, the Beachwood properties are no longer a necessary asset to help pay for the retirement of the Judgment Obligation Bonds. There are no changes to Land Assets Fund in FY 2019-20 Budget

Goals and Objectives

- Accounts for land assets owned by the City.
- Continue to manage and maintain the properties as open space assets including fire fuel modification to protect adjacent properties and residents.
- Provides for funds, revenue, and expenses related to these land assets.

**City of Half Moon Bay
Storm Drain Operating Fund (07)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 1,248	\$ 2,264	\$ 600	\$ 612
Total Revenue	<u>\$ 1,248</u>	<u>\$ 2,264</u>	<u>\$ 600</u>	<u>\$ 612</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 2,768	\$ -	\$ -	\$ -
Contract Services	\$ 11,183	-	52,800	54,384
Total Operation & Maintenance	<u>\$ 13,951</u>	<u>\$ -</u>	<u>\$ 52,800</u>	<u>\$ 54,384</u>
Total Expenditures	<u>\$ 13,951</u>	<u>\$ -</u>	<u>\$ 52,800</u>	<u>\$ 54,384</u>
Excess revenue over (under) expenditures	<u>\$ (12,703)</u>	<u>\$ 2,264</u>	<u>\$ (52,200)</u>	<u>\$ (53,772)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Vehicle / Equipment / Risk	\$ (10,309)	-	-	(2)
Total financing sources (uses)	<u>\$ 39,691</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 49,998</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 26,988</u>	<u>\$ 52,264</u>	<u>\$ (2,200)</u>	<u>\$ (3,774)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 149,456</u>	<u>\$ 176,443</u>	<u>\$ 228,707</u>	<u>\$ 230,000</u>
Ending Fund Balance, June 30	<u>\$ 176,443</u>	<u>\$ 228,707</u>	<u>\$ 226,507</u>	<u>\$ 226,226</u>

¹Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

City of Half Moon Bay
Main Street Bridge Fund (09)
Statement of Revenue, Expenditures and Changes in Fund Balance

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 5,085	\$ 7,642	\$ 3,700	\$ 3,774
Grants	-	-	1,142,922	-
Total Revenue	<u>\$ 5,085</u>	<u>\$ 7,642</u>	<u>\$ 1,146,622</u>	<u>\$ 3,774</u>
Capital Projects				
Capital Projects	<u>\$ 46,762</u>	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 450,000</u>
Total Capital Projects	<u>\$ 46,762</u>	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 450,000</u>
Total Expenditures	<u>\$ 46,762</u>	<u>\$ -</u>	<u>\$ 140,000</u>	<u>\$ 450,000</u>
Excess revenue over (under) expenditures	<u>\$ (41,677)</u>	<u>\$ 7,642</u>	<u>\$ 1,006,622</u>	<u>\$ (446,226)</u>
Other financing sources (uses)				
Transfers in/(out)				
From Gas Tax Fund (10)	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financing sources (uses)	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (1,677)</u>	<u>\$ 7,642</u>	<u>\$ 1,006,622</u>	<u>\$ (446,226)</u>
Beginning Fund Balance, July 1	<u>\$ 607,275</u>	<u>\$ 605,598</u>	<u>\$ 613,240</u>	<u>\$ 1,700,000</u>
Ending Fund Balance, June 30	<u>\$ 605,598</u>	<u>\$ 613,240</u>	<u>\$ 1,619,862</u>	<u>\$ 1,253,774</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

**City of Half Moon Bay
Gas Tax Fund (10)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 1,749	\$ 1,814	\$ 2,700	\$ 2,754
Gas Tax	251,423	262,790	473,095	482,557
Miscellaneous	-	58,057	-	-
Total Revenue	<u>\$ 253,172</u>	<u>\$ 322,661</u>	<u>\$ 475,795</u>	<u>\$ 485,311</u>
Expenditures				
Operation & Maintenance				
Material & Supplies	72,074	23	81,700	84,151
Contract Services	8,878	8,997	20,800	21,424
Total Operation & Maintenance	<u>\$ 85,117</u>	<u>\$ 9,020</u>	<u>\$ 102,500</u>	<u>\$ 105,575</u>
Total Expenditures	<u>\$ 85,117</u>	<u>\$ 9,020</u>	<u>\$ 102,500</u>	<u>\$ 105,575</u>
Excess revenue over (under) expenditures	<u>\$ 168,056</u>	<u>\$ 313,641</u>	<u>\$ 373,295</u>	<u>\$ 379,736</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ -	\$ 120,000	\$ -	\$ -
To General Fund (01)	\$ (86,252)	\$ (12,302)	\$ (9,597)	\$ (9,837)
To Streets & Roads Fund (11)	(240,000)	(190,000)	(543,095)	(217,500)
Vehicle / Equipment / Risk	(8,143)	(6,619)	(4,817)	(3,834)
Total financing sources (uses)	<u>\$ (334,395)</u>	<u>\$ (88,921)</u>	<u>\$ (557,509)</u>	<u>\$ (231,171)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (166,339)</u>	<u>\$ 224,720</u>	<u>\$ (184,214)</u>	<u>\$ 148,565</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 109,273</u>	<u>\$ (57,066)</u>	<u>\$ 167,654</u>	<u>\$ 200,000</u>
Ending Fund Balance, June 30	<u>\$ (57,066)</u>	<u>\$ 167,654</u>	<u>\$ (16,560)</u>	<u>\$ 348,565</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

**City of Half Moon Bay
Streets and Roads Fund (11)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 37,411	\$ 46,965	\$ 24,600	\$ 25,092
Grants	-	250,000	7,200,000	4,402,000
Measure M	86,270	-	77,000	78,540
Other Fees	74,925	76,000	-	-
Total Revenue	<u>\$ 198,606</u>	<u>\$ 447,254</u>	<u>\$ 7,301,600</u>	<u>\$ 4,505,632</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 81,301	\$ 134,681	\$ 202,780	\$ 199,529
Material & Supplies	1,378	-	-	-
Contract Services	4,234	1,877	80,000	82,400
Total Operation & Maintenance	<u>\$ 86,913</u>	<u>\$ 136,559</u>	<u>\$ 282,780</u>	<u>\$ 281,929</u>
Capital Improvements				
Total Capital Projects	<u>\$ 841,236</u>	<u>\$ 1,076,125</u>	<u>\$ 2,795,000</u>	<u>\$ 6,440,014</u>
Total Expenditures	<u>\$ 928,148</u>	<u>\$ 1,212,684</u>	<u>\$ 3,077,780</u>	<u>\$ 6,721,943</u>
Excess revenue over (under) expenditures	<u>\$ (729,542)</u>	<u>\$ (765,429)</u>	<u>\$ 4,223,820</u>	<u>\$ (2,216,311)</u>
Other financing sources (uses)				
Transfers in				
Contribution from General Fund (01)	\$ 66,500	\$ 200,000	\$ -	\$ 371,922
From General Capital Fund (25)	-	-	-	714,578
From Gas Tax Fund (10)	240,000	190,000	543,095	217,500
Measure J (01)	20,000	-	-	-
Transfers (out)				
Vehicle/Equipment/Risk	(19,549)	(20,999)	(18,117)	(13,919)
Capital General Fund (25)	(288,600)	(154,905)	-	-
Total financing sources (uses)	<u>\$ 18,351</u>	<u>\$ 214,096</u>	<u>\$ 524,978</u>	<u>\$ 1,290,081</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (711,191)</u>	<u>\$ (551,334)</u>	<u>\$ 4,748,798</u>	<u>\$ (926,230)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 4,628,790</u>	<u>\$ 3,917,599</u>	<u>\$ 3,366,265</u>	<u>\$ 7,870,000</u>
Ending Fund Balance June 30	<u>\$ 3,917,599</u>	<u>\$ 3,366,265</u>	<u>\$ 8,115,063</u>	<u>\$ 6,943,771</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

City of Half Moon Bay
Measure A/W Fund (12)
Statement of Revenue, Expenditures and Changes in Fund Balance

	Actual 2016-17	Actual 2017-18	Adopted Budget 2018-19	Recommended Budget 2019-20
Revenue				
Interest	\$ 2,416	\$ 3,977	\$ 2,100	\$ 2,142
Measure A	285,179	334,298	274,000	395,168
Measure W	-	-	-	175,600
Total Revenue	<u>\$ 287,595</u>	<u>\$ 338,275</u>	<u>\$ 276,100</u>	<u>\$ 572,910</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 48,086	\$ 53,369	\$ 79,589	\$ 84,410
Material & Supplies	-	-	2,000	2,060
Total Operation & Maintenance	<u>\$ 48,086</u>	<u>\$ 53,369</u>	<u>\$ 81,589</u>	<u>\$ 86,470</u>
Total Expenditures	<u>\$ 48,086</u>	<u>\$ 53,369</u>	<u>\$ 81,589</u>	<u>\$ 86,470</u>
Excess revenue over (under) expenditures	<u>\$ 239,508</u>	<u>\$ 284,906</u>	<u>\$ 194,511</u>	<u>\$ 486,440</u>
Other financing sources (uses)				
Transfers in/(out)				
Vehicle/Equipment/Risk	\$ (4,576)	\$ (5,754)	\$ (5,903)	\$ (4,917)
To Streets & Roads Fund (11)	<u>\$ (220,000)</u>	<u>(200,000)</u>	-	-
Total financing sources (uses)	<u>\$ (224,576)</u>	<u>\$ (205,754)</u>	<u>\$ (5,903)</u>	<u>\$ (4,917)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 14,932</u>	<u>\$ 79,153</u>	<u>\$ 188,608</u>	<u>\$ 481,523</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 150,299</u>	<u>\$ 165,231</u>	<u>\$ 244,384</u>	<u>\$ 430,000</u>
Ending Fund Balance, June 30	<u>\$ 165,231</u>	<u>\$ 244,384</u>	<u>\$ 432,992</u>	<u>\$ 911,523</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

City of Half Moon Bay
Traffic Mitigation Fund (13)
Statement of Revenue, Expenditures and Changes in Fund Balance

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 4,487	\$ 15,197	\$ 2,400	\$ 2,448
Traffic Mitigation Impact Fees	282,784	854,344	48,178	33,374
Total Revenue	<u>\$ 287,271</u>	<u>\$ 869,541</u>	<u>\$ 50,578</u>	<u>\$ 35,822</u>
Expenditures				
Operation & Maintenance				
Contract Services	\$ 31,155	\$ 31,481	\$ 25,600	\$ -
Traffic Signal Coordination	(20,500)	-	-	-
Kelly/SR 1 Intersection Improvement	27,503	\$ 32,773	\$ -	\$ -
Total Operation & Maintenance	<u>\$ 38,158</u>	<u>\$ 64,254</u>	<u>\$ 25,600</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 38,158</u>	<u>\$ 64,254</u>	<u>\$ 25,600</u>	<u>\$ -</u>
Excess revenue over (under) expenditures	<u>\$ 249,113</u>	<u>\$ 805,287</u>	<u>\$ 24,978</u>	<u>\$ 35,822</u>
Other financing sources (uses)				
Contribution from Measure A	\$ 220,000	\$ -	\$ -	\$ -
Total financing sources (uses)	<u>\$ 220,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess Revenue and other sources over (under) expenditures and other uses	<u>\$ 469,113</u>	<u>\$ 805,287</u>	<u>\$ 24,978</u>	<u>\$ 35,822</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 380,980</u>	<u>\$ 850,093</u>	<u>\$ 1,655,380</u>	<u>\$ 1,680,000</u>
Ending Fund Balance, June 30	<u>\$ 850,093</u>	<u>\$ 1,655,380</u>	<u>\$ 1,680,358</u>	<u>\$ 1,715,822</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

City of Half Moon Bay
Storm Drain Capital Project Fund (14)
Statement of Revenue, Expenditures and Changes in Fund Balance

	Actual 2016-17	Actual 2017-18	Adopted Budget 2018-19	Recommended Budget 2019-20
Revenue				
Interest	\$ 4,430	\$ 5,472	\$ 3,600	\$ 3,672
Storm Drain Fees	11,687	6,643	4,582	3,174
Total Revenue	<u>\$ 16,117</u>	<u>\$ 12,115</u>	<u>\$ 8,182</u>	<u>\$ 6,846</u>
Expenditures				
Capital Improvements				
Total Capital Projects	<u>\$ 101,099</u>	<u>\$ 65,675</u>	<u>\$ 790,000</u>	<u>\$ 806,000</u>
Salaries & Benefits	\$ 92,240	22,407	34,102	52,432
Contract Services	-	-	10,900	11,227
Total Expenditures	<u>\$ 193,339</u>	<u>\$ 88,081</u>	<u>\$ 835,002</u>	<u>\$ 869,659</u>
Excess revenue over (under) expenditures	<u>\$ (177,222)</u>	<u>\$ (75,967)</u>	<u>\$ (826,820)</u>	<u>\$ (862,813)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 462,700	\$ 535,000	\$ 292,495	\$ 150,000
Vehicle/Equipment/Risk	(4,689)	(3,161)	(2,292)	(2,412)
Total financing sources (uses)	<u>\$ 458,011</u>	<u>\$ 531,839</u>	<u>\$ 290,203</u>	<u>\$ 147,588</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 280,789</u>	<u>\$ 455,872</u>	<u>\$ (536,617)</u>	<u>\$ (715,224)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 555,431</u>	<u>\$ 836,220</u>	<u>\$ 1,292,093</u>	<u>\$ 750,000</u>
Ending Fund Balance, June 30	<u><u>\$ 836,220</u></u>	<u><u>\$ 1,292,093</u></u>	<u><u>\$ 755,476</u></u>	<u><u>\$ 34,776</u></u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

**City of Half Moon Bay
Library Fund (15)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 967	\$ 1,140	\$ 700	\$ -
Total Revenue	<u>\$ 967</u>	<u>\$ 1,140</u>	<u>\$ 700</u>	<u>\$ -</u>
Expenditures				
Operation & Maintenance				
Material & Supplies	26,376	\$ 21,836	\$ 37,400	\$ -
Contract Services	7,084	4,202	67,400	-
Total Operation & Maintenance	<u>\$ 33,460</u>	<u>\$ 26,039</u>	<u>\$ 104,800</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 33,460</u>	<u>\$ 26,039</u>	<u>\$ 104,800</u>	<u>\$ -</u>
Excess of revenue over (under) expenditures	<u>\$ (32,493)</u>	<u>\$ (24,899)</u>	<u>\$ (104,100)</u>	<u>\$ -</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 10,000	\$ 40,000	\$ 70,000	\$ -
Transfers Out	-	-	-	(109,996)
Total financing sources (uses)	<u>\$ 10,000</u>	<u>\$ 40,000</u>	<u>\$ 70,000</u>	<u>\$ (109,996)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (22,493)</u>	<u>\$ 15,101</u>	<u>\$ (34,100)</u>	<u>\$ (109,996)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 126,114</u>	<u>\$ 103,621</u>	<u>\$ 118,722</u>	<u>\$ 110,000</u>
Ending Fund Balance, June 30	<u>\$ 103,621</u>	<u>\$ 118,722</u>	<u>\$ 84,622</u>	<u>\$ 4</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

**City of Half Moon Bay
Library Capital Fund (16)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 83,690	\$ 66,736	\$ 32,200	\$ -
Grants	131,900	11,453,710	-	-
Total Revenue	<u>\$ 215,590</u>	<u>\$ 11,520,446</u>	<u>\$ 32,200</u>	<u>\$ -</u>
Expenditures				
Operation & Maintenance				
Contract Services	-	\$ -	\$ 23,400	\$ -
Total Operation & Maintenance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,400</u>	<u>\$ -</u>
Capital Improvements	\$ 5,118,395	\$ 14,970,295	-	\$ 2
Total Expenditures	<u>\$ 5,118,395</u>	<u>\$ 14,970,295</u>	<u>\$ 23,400</u>	<u>\$ 2</u>
Excess of revenue over (under) expenditures	<u>\$ (4,902,805)</u>	<u>\$ (3,449,850)</u>	<u>\$ 8,800</u>	<u>\$ (2)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (4,902,805)</u>	<u>\$ (3,449,850)</u>	<u>\$ 8,800</u>	<u>\$ (2)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 10,513,844</u>	<u>\$ 5,611,039</u>	<u>\$ 2,161,189</u>	<u>\$ 2,130,000</u>
Ending Fund Balance, June 30	<u>\$ 5,611,039</u>	<u>\$ 2,161,189</u>	<u>\$ 2,169,989</u>	<u>\$ 2,129,998</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

**City of Half Moon Bay
Park Fund (17)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ -	\$ 12,886	\$ 800	\$ 816
Park Impact & Developers' Fees	562,822	122,282	201,956	139,899
Grants	175,283	-	340,000	-
Miscellaneous	(5,000)	5,000	-	-
Total Revenue	<u>\$ 733,104</u>	<u>\$ 140,169</u>	<u>\$ 542,756</u>	<u>\$ 140,715</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 13,872	\$ 18,160	\$ 24,092	\$ 26,444
Material & Supplies	-	3,032	-	-
Total Operation & Maintenance	<u>\$ 13,872</u>	<u>\$ 21,192</u>	<u>\$ 24,092</u>	<u>\$ 26,444</u>
Capital Improvements				
Total Capital Projects	<u>\$ 822,665</u>	<u>\$ 160,398</u>	<u>\$ 1,884,000</u>	<u>\$ 1,945,002</u>
Total Expenditures	<u>\$ 836,537</u>	<u>\$ 181,590</u>	<u>\$ 1,908,092</u>	<u>\$ 1,971,446</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 212,890	\$ 425,000	\$ 804,000	\$ 1,333,078
Contribution from Measure J	670,000	116,324	-	-
Transfers Out	(781)	(617)	(517)	(381)
Total financing sources (uses)	<u>\$ 882,109</u>	<u>\$ 540,708</u>	<u>\$ 803,483</u>	<u>\$ 1,332,697</u>
Excess revenue over (under) expenditures	<u>\$ 778,676</u>	<u>\$ 499,286</u>	<u>\$ (561,853)</u>	<u>\$ (498,034)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 406,711</u>	<u>\$ 1,185,387</u>	<u>\$ 1,684,674</u>	<u>\$ 1,060,000</u>
Ending Fund Balance, June 30	<u>\$ 1,185,387</u>	<u>\$ 1,684,674</u>	<u>\$ 1,122,821</u>	<u>\$ 561,966</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

**City of Half Moon Bay
Affordable Housing Fund (19)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Affordable Housing Developer's Fees	\$ 327,264	\$ -	\$ -	\$ -
Interest	16,770	27,409	11,100	11,322
Total Revenue	<u>\$ 344,034</u>	<u>\$ 27,409</u>	<u>\$ 11,100</u>	<u>\$ 11,322</u>
Expenditures				
Salaries & Benefits	\$ -	\$ 14,833	\$ -	\$ -
Contract Services	-	-	102,000	(40)
Total Expenditures	<u>\$ -</u>	<u>\$ 14,833</u>	<u>\$ 102,000</u>	<u>\$ (40)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ -	\$ -	\$ -	\$ 400,000
Total financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>
Excess of revenue over (under) expenditures	<u>\$ 344,034</u>	<u>\$ 12,576</u>	<u>\$ (90,900)</u>	<u>\$ 411,362</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 1,795,745</u>	<u>\$ 2,139,779</u>	<u>\$ 2,152,355</u>	<u>\$ 2,060,000</u>
Ending Fund Balance, June 30	<u><u>\$ 2,139,779</u></u>	<u><u>\$ 2,152,355</u></u>	<u><u>\$ 2,061,455</u></u>	<u><u>\$ 2,471,362</u></u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

City of Half Moon Bay
Police Grant Fund (22)
Statement of Revenue, Expenditures and Changes in Fund Balance

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 1,902	\$ 3,730	\$ 1,700	\$ 1,734
Grants	<u>129,534</u>	<u>139,543</u>	<u>100,000</u>	<u>118,826</u>
Total Revenue	<u>\$ 131,436</u>	<u>\$ 143,274</u>	<u>\$ 101,700</u>	<u>\$ 120,560</u>
Expenditures				
Material & Supplies	\$ 736	\$ 15	\$ -	\$ -
Contract Services	<u>86,702</u>	<u>54,603</u>	<u>106,100</u>	<u>409,283</u>
Total Expenditures	<u>\$ 87,438</u>	<u>\$ 54,619</u>	<u>\$ 106,100</u>	<u>\$ 409,283</u>
Excess of revenue over (under) expenditures	<u>\$ 43,998</u>	<u>\$ 88,655</u>	<u>\$ (4,400)</u>	<u>\$ (288,723)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 193,629</u>	<u>\$ 237,627</u>	<u>\$ 326,282</u>	<u>\$ 330,000</u>
Ending Fund Balance, June 30	<u>\$ 237,627</u>	<u>\$ 326,282</u>	<u>\$ 321,882</u>	<u>\$ 41,277</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19

**City of Half Moon Bay
General Capital Fund (25)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Grants	\$ 39,827	\$ 788,929	\$ -	\$ -
Interest	\$ -	\$ 15,168	\$ -	\$ -
Total Revenue	<u>\$ 39,827</u>	<u>\$ 804,098</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Contract Services	-	200,000	-	-
Total Operation & Maintenance	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Projects				
Total Capital Projects	<u>\$ 461,474</u>	<u>\$ 1,155,190</u>	<u>\$ 875,000</u>	<u>\$ 985,000</u>
Total Expenditures	<u>\$ 461,474</u>	<u>\$ 1,355,190</u>	<u>\$ 875,000</u>	<u>\$ 985,000</u>
Excess revenue over (under) expenditures	<u>\$ (421,647)</u>	<u>\$ (551,092)</u>	<u>\$ (875,000)</u>	<u>\$ (985,000)</u>
Other financing sources (uses)				
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 807,315	\$ 980,582	\$ 12,210	\$ 605,000
Contribution from Measure J	-	13,000	-	-
Contribution from ERAF	203,028	-	-	-
Contribution from Streets & Roads Fund	288,600	-	-	-
Contribution from Public Facilities Fund	300,000	-	-	-
Contribution from Equipment Fund	550,000	-	-	-
Transfers Out	-	-	-	(714,578)
Total financing sources (uses)	<u>\$ 2,148,943</u>	<u>\$ 993,582</u>	<u>\$ 12,210</u>	<u>\$ (109,578)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 1,767,123</u>	<u>\$ 1,246,588</u>	<u>\$ (862,790)</u>	<u>\$ (1,094,578)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ -</u>	<u>\$ 1,767,123</u>	<u>\$ 3,013,711</u>	<u>\$ 1,300,000</u>
Ending Fund Balance, June 30	<u>\$ 1,767,123</u>	<u>\$ 3,013,711</u>	<u>\$ 2,150,921</u>	<u>\$ 205,422</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19

City of Half Moon Bay
Public Facilities Capital Project Fund (48)
Statement of Revenue, Expenditures and Changes in Fund Balance

	Actual 2016-17	Actual 2017-18	Adopted Budget 2018-19	Recommended Budget 2019-20
Revenue				
Interest	\$ 4,645	\$ 115	\$ 3,500	\$ 3,570
Facilities Impact & Developers' Fees	406	-	-	-
Grants	-	-	125,000	250,000
Total Revenue	<u>\$ 5,051</u>	<u>\$ 88,494</u>	<u>\$ 128,500</u>	<u>\$ 253,570</u>
Expenditures				
Salaries & Benefits	\$ 13,868	\$ -	\$ -	\$ 90,820
Contract Services	-	-	26,700	27,501
Total Operation & Maintenance	<u>\$ 13,868</u>	<u>\$ -</u>	<u>\$ 26,700</u>	<u>\$ 118,321</u>
Capital Projects				
Total Capital Projects	<u>\$ 368,126</u>	<u>\$ 1,336,000</u>	<u>\$ 995,000</u>	<u>\$ 990,000</u>
Total Expenditures	<u>\$ 381,994</u>	<u>\$ 1,336,000</u>	<u>\$ 1,021,700</u>	<u>\$ 1,108,321</u>
Excess revenue over (under) expenditures	<u>\$ (376,943)</u>	<u>\$ (1,247,506)</u>	<u>\$ (893,200)</u>	<u>\$ (854,751)</u>
Other financing sources (uses)				
Operating transfers in	\$ 219,500	\$ 1,730,000	\$ 810,000	\$ 631,997
Operating transfers out	(300,781)	(75,000)	-	-
Total financing sources (uses)	<u>\$ (81,281)</u>	<u>\$ 1,655,000</u>	<u>\$ 810,000</u>	<u>\$ 631,997</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (458,224)</u>	<u>\$ 407,494</u>	<u>\$ (83,200)</u>	<u>\$ (222,754)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 753,218</u>	<u>\$ 294,994</u>	<u>\$ 702,488</u>	<u>\$ 640,000</u>
Ending Fund Balance, June 30	<u>\$ 294,994</u>	<u>\$ 702,488</u>	<u>\$ 619,288</u>	<u>\$ 417,246</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19



CITY OF HALF MOON BAY

Debt Service Funds



Debt Service Funds

Debt Service Funds are restricted funds. They are used to account for the payment of principal and interest on long-term debt of the City. They are also used to maintain cash reserves as required under debt covenants.

JUDGMENT OBLIGATION DEBT SERVICE FUNDS SERIES 2009A (FUND 77) and SERIES 2009B (FUND 78)

In July 2009, the City issued Series 2009A and 2009B Judgment Obligation Bonds (JOB) in the amount of \$5.8 million and \$10.9 million, respectively. The proceeds were used to settle the City’s judgment obligation (legal settlement) on the Yamagiwa case.

2009A and 2009B Series Bonds

The Series 2009A were tax exempt bonds that were originally scheduled to mature in 2025 with interest paid semi-annually and principal paid annually by the General Fund. Interest rates on the Series 2009A bonds ranged from 3% to 5.375%.

The Series 2009B are Build America Bonds issued under the provisions of the Federal American Recovery and Reinvestment Act of 2009. The Series 2009B bonds were originally set to mature in 2040, with interest due semiannually, until 2027 when principal is also due annually. Interest rates range from 8.5% to 8.65%. The City receives a Federal interest subsidy on the Build America Bonds equal to approximately 26.5% of the annual payments.

The original bond covenant required that the City maintain cash reserves in the amount of \$1.2 million (rounded). These reserves are accounted for in Fund 77 (Series 2009A Bonds) and Fund 78 (Series 2009B Bonds).

Insurance Settlements & Early Retirement

The City has received insurance settlements from ABAG Plan and ICW in connection with the Yamagiwa case. In 2013, the City Council adopted a resolution approving an agreement with the Bond Trustee to retire the Judgment Obligation Bonds early (the 2009A Bonds were retired on August 1, 2014 and the 2009B Bonds will be retired on August 1, 2019).

The retirement of the 2009A Series Bonds during FY 2014-15 resulted in a reduction in debt service expenses in the General Fund of over \$425,000 per year. The retirement of the Judgment Obligation Bond Series 2009B will end the expense of \$590,000 in the General Fund in FY 2018-19.

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.

Effective FY 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for the parcel).

The computations shown below reflect a conversion of assessed valuation data for each fiscal year 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.

The legal debt limit for the City of Half Moon Bay is approximately \$110 million. The City's applicable long-term debt balance of \$10,915,000 (planned to retire on August 1, 2019) is approximately 10.6% of the legal debt limit.

SAN MATEO COUNTY LOAN

In FY 2017-18, the City received a loan in the amount of \$6 million from the County of San Mateo to partially finance the construction of the new library. The loan carries no interest and is payable in 10 equal installments of \$600,000 per year, beginning FY 2019-20. The loan repayments are budgeted as an expenditure in the General Fund.

City of Half Moon Bay
Debt Service Fund - Judgment Obligation Bond - Series B (78)
Statement of Revenue, Expenditures and Changes in Fund Balance

	Actual 2016-17	Actual 2017-18	Adopted Budget 2018-19	Recommended Budget 2019-20
Revenue				
Interest	\$ 253,359	\$ 337,029	\$ 252,800	\$ 125,000
Investment Income/(Loss)	4,857	-	2,000	2,040
Unrealized Gain/(Loss) on Investment	29,907	-	-	-
Total Revenue	<u>\$ 288,123</u>	<u>\$ 337,029</u>	<u>\$ 254,800</u>	<u>\$ 127,040</u>
Expenditures				
Debt Service - Interest	\$ 937,704	\$ 937,704	\$ 937,704	\$ 468,872
Debt Service - Principal Payment	-	-	-	10,915,000
Contract Services	-	-	3,000	3,090
Total Expenditures	<u>\$ 937,704</u>	<u>\$ 937,704</u>	<u>\$ 940,704</u>	<u>\$ 11,386,962</u>
Excess revenue over (under) expenditures	<u>\$ (649,580)</u>	<u>\$ (600,674)</u>	<u>\$ (685,904)</u>	<u>\$ (11,259,922)</u>
Other financing sources (uses)				
Transfers in/(out)				
Transfers In	\$ 690,198	690,198	690,198	-
Transfers Out	-	-	-	(400,078)
Total financing sources (uses)	<u>\$ 690,198</u>	<u>\$ 690,198</u>	<u>\$ 690,198</u>	<u>\$ (400,078)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 40,618</u>	<u>\$ 89,524</u>	<u>\$ 4,294</u>	<u>\$ (11,660,000)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 11,237,124</u>	<u>\$ 11,277,742</u>	<u>\$ 11,367,265</u>	<u>\$ 11,660,000</u>
Ending Fund Balance, June 30	<u>\$ 11,277,742</u>	<u>\$ 11,367,265</u>	<u>\$ 11,371,559</u>	<u>\$ -</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19



CITY OF HALF MOON BAY

Internal Service Funds



Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments for the City on a cost-reimbursement basis. The four Internal Service Funds are Vehicle Replacement Fund, Equipment Replacement Fund, Risk Management Fund, and Retirement Stabilization Fund.

VEHICLE REPLACEMENT FUND (Fund 61)

The Vehicle Replacement Fund is an unrestricted fund. It covers the cost of repair, maintenance, and replacement of City vehicles. Revenue for this fund is derived from internal service charges to City departments. This Fund acts as a pass-through entity.

Goals and Objectives

- Provide timely repair and maintenance for vehicles and for purchase of new vehicles as necessary.
- Constantly review the mode of operation for the efficient utilization of the City's fleet.

EQUIPMENT REPLACEMENT FUND (Fund 62)

The Equipment Replacement Fund is an unrestricted fund, which provides for the service, maintenance, and replacement of all information technology (hardware and software), office equipment (copiers, postage meters), furniture and other equipment. Revenue for this fund is derived from internal service charges to City departments, based on a percentage of their overall budget.

Goals and Objectives

- Provide departments with efficient and effective information technology (IT) operation.
- Minimize down time and maximize response time to address citywide equipment service needs.
- Further assess future equipment needs citywide and develop applicable strategies to meet them.
- Continue using new technological solutions to improve the City's efficiency.

RISK MANAGEMENT FUND (Fund 63)

The Risk Management Fund is an unrestricted fund. The Risk Management Fund covers the cost of the City's insurance policies and payments of liability and workers' compensation claims against the City. The risk management program goal is to reduce insurance-related costs whenever possible and maintain appropriate levels of coverage and reserves.

The City is a member of the PLAN (Pooled Liability Assurance Network) JPA. This risk management pool covers the City's property and liability insurance. The City is self-funded when it comes to litigation and claims involving land-use issues. The City is a member of The Cities Group JPA for Workers' Compensation insurance program.

The allocation methodology for this fund passes on all risk management expenses to the funds and departments that incur the liabilities.

Goals and Objectives

- Proactively reduce risk exposure and reduce liability and insurance costs.
- Maintain appropriate levels of insurance coverage.
- Train staff on risk management operational best practices, safety in workplace and maintenance operations.
- Mitigate potential risk and build contingent loss reserves.

PENSION STABILIZATION FUND (Fund 64)

The Pension Stabilization Fund is an unrestricted fund. The Pension Stabilization Fund was created to smooth out major fluctuations in annual pension costs and the annual payment of the unfunded liability. Large swings have impacted the City's financials in the past, and recent changes in CalPERS actuarial assumptions and discount rate will have a significant impact on the City's future pension cost and contribution rates. The funding for this program is provided through an annual transfer from the General Fund.

Goals and Objectives

- Build reserves that can be used to meet large swings in annual pension costs.
- Budget and pay down pension side fund liabilities to save future interest costs.

City of Half Moon Bay
Vehicle Fund (61)
Statement of Revenue, Expenditures and Changes in Net Assets

	Actual 2016-17	Actual 2017-18	Adopted Budget 2018-19	Recommended Budget 2019-20
Revenue				
Facilities Impact & Developers' Fees	\$ 8,578	\$ 7,632	\$ -	\$ 8,709
Capital Impact & Developers' Fees	9,857	8,871	-	-
Interest	4,234	6,000	4,000	4,080
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 22,668</u>	<u>\$ 22,503</u>	<u>\$ 4,000</u>	<u>\$ 12,789</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 10,967	\$ -	\$ -	\$ -
Material & Supplies	(5,278)	13,792	119,700	123,291
Depreciation	-	-	28,600	28,600
Total Operation & Maintenance	<u>\$ 5,689</u>	<u>\$ 13,792</u>	<u>\$ 148,300</u>	<u>\$ 151,891</u>
Total Expenditures	<u>\$ 5,689</u>	<u>\$ 13,792</u>	<u>\$ 148,300</u>	<u>\$ 151,891</u>
Excess revenue over (under) expenditures	<u>\$ 16,979</u>	<u>\$ 8,711</u>	<u>\$ (144,300)</u>	<u>\$ (139,102)</u>
Other financing sources (uses)				
Transfers in/(out)				
Transfers In	\$ -	\$ 11,015	\$ -	\$ -
Transfers Out	(521)	-	-	-
Total financing sources (uses)	<u>\$ (521)</u>	<u>\$ 11,015</u>	<u>\$ -</u>	<u>\$ -</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 16,458</u>	<u>\$ 19,726</u>	<u>\$ (144,300)</u>	<u>\$ (139,102)</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 680,047</u>	<u>\$ 696,505</u>	<u>\$ 716,231</u>	<u>\$ 910,000</u>
Ending Net Assets, June 30	<u>\$ 696,505</u>	<u>\$ 716,231</u>	<u>\$ 571,931</u>	<u>\$ 770,898</u>

Note: The presentation above reflects a Net Assets basis of presentation. In the Vehicle Fund, Net Assets primarily include capitalized vehicles and cash.

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19

**City of Half Moon Bay
Equipment Fund (62)
Statement of Revenue, Expenditures and Changes in Net Assets**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 8,227	\$ 6,186	\$ 3,000	\$ 3,060
Miscellaneous	-	-	-	-
Total Revenue	<u>\$ 8,227</u>	<u>\$ 6,186</u>	<u>\$ 3,000</u>	<u>\$ 3,060</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 2,907	\$ -	\$ -	\$ -
Material & Supplies	11,008	9,799	29,200	30,076
Depreciation	-	-	40,000	40,000
Total Operation & Maintenance	<u>\$ 13,915</u>	<u>\$ 9,799</u>	<u>\$ 69,200</u>	<u>\$ 70,076</u>
Contract Services				
Total Capital Purchases	<u>\$ 165,417</u>	<u>\$ 190,553</u>	<u>\$ 84,000</u>	<u>\$ 86,520</u>
Total Expenditures	<u>\$ 179,332</u>	<u>\$ 200,352</u>	<u>\$ 153,200</u>	<u>\$ 156,596</u>
Excess revenue over (under) expenditures	<u>\$ (171,104)</u>	<u>\$ (194,166)</u>	<u>\$ (150,200)</u>	<u>\$ (153,536)</u>
Other financing sources (uses)				
Transfers in/(out)				
Transfers In	\$ 253,937	\$ 197,100	\$ 200,200	\$ 203,536
Transfers Out	(550,000)	-	-	-
Total financing sources (uses)	<u>\$ (296,063)</u>	<u>\$ 197,100</u>	<u>\$ 200,200</u>	<u>\$ 203,536</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (467,167)</u>	<u>\$ 2,934</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 1,139,799</u>	<u>\$ 672,632</u>	<u>\$ 675,565</u>	<u>\$ 50,000</u>
Ending Net Assets, June 30	<u><u>\$ 672,632</u></u>	<u><u>\$ 675,565</u></u>	<u><u>\$ 725,565</u></u>	<u><u>\$ 100,000</u></u>

Note: The presentation above reflects a Net Assets basis of presentation. In the Equipment Fund, Net Assets primarily include capitalized equipment and cash.

¹Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19

**City of Half Moon Bay
Risk Management Fund (63)
Statement of Revenue, Expenditures and Changes in Net Assets**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 15,897	\$ 28,507	\$ 11,100	\$ 30,000
Grants	-	8,775	-	-
Miscellaneous	11,498	5,777	-	-
Total Revenue	<u>\$ 27,395</u>	<u>\$ 43,059</u>	<u>\$ 11,100</u>	<u>\$ 30,000</u>
Expenditures				
Operation & Maintenance				
ABAG Plan Risk Management Pool				
Salaries & Benefits	\$ 155,317	\$ 198,456	\$ 208,371	\$ 182,221
General Liability Premiums	79,270	91,340	127,100	141,081
Insurance Premium	36,965	25,275	18,000	18,540
Liability Deductibles	50,367	7,081	100,000	103,000
Material & Supplies	500	528	15,800	16,274
Contract Services	90,351	166,213	165,600	170,568
Total Operation & Maintenance	<u>\$ 412,770</u>	<u>\$ 488,892</u>	<u>\$ 634,871</u>	<u>\$ 631,684</u>
Total Expenditures	<u>\$ 412,770</u>	<u>\$ 488,892</u>	<u>\$ 634,871</u>	<u>\$ 631,684</u>
Excess revenue over (under) expenditures	<u>\$ (385,375)</u>	<u>\$ (445,833)</u>	<u>\$ (623,771)</u>	<u>\$ (601,684)</u>
Other financing sources (uses)				
Transfers in	\$ 827,633	\$ 629,773	\$ 634,870	\$ 625,334
Total financing sources (uses)	<u>\$ 827,633</u>	<u>\$ 629,773</u>	<u>\$ 634,870</u>	<u>\$ 625,334</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 442,258</u>	<u>\$ 183,939</u>	<u>\$ 11,099</u>	<u>\$ 23,650</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 1,530,984</u>	<u>\$ 1,973,242</u>	<u>\$ 2,157,181</u>	<u>\$ 1,810,000</u>
Ending Net Assets, June 30	<u>\$ 1,973,242</u>	<u>\$ 2,157,181</u>	<u>\$ 2,168,280</u>	<u>\$ 1,833,650</u>

Note: The presentation above reflects a Net Assets basis of presentation. In the Risk Management Fund, Net Assets primarily represents cash less claim liabilities.

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19

City of Half Moon Bay
Retirement Stabilization Fund (64)
Statement of Revenue, Expenditures and Changes in Net Assets

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenues				
Interest	\$ 5,644	6,085	4,900	4,998
Total Revenues	<u>\$ 5,644</u>	<u>\$ 6,085</u>	<u>\$ 4,900</u>	<u>\$ 4,998</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits				
Public Employees Retirement	\$ 395,439	\$ 630,492	\$ 845,000	\$ 877,534
Total Operation & Maintenance	<u>\$ 395,439</u>	<u>\$ 630,492</u>	<u>\$ 845,000</u>	<u>\$ 877,534</u>
Total Expenditures	<u>\$ 395,439</u>	<u>\$ 630,492</u>	<u>\$ 845,000</u>	<u>\$ 877,534</u>
Excess revenue over (under) expenditures	<u>\$ (389,795)</u>	<u>\$ (624,407)</u>	<u>\$ (840,100)</u>	<u>\$ (872,536)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 409,947	\$ 636,219	\$ 945,000	\$ 1,000,000
Total financing sources (uses)	<u>\$ 409,947</u>	<u>\$ 636,219</u>	<u>\$ 945,000</u>	<u>\$ 1,000,000</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 20,152</u>	<u>\$ 11,812</u>	<u>\$ 104,900</u>	<u>\$ 127,464</u>
Beginning Fund Balance, July 1 ¹	<u>\$ 1,015,252</u>	<u>\$ 1,035,404</u>	<u>\$ 1,047,216</u>	<u>\$ 1,150,000</u>
Ending Net Assets, June 30	<u>\$ 1,035,404</u>	<u>\$ 1,047,216</u>	<u>\$ 1,152,116</u>	<u>\$ 1,277,464</u>

Note: The presentation above reflects a Net Assets basis of presentation. In the Retirement Stabilization Fund, Net Assets primarily represents cash.

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19



CITY OF HALF MOON BAY

Enterprise Funds



Enterprise Funds

Enterprise Funds are used to account for services that are financed and operated in a manner more closely related to private business enterprise. In accordance with State law, the City imposes user fees to ensure the costs of providing the services are financed primarily through those charges.

SEWER OPERATING (Fund 05)

The Sewer Operating Fund is a restricted fund that is funded by sewer user charges. The Sewer operating budget is used to account for the financial activity of the City's sewer utility. The Fund is used to account for:

1. Wastewater treatment services provided by the Sewer Authority Mid-Coastside (SAM), a Joint Powers Authority.
2. Regular cleaning of the City-owned wastewater collection system.
3. Maintenance, rehabilitation, and repair of the City-owned wastewater collection system.

Goals and Objectives

- Protect the health and welfare of the community by ensuring the continuous uninterrupted operation of the City-owned wastewater collection and transmission systems to every extent possible to meet all federal, State and local standards.
- Provide appropriate and economical maintenance and repair of the wastewater collection and transmission system and its appurtenances.
- Fund the cost of collection, transmission and treatment of the wastewater system. This effort includes overseeing the operations of SAM as a member of the Joint Powers Authority and sitting Board of Directors.
- Continue to repair and improve damaged or substandard sections of the wastewater collection system to ensure proper operating conditions by using a program that provides cleaning, preventive maintenance, and repair of the system.
- Provide expedient response to emergency situations including SSO events.

SEWER CAPITAL (Fund 06)

The Sewer Capital Fund is a restricted fund that is funded by sewer user charges. The Sewer Capital Fund provides resources for capital improvements included in the City's CIP and as necessitated by emergency repairs and/or emerging issues. Projects include testing, evaluation, maintenance and repairs of the City's wastewater collection system including the three sewer pump stations and force mains.

Goals and Objectives

- Replace sewer collection lines that have infiltration or damage and ensure integrity of the wastewater collection system.
- Maintain and update the City's Sewer Master Plan.
- Staff to conduct an annual review of the capital needs and sewer rates to ensure adequate resources are available to fund requirements.

SEWER RESERVE OVERVIEW

In 2010, approval was given to increase the sewer rates over a three-year period. The rate increases were critical in improving a low reserve balance that was insufficient to fund sewer operations and critical capital improvements. As a result, the Sewer Capital Fund now has a reserve balance that is available for capital improvements and contingencies. Sewer costs have steadily risen steadily over the last three years. Notably overall SAM operating costs have increased by more than 15% each of the last three years. Additionally, the City's share of the costs has risen by approximately 8% over the last three years. Finally, the City has programmed major capital projects and capital maintenance during FY 2019-20 and the following years. In FY 2018-19 and FY 2019-20, operations costs have exceeded revenues and capital funds have been used to offset the additional operating costs. Capital projects and maintenance will continue to be needed and funding will be necessary. A new sewer rate study is planned to be prepared and completed in FY 2019-20 to address this issue. Settlement of current litigation with Granada and Montara may also provide some financial relief to the Sewer Fund.

SEWER NET ASSET AND CASH PRESENTATION

The Sewer Fund Balance is presented on a dual basis in the budget document: Net Asset and Cash Reserves. Net Assets is the excess of assets over liabilities and is the basis of presentation prescribed by GASB Statement No. 34. A significant portion of the City's Net Assets is investment in SAM so it is important to review the cash reserve balance to understand the amounts available to fund operations and capital improvements.

**City of Half Moon Bay
Sewer Operating Fund (05)
Statement of Revenue, Expenditures and Changes in Net Assets**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Sewer Service Charges	\$ 3,356,217	\$ 2,445,058	\$ 4,248,000	\$ 4,332,960
Interest	26,801	14,013	19,900	20,298
Miscellaneous	37,101	-	-	-
Total Revenue	<u>\$ 3,420,119</u>	<u>\$ 2,459,071</u>	<u>\$ 4,267,900</u>	<u>\$ 4,353,258</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 191,845	\$ 234,827	\$ 281,302	\$ 323,018
Material & Supplies	21,280	934	19,900	20,188
Contract Services	2,502,690	4,273,271	3,774,430	5,263,319
SAM Authority	2,444,125	4,007,916	3,360,430	4,136,899
Other Contracts	58,565	265,355	414,000	1,126,420
Total Operation & Maintenance	<u>\$ 2,715,815</u>	<u>\$ 4,509,032</u>	<u>\$ 4,075,632</u>	<u>\$ 5,606,525</u>
Capital Projects				
Sanitary Sewer Improvements	\$ 11,442	\$ -	\$ 67,000	\$ 69,010
Total Capital Projects	<u>\$ 11,442</u>	<u>\$ -</u>	<u>\$ 67,000</u>	<u>\$ 69,010</u>
Total Expenditures	<u>\$ 2,727,257</u>	<u>\$ 4,509,032</u>	<u>\$ 4,142,632</u>	<u>\$ 5,675,535</u>
Excess revenue over (under) expenditures	<u>\$ 692,862</u>	<u>\$ (2,049,961)</u>	<u>\$ 125,268</u>	<u>\$ (1,322,277)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from Sewer Capital Fund	\$ -	\$ -	\$ 300,000	\$ 2,006,000
Equipment / Risk	(239,495)	(55,959)	(197,273)	(208,327)
Administrative Fee (to General Fund)	(196,001)	(420,668)	(460,771)	(472,290)
Total financing sources (uses)	<u>\$ (435,496)</u>	<u>\$ (476,627)</u>	<u>\$ (358,044)</u>	<u>\$ 1,325,383</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 257,366</u>	<u>\$ (2,526,588)</u>	<u>\$ (232,776)</u>	<u>\$ 3,106</u>
Beginning Net Assets, July 1 ¹	<u>\$ 2,927,929</u>	<u>\$ 3,185,295</u>	<u>\$ 658,707</u>	<u>\$ 120,000</u>
Ending Net Assets, June 30	<u>\$ 3,185,295</u>	<u>\$ 658,707</u>	<u>\$ 425,931</u>	<u>\$ 123,106</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.

**City of Half Moon Bay
Sewer Capital Fund (06)
Statement of Revenue, Expenditures and Changes in Net Assets**

	<u>Actual 2016-17</u>	<u>Actual 2017-18</u>	<u>Adopted Budget 2018-19</u>	<u>Recommended Budget 2019-20</u>
Revenue				
Interest	\$ 108,202	\$ 181,730	\$ 73,200	\$ 74,664
Sewer Rate Charges	1,131,040	1,816,068	103,783	71,893
Total Revenue	<u>\$ 1,239,242</u>	<u>\$ 1,997,798</u>	<u>\$ 176,983</u>	<u>\$ 146,557</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ -	\$ (686)	\$ -	\$ -
Loss on investment in SAM	\$ -	\$ -	\$ 175,000	\$ 180,250
Depreciation	-	99,520	100,000	100,000
Total Operation & Maintenance	<u>\$ -</u>	<u>\$ 98,834</u>	<u>\$ 275,000</u>	<u>\$ 280,250</u>
Capital Projects				
Total Capital Projects	<u>\$ 226,462</u>	<u>\$ 203,273</u>	<u>\$ 5,407,500</u>	<u>\$ 3,845,000</u>
Total Expenditures	<u>\$ 226,462</u>	<u>\$ 302,107</u>	<u>\$ 5,682,500</u>	<u>\$ 4,125,250</u>
Excess revenue over (under) expenditures	<u>\$ 1,012,781</u>	<u>\$ 1,695,691</u>	<u>\$ (5,505,517)</u>	<u>\$ (3,978,693)</u>
Other financing sources (uses)				
Transfers in/(out)				
Transfers Out	\$ (46,703)	\$ (11,460)	(316,386)	(2,022,796)
Total financing sources (uses)	<u>\$ (46,703)</u>	<u>\$ (11,460)</u>	<u>\$ (316,386)</u>	<u>\$ (2,022,796)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 966,078</u>	<u>\$ 1,684,231</u>	<u>\$ (5,821,903)</u>	<u>\$ (6,001,489)</u>
Beginning Net Assets, July 1 ¹	<u>\$ 21,579,281</u>	<u>\$ 22,545,358</u>	<u>\$ 24,229,590</u>	<u>\$ 7,920,000</u>
Ending Net Assets, June 30	<u>\$ 22,545,358</u>	<u>\$ 24,229,590</u>	<u>\$ 18,407,687</u>	<u>\$ 1,918,511</u>

¹ Beginning Fund Balance for FY 2019-20 based on updated estimates and may not match budgeted estimates for FY 2018-19 ending balance.



CITY OF HALF MOON BAY

Capital Improvement Program



Capital Improvement Program

The City's 5-Year Capital Improvement Program (CIP) is a financial planning and prioritization tool that represents the City's continuous efforts to protect public health and safety and enhance the quality of life and experience for visitors and residents in Half Moon Bay. The CIP identifies current and future capital improvements and provides the following benefits:

- Facilitates the scheduling of public improvements that require expenditures and appropriations over two or more fiscal years;
- Provides orderly management of capital projects consistent with the General Plan and adopted master plans; and
- Enhances eligibility for grants from the State and the federal Government.

Capital improvements are either projects or programs with total budgets that typically exceed \$30,000. Projects are generally large, one-time enhancements whereas programs occur annually with a new project emphasis each year. The City capital improvement needs are a result of an aging infrastructure, significant deferred maintenance and desired construction on new and existing facilities.

Although the City's CIP looks at the upcoming five fiscal years, the funding request only covers the first year of the program, which is referred to as the Capital Budget. Improvements are prioritized based on various criteria including grant availability, legal requirements, Council's priorities, and progress on the improvement thus far. CIP improvements are divided into 8 categories as described below.

Storm Water Improvements are focused on maintaining and improving the City's storm water system to protect homes, businesses, public facilities and infrastructure. The Storm Drain Master Plan is an important component to prioritizing improvements, identifying regulatory requirements and preventing catastrophic failure of the storm water system in the future.

Economic Development Improvements are headlined by the General Plan and Local Coastal Program (LCP) Update, which has been underway since late 2013 and is scheduled for completion in FY 2019-20. In addition to completing the LCP, these improvements focus on implementing improvements that will enhance the living standard and attractiveness of Half Moon Bay for residents and visitors alike.

Operational Improvements include major capital investments to enhance the internal operational efficiencies of the City. These improvements will help City staff perform more efficiently and allow staff to respond to customer requests in a timelier manner. Each of the improvements also enhance the City's transparency as envisioned in the strategic plan.

Park Improvements are critical to maintain the health and livability of Half Moon Bay for residents and visitors alike. Within Half Moon Bay, there are parks focused on active play and others focused on passive recreation. In some cases, City parks include both aspects. These improvements focus on maintaining and enhancing the City's various park assets.

Facility Improvements focus on maintaining and enhancing the City's various facilities. With the completion of the Half Moon Bay Library, the focus on these improvements will be assessment and ongoing maintenance of current City facilities, as well as the upkeep of the new Library.

Sewer Improvements include ongoing repair and replacement of the City's sewer infrastructure as components reach the end of their service life. Infrastructure includes neighborhood sewer pipelines, larger interceptor pipelines and pump stations. Preventative maintenance and repair leads to lower component failures and help to minimize unforeseen system outages and pipe breaks that could lead to sanitary sewer overflows.

Street Improvements focus on performing routine maintenance and improvements to the City's roadways to extend the useful life of the system. This reduces the need for major street reconstruction projects, which are exponentially more expensive than performing routine upgrades and maintenance.

Trail Improvements assure safety and functionality of the City's trails. Improvements in this section address erosion issues along the Coastal Trail in addition to improving the quality of trails throughout the City.

FIVE-YEAR SUMMARY - CAPITAL IMPROVEMENT PROGRAM

EXPENDITURE

PROJECT CATEGORIES	PRIOR YEAR(S)	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FUTURE YEARS	TOTAL ALL FY
Storm Water Improvements	\$ 303,000	\$ 906,000	\$ 1,250,000	\$ 975,000	\$ 290,000	\$ 150,000	\$ 7,854,250	\$ 11,728,250
Economic Development Improvements	\$ 796,257	\$ 430,000	\$ 350,000	\$ 414,000	\$ -	\$ -	\$ -	\$ 1,990,257
Operational Improvements	\$ 250,000	\$ 200,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Parks Improvements	\$ 580,000	\$ 1,210,000	\$ 2,000,000	\$ 185,000	\$ 100,000	\$ 100,000	\$ 12,665,000	\$ 16,840,000
Facility Improvements	\$ 412,000	\$ 1,345,000	\$ 1,495,000	\$ 955,000	\$ 455,000	\$ 455,000	\$ -	\$ 5,117,000
Sewer Improvements	\$ 200,000	\$ 3,845,000	\$ 810,000	\$ 655,000	\$ 630,000	\$ 605,000	\$ -	\$ 6,745,000
Street Improvements	\$ 1,254,000	\$ 6,790,000	\$ 6,180,000	\$ 7,913,290	\$ 4,768,290	\$ 225,000	\$ 2,945,000	\$ 30,075,579
Trail Improvements	\$ 215,000	\$ 735,000	\$ 1,310,000	\$ 645,000	\$ 405,000	\$ 665,000	\$ 6,975,000	\$ 10,950,000
TOTAL	\$ 4,010,257	\$ 15,461,000	\$ 13,445,000	\$ 11,742,290	\$ 6,648,290	\$ 2,200,000	\$ 30,439,250	\$ 83,946,086

UNFUNDED
\$ 9,504,250
\$ 30,000
\$ -
\$ 13,765,000
\$ 825,000
\$ -
\$ 6,835,000
\$ 9,000,000
\$ 39,959,250

REVENUE

FUNDING SOURCES	PRIOR YEAR(S)	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FUTURE YEARS	TOTAL ALL FY
Developer Funds	\$ 3,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,100,000
Donations	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Gas Tax - Fund 10	\$ 50,000	\$ 217,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ -	\$ 477,500
General Capital - Fund 25	\$ 100,000	\$ 50,000	\$ 250,000	\$ 264,000	\$ -	\$ -	\$ -	\$ 664,000
General Fund	\$ 4,767,043	\$ 3,000,000	\$ 855,000	\$ 905,000	\$ 795,000	\$ 655,000	\$ -	\$ 10,977,043
Grant - Coastal Commission	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,000
Grant - Federal	\$ 1,142,922	\$ 1,202,000	\$ -	\$ 3,202,829	\$ 3,202,829	\$ -	\$ -	\$ 8,750,580
Grant - Measure A	\$ 915,000	\$ 3,200,000	\$ 3,200,000	\$ -	\$ -	\$ -	\$ -	\$ 7,315,000
Grant - Ocean Protection Council	\$ 53,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,214
Measure J	\$ 186,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,324
Main Street Bridge - Fund 9	\$ -	\$ 108,078	\$ -	\$ 414,961	\$ 414,961	\$ -	\$ -	\$ 937,999
Park Facility/Development - Fund 17	\$ 323,676	\$ 106,922	\$ 850,000	\$ 330,000	\$ -	\$ -	\$ -	\$ 1,610,598
Public Facilities - Fund 48	\$ -	\$ -	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ 215,000
Storm Drain Improvement - Fund 14	\$ -	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	\$ 700,000
Street and Road - Fund 11	\$ -	\$ 714,578	\$ 652,500	\$ 52,500	\$ 52,500	\$ 52,500	\$ -	\$ 1,524,578
San Mateo County Contribution	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
San Mateo County Loan	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Sewer Service - Fund 05/06	\$ 200,000	\$ 3,845,000	\$ 810,000	\$ 655,000	\$ 630,000	\$ 605,000	\$ -	\$ 6,745,000
Traffic Mitigation - Fund 13	\$ -	\$ -	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 150,000
UNFUNDED	\$ -	\$ 30,000	\$ 5,215,000	\$ 2,260,000	\$ 1,330,000	\$ 685,000	\$ 30,439,250	\$ 39,959,250
TOTAL	\$ 11,418,179	\$ 12,574,078	\$ 12,350,000	\$ 8,336,790	\$ 6,627,790	\$ 2,200,000	\$ 30,439,250	\$ 83,946,086

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**FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM BUDGETED EXPENDITURES
FY 2019-20 ADOPTED CAPITAL BUDGET**

PROJECT TITLE	FUND	PROJECT NO.	PRIOR YEAR(S)	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FUTURE YEARS	TOTAL ALL FY	UNFUNDED
STORM WATER IMPROVEMENTS											
GREEN INFRASTRUCTURE AND STORM WATER PROGRAM	14	563	N/A	\$ 100,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	N/A	\$ 700,000	\$ -
KELLY/HIGHWAY 1 DRAINAGE PROJECT	14	TBD	\$ 103,000	\$ 656,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 759,000	\$ -
SEYMOUR DITCH EROSION AND COASTAL STABILIZATION	14	608	\$ 200,000	\$ 150,000	\$ 825,000	\$ 825,000	\$ 140,000	\$ -	\$ -	\$ 2,140,000	\$ 1,650,000
ARROYO DE EN MEDIO EROSION REPAIR - MIRADA ROAD	14	579	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
ROOSEVELT DITCH IMPROVEMENTS	14	TBD	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -
KEHOE WATER COURSE AND HABITAT ENHANCEMENT PROJECT	14	534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,854,250	\$ 7,854,250	\$ 7,854,250
TOTAL STORM WATER IMPROVEMENTS			\$ 303,000	\$ 906,000	\$ 1,250,000	\$ 975,000	\$ 290,000	\$ 150,000	\$ 7,854,250	\$ 11,728,250	\$ 9,504,250
ECONOMIC DEVELOPMENT IMPROVEMENTS											
GENERAL PLAN AND LOCAL COASTAL PROGRAM UPDATE	25	564	\$ 796,257	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,046,257	\$ -
MEDIAN LANDSCAPE PROJECT	25	TBD	\$ -	\$ 130,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,000	\$ 30,000
MAIN STREET TREE LIGHTS	25	TBD	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -
WAYFINDING AND ENTRY SIGNS (PHASE 2)	25	559	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ -
DOWNTOWN GATEWAY ARCH - NORTH	25	534	\$ -	\$ -	\$ -	\$ 264,000	\$ -	\$ -	\$ -	\$ 264,000	\$ -
TOWN CENTER MASTER PLAN	25	TBD	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
TOTAL ECONOMIC DEVELOPMENT IMPROVEMENTS			\$ 796,257	\$ 430,000	\$ 350,000	\$ 414,000	\$ -	\$ -	\$ -	\$ 1,990,257	\$ 30,000
OPERATIONAL IMPROVEMENTS											
FINANCIAL SOFTWARE - ENTERPRISE RESOURCE PLANNING	25	555	\$ 250,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -
GIS IMPLEMENTATION	25	586	\$ -	\$ 150,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
TOTAL OPERATIONAL IMPROVEMENTS			\$ 250,000	\$ 200,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -
PARKS IMPROVEMENTS											
PARKS MASTER PLAN IMPLEMENTATION PROGRAM	17	609	N/A	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	N/A	\$ 500,000	\$ -
OCEAN VIEW PARK - PERMANENT RESTROOMS AND SITE IMPROVEMENTS	17	610	\$ 55,000	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,000	\$ -
POPLAR BEACH GATEWAYS PLAN	17	617	\$ 360,000	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -
TRAIN DEPOT AND JOHNSTON HOUSE TEMPORARY IMPROVEMENTS	17	TBD	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ -
WAVECREST WATER MAIN PROJECT	17	TBD	\$ -	\$ 100,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ -
CARTER PARK IMPROVEMENTS	17	611	\$ 165,000	\$ 300,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 1,665,000	\$ 1,100,000
SMITH FIELD SITE ASSESSMENT AND MASTER PLAN	17	TBD	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -
TRAIN DEPOT AND JOHNSTON HOUSE SITE PLAN	17	614	\$ -	\$ -	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000	\$ 250,000
PERMANENT RESTROOMS AT POPLAR BEACH	17	TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 65,000
STORAGE BUILDING AT SMITH FIELD	17	TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000	\$ 65,000	\$ 350,000
NEW MAGNOLIA/SEYMOUR PARK	17	TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ 12,000,000
NEW COMMUNITY PARK	17	TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000	\$ 12,000,000	\$ -
TOTAL PARKS			\$ 580,000	\$ 1,210,000	\$ 2,000,000	\$ 185,000	\$ 100,000	\$ 100,000	\$ 12,665,000	\$ 16,840,000	\$ 13,765,000

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM BUDGETED EXPENDITURES FY 2019-20 ADOPTED CAPITAL BUDGET

PROJECT TITLE	FUND	PROJECT NO.	PRIOR YEAR(S)	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FUTURE YEARS	TOTAL ALL FY	UNFUNDED	
FACILITY IMPROVEMENTS												
ADA TRANSITION PLAN IMPLEMENTATION PROGRAM	25	601	N/A	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	N/A	\$ 375,000	\$ -	
SIDEWALK REPLACEMENT AND REPAIR PROGRAM	25	562	N/A	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	N/A	\$ 750,000	\$ -	
URBAN FOREST MANAGEMENT PROGRAM	25	598	N/A	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	N/A	\$ 400,000	\$ -	
ANNUAL COMMUNITY ENHANCEMENT PROGRAM	25	600	N/A	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	N/A	\$ 250,000	\$ -	
EMERGENCY RESPONSE PROGRAM	48	604	N/A	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	N/A	\$ 500,000	\$ -	
TED ADCOCK COMMUNITY CENTER KITCHEN AND ENTRY REMODEL	48	621	\$ 50,000	\$ 270,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,000	\$ -	
SHERIFF SUBSTATION RENOVATION PROJECT	48	605	\$ 47,000	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,000	\$ -	
STREETLIGHT UPGRADES ON MAIN STREET	48	623	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000	\$ -	
CIVIC CENTER SITE PLAN	48	624	\$ -	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ -	
PILARCITOS CREEK RESTORATION AND REMEDIATION PROJECT	48	TBD	\$ 155,000	\$ 210,000	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	
CORPORATE YARD IMPROVEMENTS	48	TBD	\$ -	\$ 40,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 220,000	\$ -	
RESTORATION AND WATERSHED PROTECTION OF CITY PARCEL	48	622	\$ 160,000	\$ -	\$ 825,000	\$ -	\$ -	\$ -	\$ -	\$ 985,000	\$ 825,000	
PUBLIC WORKS CORPORATION YARD MASTER PLAN	48	TBD	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	
CUNHA PARKING LOT EXPANSION FOR LIBRARY	16	545	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -	
TOTAL FACILITY IMPROVEMENTS				\$ 412,000	\$ 1,345,000	\$ 1,495,000	\$ 955,000	\$ 455,000	\$ 455,000	\$ -	\$ 5,117,000	\$ 825,000
SEWER IMPROVEMENTS												
SEWER MAINTENANCE PROGRAM	06	506	N/A	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	N/A	\$ 250,000	\$ -	
INFLOW AND INFILTRATION PROGRAM	06	TBD	N/A	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	N/A	\$ 750,000	\$ -	
CITYWIDE POINT REPAIRS PROGRAM	06	TBD	N/A	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	\$ 315,000	N/A	\$ 1,575,000	\$ -	
MANHOLE REHABILITATION PROGRAM	06	TBD	N/A	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	N/A	\$ 200,000	\$ -	
PUMP STATION AND FORCE MAIN REPAIR AND REPLACEMENT PROGRAM	06	507	N/A	\$ 205,000	\$ 205,000	\$ 50,000	\$ 50,000	\$ 50,000	N/A	\$ 560,000	\$ -	
LORYN LANE SEWER MAIN REPAIR	06	TBD	\$ -	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000	\$ -	
OCEAN COLONY PUMP STATION REPLACEMENT PROJECT	06	TBD	\$ 200,000	\$ 2,710,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,910,000	\$ -	
SANITARY SEWER MASTER PLAN	06	TBD	\$ -	\$ 100,000	\$ 50,000	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ 225,000	\$ -	
TOTAL SEWER IMPROVEMENTS				\$ 200,000	\$ 3,845,000	\$ 810,000	\$ 655,000	\$ 630,000	\$ 605,000	\$ -	\$ 6,745,000	\$ -
STREET IMPROVEMENTS												
NEIGHBORHOOD TRAFFIC SAFETY PROGRAM	11	TBD	N/A	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	NA	\$ 200,000	\$ -	
CROSSWALKS AND ADA RETROFIT PROGRAM	11	572	N/A	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	N/A	\$ 325,000	\$ -	
PAVEMENT MANAGEMENT AND TRAFFIC SAFETY PROGRAM	11	514	N/A	\$ 330,000	\$ 1,025,000	\$ 120,000	\$ 1,025,000	\$ 120,000	N/A	\$ 2,620,000	\$ 2,290,000	
HIGHWAY 1 SAFETY - SOUTH	11	523	\$ 398,000	\$ 3,950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,348,000	\$ -	
POPLAR COMPLETE STREET PROJECT	11	593	\$ 156,000	\$ 1,221,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,877,000	\$ 500,000	

**FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM BUDGETED EXPENDITURES
FY 2019-20 ADOPTED CAPITAL BUDGET**

PROJECT TITLE	FUND	PROJECT NO.	PRIOR YEAR(S)	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FUTURE YEARS	TOTAL ALL FY	UNFUNDED
STREET IMPROVEMENTS (cont.)											
HIGHWAY 1 SAFETY - NORTH	11	538	\$ 350,000	\$ 734,000	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 9,084,000	\$ 1,100,000
MAIN STREET BRIDGE PROJECT	09	759	\$ 350,000	\$ 450,000	\$ 450,000	\$ 3,638,290	\$ 3,638,290	\$ -	\$ -	\$ 8,526,579	\$ -
HIGHWAY 1/KELLY AVENUE INTERSECTION IMPROVEMENT PROJECT	13	571	\$ -	\$ -	\$ 100,000	\$ 50,000	\$ -	\$ -	\$ 1,570,000	\$ 1,720,000	\$ 1,570,000
KELLY AVENUE REHABILITATION PROJECT	11	TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,375,000	\$ 1,375,000	\$ 1,375,000
TOTAL STREET IMPROVEMENTS			\$ 1,254,000	\$ 6,790,000	\$ 6,180,000	\$ 7,913,290	\$ 4,768,290	\$ 225,000	\$ 2,945,000	\$ 30,075,579	\$ 6,835,000
TRAIL IMPROVEMENTS											
BICYCLE AND PEDESTRIAN MASTER PLAN IMPLEMENTATION PROGRAM	17	615	N/A	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	N/A	\$ 500,000	\$ -
STAIR REPAIR AT CAÑADA VERDE CREEK	17	TBD	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ -
VERTICAL ACCESS AT POPLAR BEACH	17	597	\$ 10,000	\$ 140,000	\$ -	\$ -	\$ 90,000	\$ 350,000	\$ -	\$ 590,000	\$ 440,000
HIGHWAY 1 BICYCLE/PEDESTRIAN TRAIL EXTENSION	17	595	\$ -	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 1,475,000	\$ 1,750,000	\$ 1,475,000
BIKEWAY CONNECTIVITY PROJECT - NORTH	17	619	\$ 55,000	\$ 120,000	\$ 495,000	\$ -	\$ -	\$ -	\$ -	\$ 670,000	\$ 320,000
PEDESTRIAN/BICYCLE CONNECTION TO HATCH ELEMENTARY	17	TBD	\$ -	\$ 20,000	\$ 230,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 230,000
WAVECREST WALKWAY EXTENSION	17	564	\$ -	\$ -	\$ 95,000	\$ 330,000	\$ -	\$ -	\$ -	\$ 425,000	\$ -
COASTAL BLUFF PRESERVATION	17	618	\$ 150,000	\$ -	\$ 390,000	\$ 215,000	\$ 215,000	\$ 215,000	\$ -	\$ 1,185,000	\$ 1,035,000
NAMI PATRIDGE TRAIL EXTENSION (SOUTH)	17	TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
POPLAR BEACH COASTAL TRAIL - RELOCATION AND EROSION MITIGATION	17	TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
TOTAL TRAIL IMPROVEMENTS			\$ 215,000	\$ 735,000	\$ 1,310,000	\$ 645,000	\$ 405,000	\$ 665,000	\$ 6,975,000	\$ 10,950,000	\$ 9,000,000
TOTAL FY ALLOCATIONS			\$ 4,010,257	\$ 15,461,000	\$ 13,445,000	\$ 11,742,290	\$ 6,648,290	\$ 2,200,000	\$ 30,439,250	\$ 83,946,086	\$ 39,959,250



CITY OF HALF MOON BAY

Other Information





CITY OF HALF MOON BAY

Investment Policy



RESOLUTION NO. C-2019-58

A RESOLUTION OF THE CITY OF HALF MOON BAY APPROVING THE
CITY OF HALF MOON BAY INVESTMENT POLICY

WHEREAS, the investment policy is reviewed each year by City Council in accordance with the City of Half Moon Bay's Investment Policy;

WHEREAS, the investment policy has been reviewed to ensure any necessary updates have been incorporated;

WHEREAS, there is no change in the investment policy at this time;

NOW, THEREFORE, BE IT RESOLVED THAT The City Council of the City of Half Moon Bay hereby approves the City of Half Moon Bay's Investment Policy as contained in Exhibit A attached hereto.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 18th day of June, 2019 by the City Council of Half Moon Bay by the following vote:

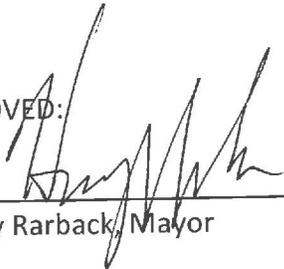
AYES, Councilmembers: Brownstone, Penrose, Ruddock, Eisen, Rarback
NOES, Councilmembers:
ABSENT, Councilmembers:
ABSTAIN, Councilmembers:

ATTEST:



Jessica Blair, City Clerk

APPROVED:



Harvey Rarback, Mayor

CITY OF HALF MOON BAY INVESTMENT POLICY POLICY OVERVIEW

PURPOSE

The purpose of this policy is to establish guidelines for the management and investment of the unexpended funds of City of Half Moon Bay (the City) under authority granted by the City Council. This policy is in compliance with the provisions of California Government Code Sections 53600 through 53684, governing investments for municipal governments.

INVESTMENT OBJECTIVES

The primary objectives of this investment policy, in order of priority, are safety, liquidity, and yield:

1. **Safety** - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. This objective shall be accomplished by mitigating credit risk and market risk.
2. **Liquidity** - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This objective shall be accomplished by structuring the portfolio so that securities mature concurrently with anticipated needs. The portfolio shall consist largely of securities with active secondary or resale market. Furthermore, a portion of the portfolio may be placed in money market mutual funds or the Local Agency Investment Fund (LAIF) which offer same-day liquidity for short-term funds.
3. **Yield** - The objective of the investment portfolio is designed to attain a market rate of return throughout budgetary and economic cycles, taking into consideration the investment risk constraints and liquidity needs. Investment performance shall be continually monitored and evaluated by the City Treasurer in comparison with other portfolio benchmark yields.

SCOPE

The investment policy applies to all financial assets of the City as accounted for in the Basic Financial Statements. It includes, but is not limited to, the funds listed below:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Fund
- Enterprise Funds

- Internal Service Funds
- Trust and Agency Funds
- Any new fund created by the City, unless specifically exempted, with the exception of the following:
 1. The City's Deferred Compensation Plan, which is excluded because it is managed by a third-party administrator and invested by individual plan participants.
 2. Proceeds of debt issuance shall be invested in accordance with the investment objectives of this policy. However, such proceeds are generally invested in accordance with permitted investment provisions of their specific bond indentures. If, in the opinion of the City Treasurer, the matching of bond reserve or escrow defeasance funds with the maturity schedule of an individual bond issue is prudent, the investment policy authorizes an extension beyond the five-year maturity limitation as outlined in this document.

USE OF STATE INVESTMENT GUIDELINES

California Government Code Sections 53600 through 53692 regulates the investment practices of public entities. It is the policy of the City to use the State's provisions for local government investments as the basis for developing and implementing the City's investment policies and practices.

STANDARDS OF CARE

1. **Prudence** - The City's investment officials shall act as fiduciary agents subject to the Prudent Investor Standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The City Manager, City Treasurer (Finance Manager), and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.
2. **Ethics and Conflict of Interest** - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair their ability to make impartial investment decisions. City employees involved in the investment process shall

disclose to the City Clerk in writing any material financial interest in financial institutions that conduct business within the jurisdiction. They shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio.

3. **Delegation of Authority** - Authority to manage the investment program is granted to the City Manager and City Treasurer (designee Administrative Services Director) and derived from Chapter 2.12 and 2.16 of the City of Half Moon Bay Municipal Code. Under the oversight of the City Manager and the City Treasurer, specified responsibility for the operation of the investment program may be delegated to the Senior Accounting Technician, who shall act in accordance with established written procedures and internal controls consistent with the investment policy. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate staff members. The internal controls system includes separation of duties, custodial safekeeping, avoidance of physical delivery securities, development of wire transfer agreement, and clear delegation of authority to subordinate staff members.

The City may delegate its investment authority to an investment advisor registered under the Investment Advisers Act of 1940, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources. The adviser shall follow this policy, and any other written instructions.

INVESTMENT GUIDELINES

SAFETY OF PRINCIPAL

Safety of principal is the primary objective of the City of Half Moon Bay. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker/dealer default or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the City's capital base and cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of the City's investment portfolio to two years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

LIQUIDITY

The City's financial portfolio shall be structured in a manner to ensure that the securities mature concurrent with anticipated cash demands. The portfolio should consist largely of securities with an active secondary or resale market to meet any unanticipated cash demands. A portion of the portfolio may be placed in money market mutual funds or LAIF, which offer same day liquidity for short- term funds.

It is the full intent of the City to hold all investments until maturity to ensure the return of all invested principal. However, securities may be sold prior to maturity under the following circumstances:

- To minimize loss of principal for a security with declining credit.
- When liquidity needs of the portfolio require that the security is sold.

INVESTMENT PARAMETERS

1. **Diversification** - The City shall diversify its investments within the parameters of this policy to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs.

The investments shall be diversified by:

- Limiting investments in securities to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities; and
- Continuously investing a portion of the portfolio in readily available funds such as LAIF or money market mutual funds to ensure that appropriate liquidity is maintained in order to meet unanticipated cash demands.

2. **Maximum Maturities-** To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow of bond proceeds or bond defeasance escrow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase. As a general rule, the weighted average maturity of the investment portfolio will not exceed two years.

Reserve or escrow funds established by the issuance or defeasance of bonds and other funds with longer-term investment horizons may be invested in securities exceeding five years if the maturities of such investments are made to coincide with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the City Council.

3. **Competitive Bidding** - It is the policy of the City to encourage competitive bidding for investment transactions that are not classified as "new issue" securities. For the purchase of non "new issue" securities and the sale of all securities at least three bidders must be contacted. However, it is understood that certain time constraints and broker portfolio limitations exist which will not accommodate the competitive bidding process. If a time or portfolio constraining condition exists, the pricing of the investment should be verified to current market conditions and documented for auditing purposes.

PERFORMANCE EVALUATION AND BENCHMARK

Investment performance is continually monitored and evaluated by the City Treasurer. The investment portfolio benchmark yield shall be the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's weighted average final maturity.

PROTECTION OF SECURITIES

To protect against fraud, embezzlement, or losses caused by the collapse of an individual securities dealer:

- All securities owned by the City shall be held in safekeeping by a third party bank trust department, acting as agent for the City under the terms of a custody agreement or master repurchase agreement. All trades executed by a dealer will settle delivery vs. payment (DVP) through the City's safekeeping agent.

-or-

- All securities owned by the City shall be insured by a third party insurer and the City shall be named as insured on that policy.

Securities held in custody for the City shall be independently audited on an annual basis to verify investment holdings.

INTERNAL CONTROL

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

If the City's investment portfolio includes more than pooled investments, an external auditor shall conduct an annual independent review to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

INVESTMENT REPORTS

The City Treasurer shall review investments and render quarterly reports to the City Manager and City Council. These reports shall include:

- The par amount of the investment, the classification of the investment, the percentage of the total portfolio which each type of investment represents, the name of the institution or entity, the rate of interest, the maturity date, the current market value, and the source of the market value.
- A statement that the projected cash flow is adequate to meet expected obligations over the next six months.
- The weighted average maturity of the portfolio.
- The average weighted yield to maturity of the portfolio as compared to the applicable benchmark.
- Statement of compliance with the investment policy.

This report is due within 45 days of the end of the quarter. The City Manager may, at his/her discretion, require this report on a monthly basis based upon market conditions.

QUALIFIED BANKS AND BROKER/DEALERS

The City shall transact business with financial institutions that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. The institution shall be a member of the FDIC and shall secure all deposits exceeding FDIC insurance coverage in accordance with California Government Code Section 53652.

All broker/dealers who desire to do business with the City shall provide the necessary information (e.g. audited financial statements, proof of state registration, proof of National Association of Securities Dealers certification, etc.) from which the City can determine their creditworthiness, the existence of any pending legal action against the firm or the individual broker as well as an understanding of the security markets that they service. To be eligible, a firm must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

The City Treasurer shall annually send a copy of the current investment policy to all financial institutions and broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.

COLLATERAL REQUIREMENTS

Collateral is required for investments in non-negotiable certificates of deposit and repurchase agreements. In order to reduce market risk, the collateral level shall be at least 102% of market

value of principal and accrued interest and marked to market weekly. Securities that are acceptable as collateral shall be the direct obligations of the United States or any agency of the United States or shall be fully guaranteed as to principal and interest by the United States or any agency of the United States.

AUTHORIZED INVESTMENTS

Investment of City funds is governed by the California Government Code Sections 53600 etc. seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. **United States Treasury Bills, Bonds, and Notes** or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio, which can be invested in this category, although a five-year maturity limitation is applicable.
2. **Government Sponsored Enterprises** - Obligations issued by Federal Government agencies such as the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Corporation (FHLMC). There is no percentage limitation of the portfolio, which can be invested in this category, although a five-year maturity limitation is applicable.
3. **Banker's Acceptances** - Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances, may not exceed 180 days maturity or 20% of the cost value of the portfolio. Furthermore, no more than 5% of the cost value of the portfolio may be invested in the banker's acceptances of any one commercial bank.
4. **Commercial Paper** - Commercial paper is a short-term, unsecured promissory note issued by financial and non-financial companies to raise short term cash. Up to 15% of the City's portfolio may be invested in "prime" commercial paper of the highest ranking or of the highest letter and number rating as provided by a nationally recognized statistical rating organization (Moody's or Standard and Poor's) and with maturities not to exceed 180 days. The issuer must have total assets in excess of \$500 million, and have debt other than Commercial paper rated "A" or higher by two nationally recognized statistical rating organizations. The City may not hold more than 2% of a single issuer's outstanding paper.
5. **Negotiable Certificates of Deposit** -- Purchases of negotiable certificates of deposit issued by nationally or state chartered banks, state or federal savings institutions, or state-licensed branches of foreign banks may not exceed 30% of the cost value of the

portfolio. The City may not invest in an institution where a member of City Council, City management, or City Treasurer serves on the board or committee of the institution. Funds will only be invested in Certificates of Deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) in amounts up to \$100,000. A maturity limitation of two years is applicable.

6. **Repurchase Agreements** - Repurchase agreements may be made on any investment authorized by this investment policy. The maturity of the repurchase agreements shall not exceed one year. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff weekly and shall not be allowed to fall below 102% of the value of the repurchase agreement. A Master Repurchase agreement is required between the City and the dealer for all repurchase agreements transacted. No more than 5% of the City's investment portfolio may be invested with any one counter party, and the aggregate investment in repurchase agreements shall not exceed 10% of the City's total portfolio.
7. **Local Agency Investment Fund (LAIF)** - a State of California managed investment pool may be used up to the maximum permitted by California State Law.
8. **San Mateo County Investment Pool** - a County of San Mateo managed investment pool may be used up to the maximum of 100% of the cost value of the portfolio.
9. **Time Certificates of Deposit** - Time certificates of deposit, non- negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 10% of the investment portfolio may be invested in this investment type. A maturity limitation of two years is applicable.
10. **Medium Term Corporate Notes** – defined as corporate and depository institution debt securities, with a maximum maturity of five years, may be purchased. Securities eligible for investment shall be rated AA or better by a nationally recognized securities rating organization (Moody's or Standard & Poor's). Purchase of medium term notes may not exceed 10% of the cost value of the portfolio and no more than 10% of the cost value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the 10% limitation
11. **Money Market Mutual Funds** - Mutual funds invested in U.S. Government securities are permitted under this policy and under California Government Code Section 53601(L). All of the following criteria must also be met: (1) The fund shall have a minimum of \$500 million in total portfolio value; (2) The fund shall be registered with the Securities and Exchange Commission, and shall have achieved the highest ranking or the highest letter

and numerical rating provided by not less than two nationally recognized statistical rating organizations; (3) The fund shall have retained an advisor which is registered with the SEC, or which is exempt from such registration; Investment in such funds shall not exceed 20% of the City's total portfolio; and no more than 5% of the City's total portfolio may be invested in any one mutual fund.

12. Moneys Held By a Trustee or Fiscal Agent - Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness obligation under a lease, installment sales or other agreement may be invested in accordance with the statutory provisions governing the issuance or defeasance of the bonds or obligation.

13. Prohibited/Ineligible Investments - Ineligible investments are those that are not described herein, including but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, or any security that could result in zero interest accrual. (Sec. 53601.6)

Maximum Investment Maturity and Percentage - The following matrix of maximum maturity and percentage limits, by instrument, are established for the City's total pooled funds portfolio:

Investment Type	Maturity	Percentage
Repurchase Agreements	1 Year	0 to 100%
Local Agency Investment Fund	Upon Demand	0 to 100%
San Mateo County Investment Pool	Upon Demand	0 to 100%
U.S. Treasury Bonds/Notes/Bills	5 Years	0 to 100%
Government Sponsored Enterprises	5 Years	0 to 100%
Bankers' Acceptances	180 Days	0 to 20%
Commercial Paper	180 Days	0 to 15%
Negotiable Certificates of Deposit	2 Years	0 to 30%
Time Certificates of Deposit	2 Years	0 to 10%
Medium Term Corporate Notes	5 Years	0 to 20%
Mutual Funds/Money Market Funds	Upon Demand	0 to 20%

LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment types, or percentage allocations, supersedes any and all previous applicable language in this Investment Policy.

INTEREST EARNINGS

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly to various fund accounts based on the (average 13 months) cash balance in each fund as a percentage of the entire pooled portfolio.

POLICY CONSIDERATIONS

The following policy considerations apply:

1. Exemption - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
2. Amendments - The City's investment policy shall be adopted by resolution of the City Council on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends.

INVESTMENT POLICY GLOSSARY OF TERMS

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage - Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price - The price a broker dealer offers to sell securities.

Banker's Acceptance - A high quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Basis Point - One basis point is one hundredth of one percent (.01).

Bid Price - The price a broker dealer offers to purchase securities.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - Someone who brings buyers and sellers together and is compensated for his/her service.

Certificate of Deposit - A deposit insured up to \$100,000 by the FDIC at a set rate for a specified period of time.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, negotiable unsecured promissory notes of corporations.

Basic Financial Statements - The official annual financial report for the City in accordance with the GASB 34 format prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian - A bank or other financial institution that keeps custody of stock certificates and other assets.

Defeased Bond Issues - Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Derivative - Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fannie Mae - Trade name for the Federal National Mortgage Association

(FNMA), a U.S. sponsored corporation.

Federal Reserve System - The central bank of the U.S. which consists of a seven-member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently \$100,000) per account.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Government Accounting Standards Board (GASB) - A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Guaranteed Investment Contracts (GICS) - An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits - Funds not immediately needed for disbursement.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Liquidity - An asset that can easily and rapidly be converted into cash without significant loss of value.

Local Agency Investment Fund (LAIF) - A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Local Agency Investment Pool - A pooled investment vehicle, sponsored by a local agency or a group of local agencies for use by other local agencies.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Modified Duration - A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the security's (portfolio's) yield.

Mutual Funds - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

Negotiable Certificate of Deposit - A large denomination certificate of deposit which can be sold in the open market prior to maturity.

New Issue - Term used when a security is originally "brought" to market.

Note - A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value - The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third-party representing the purchasing entity.

Portfolio - Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Principal - The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement")

Prudent Investor Standard - A standard of conduct, where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction, where the seller agrees to buy back from the buyer (City) the securities at an agreed upon price on demand or at a specified date.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (City) agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk - Degree of uncertainty of return on an asset.

Rule G-37 of the Securities Rulemaking Board - Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

Safekeeping Service - Offers storage and protection of assets provided by an institution serving as an agent.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market - A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission (SEC) - The federal agency responsible for supervising and regulating the securities industry.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Tax and Revenue Anticipation Notes (TRANS) - Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Certificate of Deposit - A non-negotiable certificate of deposit that cannot be sold prior to maturity.

Treasury Bills (T-bills) - U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Trustee or trust company or trust department of a bank - A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter - A dealer that purchases a new issue of municipal securities for resale.

U.S. Government Agencies - Instruments issued by various U.S. Government Agencies, most of which are secured only by the credit worthiness of the particular agency.

U.S. Treasury Obligations - Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. Bills are short-term obligations that mature in one year or less and are sold on the basis of a rate of discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

Weighted Average Maturity (WAM) - The average maturity, of all the securities that comprise a portfolio, which is typically expressed in days or years.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve - A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.



CITY OF HALF MOON BAY

Master Fee Schedule



Resolution No. C-2016-09

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
ADOPTING INFLATIONARY ADJUSTMENTS TO THE PUBLIC FACILITIES
DEVELOPMENT IMPACT FEE SCHEDULES**

WHEREAS, on January 19, 2016, the City Council of the City of Half Moon Bay adopted Ordinance No. C-2016-01, establishing updated Development Impact Fees for the following public facilities:

- Capital Outlay Facilities,
- Sewer Connection,
- Storm Drainage Improvements,
- Traffic Mitigation
- Park Facilities Development; and

WHEREAS, it is the City's policy that future new development should pay its fair share of public facilities and services in accordance with good fiscal management as determined by the City Council, including the increased costs of constructing public facilities; and,

WHEREAS, on December 15, 2015, the City Council held a duly noticed public hearing on the proposed update to the development impact fees with an opportunity for the public to be heard, pursuant to the provisions of Government Code §§ 66016 – 66018; and

WHEREAS, Section 14.35.040 B of the Half Moon Bay Municipal Code currently provides for the annual adjustment of the Traffic Mitigation Fee by the application of the *Engineering News Record Construction Cost Index for the San Francisco Bay Area*, the City Council of the City of Half Moon Bay desires to allow the adjustment to be applicable to all development impact fees in accordance with the same specified inflation index.

NOW THEREFORE, the City Council of the City of Half Moon Bay does hereby find, order, and resolve as follows:

SECTION 1 On July 1st of each year, beginning in July 2016, the Director of Finance, or his/her designee, shall make annual adjustments to the development impact fee schedules according to the *“Engineering News Record Construction Cost Index-20 City Annual Average for San Francisco Bay Area”* (ENR-CCI) for the preceding twelve (12) month period calculated from April 1 to March 31.

SECTION 2 The application of the inflation index does not preclude future adjustments in fees that may be warranted due to local changes in specific cost items, changes in development forecasts, or changes in future facility plans. Adjustments in the fee schedules from these factors may also be presented for consideration by the City Council.

SECTION 3 The City Council may adopt by Resolution the new schedules with the adjusted fee amounts and said adjusted fees shall become effective sixty (60) days following the adoption of the Resolution.

I, the undersigned, hereby certify that the forgoing Resolution was duly passed and adopted on the 19th day of January, 2016 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers: Fraser, Kowalczyk, Muller, Penrose and Ruddock

NOES, Councilmembers:

ABSENT, Councilmembers:

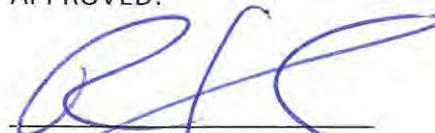
ABSTAIN, Councilmembers:

ATTEST:



Jessica Blair, Interim City Clerk

APPROVED:



Rick Kowalczyk, Mayor

Resolution No. C-2019-52

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
AUTHORIZING ADJUSTMENTS TO COST OF SERVICES SCHEDULE (USER FEES) FOR FY 2019-20**

WHEREAS, the City conducted a user fee study in 2017; and

WHEREAS, based on the fee study, the City Council adopted new user fees for FY 2017-18; and

WHEREAS, City staff recommended new and refined user fees for Building, Public Works and Planning Review and Permits based on new ordinances, additional data regarding cost recovery for staff time, and adjustments for consumer price index; and

WHEREAS, the Consumer Price Index for Urban and Clerical Workers (CPI-W) was recently redefined from San Francisco-Oakland-San Jose to San Francisco-Oakland-Hayward; and

WHEREAS, the City Council held a public hearing on June 4, 2019 to consider user fee schedule amendments for Building, Public Works and Planning Review and Permits.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council of the City of Half Moon Bay approves the updated user fee schedule as presented in Exhibit A; and
2. New and increased fees shall take effect on August 5, 2019.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 4th day of June 2019 by the City Council of Half Moon Bay by the following vote:

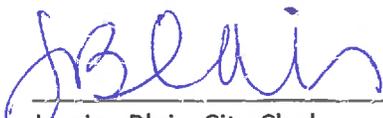
AYES, Councilmembers: BROWNSTONE, PENROSE, RUDDOCK, EISEN, AND RARBACK

NOES, Councilmembers:

ABSENT, Councilmembers:

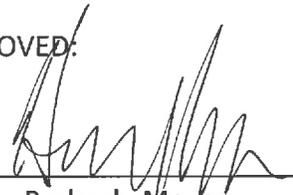
ABSTAIN, Councilmembers:

ATTEST:



Jessica Blair, City Clerk

APPROVED:



Harvey Rarback, Mayor

Master Fee Schedule

The City's Master Fee schedule includes Developer Impact Fees and User Fees which are allowed to be imposed under State law. The Cost Allocation Plan (CAP), most recently completed in 2015, included an overall cost of service analysis from which both the Developer Impact and User Fees were established. The CAP ensures that the City is able to accurately account for the actual cost of providing programs and services by establishing fully-burdened hourly rates for staff, including direct, indirect and overhead costs; as well as for facilities. These rates are a foundation for all fees and ensure that recoverable fees for each service are complete, clearly defined and identified. The City evaluates the CAP each year and anticipates an update of the CAP within the next two to three years.

In 2016, the Developer Impact Fees were updated to establish appropriate fees address the cost of new development on certain facilities and infrastructure. In order to charge Developer Impact Fees, jurisdictions must prepare nexus studies, which the City completed in 2015. Nexus studies quantify the amount of services and infrastructure that new development will use. Developer Impact Fees are then set as established through the nexus study and incorporate the City's actual cost to provide the services and infrastructure based on the CAP, Capital Improvement Program, and other cost factors. Developer Impact Fees are evaluated annually and are planned to be updated within the next two to three years.

User Fees include Administration, Public Safety, and development review fees including building, public works/engineering and planning permits. Following the CAP, the City's User Fees were comprehensively updated and went into effect in July 2017. User Fees include both flat fees and deposits. Flat fees are set to align with the anticipated and typical cost to provide a specified service based on the CAP fully-burdened hourly rates. Flat fees are appropriate for smaller-scale or more typical services. For more variable services, such as those associated with development review, a deposit approach provides the City with a means to charge an applicant for actual time spent to process an application and to more accurately track City consultant related direct costs. With this budget, the User Fees are refined. In some cases, flat fees are reclassified as deposits, and vice versa. New fees and deposits are established for new services and to reflect on changed processing requirements.

The Master Fee Schedule is updated annually. All fees, excluding Development Impact Fees and Public Safety, are increased annually pursuant to the annual average of the Consumer Price Index for Urban and Clerical Workers (CPI-W). (Note that CPI-W regions were recently redefined. For 2019 for the San Francisco-Oakland-Hayward region is applicable; in prior years, the CPI-W area was San Francisco-Oakland-San Jose.) Development Impact Fees are increased annually by the applicable regional annual average of the Engineering News Record - Construction Cost Index (CCI).

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
I. ADMINISTRATION		
1 Returned Check Fee		
1 First Item	\$25.00	Each
2 Each Additional Item	\$38.00	Each
2 Duplication		
1 Photocopies	\$0.11	Per page
2 Municipal Code Book	Available online	Per book
3 Bound Reports	Actual Cost	Per report
4 Budget	Available online	Each
5 Comprehensive Annual Financial Report (CAFR)	Available online	Each
6 CD Disc of City Council / Planning Commission	Available online	Each
3 Agenda Indexes for Meetings	\$0.00	
4 City Clerk		
Election Filing Fee	\$25.00	Each
Candidate Printing Fee	Determined per election	Deposit
5 Staff Research		
1 City Manager's Office	\$60.00	Per 0.25 hour
2 Finance Department	\$50.00	Per 0.25 hour
3 City Clerk's Office	\$47.00	Per 0.25 hour
4 Planning Department	\$58.00	Per 0.25 hour
5 Building Department	\$42.00	Per 0.25 hour
6 Public Works Department - Engineering	\$51.00	Per 0.25 hour
7 Public Works Department - Maintenance	\$43.00	Per 0.25 hour
8 Police - Sworn	\$59.00	Per 0.25 hour
9 Police - Non Sworn	\$21.00	Per 0.25 hour
6 Private Alarm Permits (Chapter 9.10)		
1 Alarm Permit	\$52.00	Each
2 False Alarm Response with Permit		
1st & 2nd Alarms	\$0.00	No fee
3rd Alarm	\$52.00	Each
4th Alarm	\$107.00	Each
5th Alarm	\$161.00	Each
6th Alarm and responses thereafter	\$215.00	Each
3 False Alarm without Permit		
1st & 2nd Alarms	\$52.00	Each
3rd Alarm	\$107.00	Each
4th Alarm	\$134.00	Each
5th Alarm	\$188.00	Each
6th Alarm and responses thereafter	\$269.00	Each
7 Film Permit (Chapter 9.74)	\$553.00	Per day
8 Special Event Permits ^[1]		
1 Block Parties	\$215.00	Per event
2 Fund Raisers	\$215.00	Per event
3 Miscellaneous Events	\$430.00	Per event
4 Carnival/Circus/Parade/Race/Rodeo, etc.	\$430.00	Each
5 Amusement Concession	\$430.00	Each
9 Poplar Beach Parking ^[1]		
Vehicles less than 20 feet	\$2.00 / \$10.00	Per hour / Per day
Horse trailers and vehicles longer than 20 feet	\$3.00 / \$15.00	Per hour / Per day
Yearly Permit - Half Moon Bay Residents only	\$103.00	Per year (prorated quarterly)
10 BID Administration for City Hotels	\$577.00	Per month (all hotels)
11 Street Closure	Actual cost	
II. BUILDING ^{[2] [3]}		
0 Building Hourly Rates		
Inspections outside of normal business hours, per hour	\$174.00	Per hour
Inspection on Sundays and Holidays, per hour	1.5 x hourly rate	Per hour
Reinspection fees, per hour	2 x hourly rate	Per hour
Inspection for which no fee is specifically indicated, per hour	Hourly rate	Per hour
Inspection for which no fee is specifically indicated, per hour	Hourly rate	Per hour
1 Building Permit Fee for Alterations, Additions, and New Construction (based on valuation of improvement)		
Valuation (\$)		
0 - 500 (Includes basic water heater and furnace replacements)	\$174.00	Per hour

^[1] Fees may be waived by the City Manager for NPDES related volunteer events

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
501 - 2,000 First 500 Each Additional 100 or fraction thereof 2,001 - 25,000 First 2,000 Each Additional 1,000 or fraction thereof 25,001 - 50,000 First 25,000 Each Additional 1,000 or fraction thereof 50,001 - 100,000 First 50,000 Each Additional 1,000 or fraction thereof 100,000 - 500,000 First 100,000 Each Additional 1,000 or fraction thereof 500,001 - 1,000,000 First 500,000 Each Additional 1,000 or fraction thereof 1,000,001 and above First 1,000,000 Each Additional 1,000 or fraction thereof	\$227.00 \$11.00 \$420.00 \$1.00 \$473.00 \$5.00 \$631.00 \$3.00 \$789.00 \$3.00 \$2,109.00 \$5.00 \$5,062.00 \$5.27	Valuation Valuation Valuation Valuation Valuation Valuation Valuation Valuation
2 Building Plan Check Fee Miscellaneous Plan Review Plan Revision Fee for 4th review onwards-charged on hourly basis Electronic submittal fee	65% of Building Permit Fee \$174.00 \$174.00 \$174.00 \$2/drawing sheet and \$5.29 flat fee for supporting documents	Per hour Per hour Per hour Each
3 Miscellaneous Permit 1 Demolition 2 Solar Residential 0-15kW Above 15kW First 15kW Each Additional kW or fraction thereof Commercial 0-50 kW 51-250 kW First 50kW Each Additional kW or fraction thereof Above 205kW First 50kW Each Additional kW or fraction thereof 3 Permit Fees for Work Without A Valid Permit 4 Business License Inspection 5 Address Assignment	\$348.00 \$174.00 \$174.00 \$174.00 \$87.00 \$262.00 \$262.00 \$87.00 \$262.00 \$87.00 2 X Permit Fee \$87.00 \$174.00	Up To 2 hours Per hour Per hour Per hour Per 0.5 hour Per 1.5 hour Per 0.5 hour Per 1.5 hour Per 0.5 hour Fine / Penalty Per 0.5 hour Per hour
4 Other Inspections and Fees Pre-Site Inspection Re-Inspections Reinspection fees Inspection for which no fee is specifically indicated, per hour Inspections outside of normal business hours, per hour General Plan Fee	Per building hourly rate Per building hourly rate Per building hourly rate Per building hourly rate Per building hourly rate 0.25%	Per hour Per hour Per hour Per hour Per hour Valuation
5 Refund (Update Refund Policy)	\$87.00	Per 0.5 hour
6 Special Structural Inspection Fee	\$211.00	Deposit to be determined by Public Works Director at time of application. Per Public Works hourly rate
7 Electrical Permit Permit Issuance For issuing each permit For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized New Residential Buildings	\$41.00 \$41.00	Each Each

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
For new multifamily residential buildings (apartments and condominiums) having three or more living units, including the area of garages, carports, and other non-commercial automobile storage areas constructed at the same time, per square foot	\$13.00	Per 100 square foot
For new single and two-family residential buildings, including the area of garages, carports and other minor accessory buildings constructed at the same time, per square foot	\$13.00	Per 100 square foot
For other types of residential occupancies and alteration, and modifications to existing residential buildings, use the UNIT FEE SCHEDULE	See Unit Fee Schedule Below	
Private Swimming Pools		
For new private, residential, in-ground swimming pools for single family/multi-family occupancies, including a complete system of necessary branch circuit wiring, bonding, grounding, underwater lighting, water pumping, and other similar electrical equipment directly related to the operation of a swimming pool, each pool	\$19.00	Each
Carnivals and Circuses		
Carnivals, circuses, or other traveling shows or exhibitions utilizing transportable-type rides, booths, displays and attractions:		
For electrical generators and electrically driven rides, each	\$35.00	Each
For mechanically driven rides and walk-through attractions or displays having electric lighting, each	\$6.00	Each
For a system of area and booth lighting, each	\$6.00	Each
For permanently installed rides, booths, displays and attractions, use the UNIT FEE SCHEDULE	See Unit Fee Schedule Below	
Temporary Power Services		
For a temporary service power pole or pedestal including all pole or pedestal-mounted receptacle outlets and appurtenances, each	\$19.00	Each
For a temporary distribution system and temporary lighting and receptacle outlets for construction sites, decorative light, Christmas tree sales lots, fireworks stands, etc., each	\$19.00	Each
Receptacle, Switch and Lighting Outlets		
For receptacle, switch, lighting, or other outlets at which current is used or controlled (except services, feeders, and meters):		
First 20 fixtures, each	\$1.41	Each
Additional fixtures, each	\$0.28	Each
For lighting fixtures, sockets, or other lamp-holding devices:		
First 20 fixtures, each	\$1.41	Each
Additional fixtures, each	\$1.41	Each
For pole or platform-mounted lighting fixtures	\$25.00	Each
For theatrical-type lighting fixtures or assemblies	\$25.00	Each
Residential Appliances		
For fixed residential appliances or receptacle outlets for same, including wall-mounted electrical ovens; counter-mounted cooking tops; electric ranges; self-contained room, console, or through wall air conditioners; space heaters; food waste grinders; dishwashers; washing machines; water heaters; clothes dryers; or other motor-operated appliance not exceeding one horsepower (HP) in rating	\$3.00	Each
Non-Residential Appliances		
For residential appliances and self-contained factory-wired non-residential appliances not exceeding one horsepower (HP), kilowatt (KW), or kilovolt ampere (KVA) in rating, including medical or dental devices; food, beverage, and ice cream cabinets; illuminated show cases; drinking fountains; vending machines; laundry machines; or other similar types of equipment	\$3.00	Each
Busways		
For trolley and plug-in-type busways, each 100 feet or fraction thereof Note: An additional fee is required for lighting fixtures, motors and other appliances that are connected to trolley and plug-in-type busways. A fee is not required for portable tools.	\$25.00	Each 100 ft or fraction thereof
Power Apparatus		

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
For motors, generators, transformers, rectifiers, synchronous converters, capacitors, industrial heating, air conditioners and heat pumps, cooking or baking equipment and other apparatus, as follows (Rating in Horsepower (HP), kilowatts (KW), kilovolt-amperes (KVA), or kilo-volt-amperes-reactive (KVAR):		
Up to and including 1	\$13.00	Each
Over 1 and not over 10	\$13.00	Each
Over 10 and not over 50	\$25.00	Each
Over 50 and not over 100	\$25.00	Each
Over 100	\$55.00	Each
Signs, Outline Lighting and Marquees		
For signs, outline lighting systems or marquees supplied from one branch circuit	\$13.00	Each
For additional branch circuits within the same sign, outline lighting system or marquee	\$13.00	Each
Services		
For services of 600 volts or less and no over 200 amperes in rating	\$13.00	Each
For services of 600 volts or less and not over 200 amperes to 1,000 amperes in rating	\$13.00	Each
For services over 600 volts or over 1,000 amperes in rating	\$19.00	Each
Miscellaneous Apparatus, Conduits and Conductors		
For electrical apparatus, conduits and conductors for which a permit is required but for which no fee is herein set forth	\$25.00	Each
Other Inspection and Fees	Per building hourly rate	Per hour
8 Mechanical Permit		
Permit Issuance		
For issuing each permit	\$41.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	\$41.00	Each
Furnaces		
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts, and vents attached to such appliances, up to and including 100,000 Btu/h	\$13.00	Each
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts, and vents attached to such appliances over 100,000 Btu/h	\$13.00	Each
For the installation or relocation of each floor furnace, including vent	\$13.00	Each
For the installation or relocation of each suspended heater, recessed wall heater or floor-mounted heater	\$13.00	Each
Appliance Vents		
For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	\$13.00	Each
Repairs or Additions		
For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption, or evaporative cooling system, including installation of controls regulated by the Code	\$19.00	Each
Boilers, Compressors and Absorption Systems		
For the installation or relocation of each boiler or compressor up to and including three horsepower, or each absorption system up to and including 100,000 Btu/h	\$42.00	Each
For the installation or relocation of each boiler or compressor over three horsepower, up to and including 15 horsepower, or each absorption system over 100,000 Btu/h to and including 500,000 Btu/h	\$42.00	Each
For the installation or relocation of each boiler or compressor over 15 horsepower, up to and including 30 horsepower, or each absorption system over 500,000 Btu/h to and including 1,000,000 Btu/h	\$42.00	Each
For the installation or relocation of each boiler or compressor over 30 horsepower to and including 50 horsepower, or for each absorption system over 1,000,000 Btu/h to and including 1,750,000 Btu/h	\$87.00	Each
Air Handlers		
For each air-handling unit to and including 10,000 cubic feet per minute, including ducts attached thereto	\$13.00	Each
For each air-handling unit over 10,000 cfm	\$25.00	Each

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
Evaporative Coolers		
For each evaporative cooler other than portable type	\$13.00	Each
Ventilation and Exhaust		
For each ventilation fan connected to a single duct	\$13.00	Each
For each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	\$13.00	Each
For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$13.00	Each
Incinerators		
For the installation or relocation of each domestic-type incinerator	\$25.00	Each
For the installation or relocation of each commercial or industrial-type incinerator	\$25.00	Each
Miscellaneous		
For each appliance or piece of equipment regulated by the Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	\$13.00	Each
9 Plumbing Permit		
Permit Issuance		
For issuing each permit	\$41.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	\$41.00	Each
Fixtures and Vents		
For each plumbing fixture or trap or set of fixtures on one trap (including water, drainage piping and backflow protection therefore)	\$13.00	Each
For each repair or alteration of drainage or vent piping, each fixture	\$13.00	Each
Sewers, Disposal Systems and Interceptors		
For each building sewer and each trailer park sewer	\$25.00	Each
Rainwater systems-per drain (inside building)	\$13.00	Each
For each cesspool (where permitted)	\$13.00	Each
For each private sewage disposal system	\$19.00	Each
For each industrial waste pretreatment interceptor including its trap and vent, except kitchen-type grease interceptors functioning as fixture traps	\$19.00	Each
Gas Piping Systems		
For each gas-piping system of one to five outlets	\$13.00	Each
For each additional gas piping system outlet, per outlet	\$2.00	Each
Water Piping and Water Heaters		
For installation, alteration, or repair of water piping or water-treating equipment, or both, each	\$13.00	Each
For each water heater and/or vent	\$3.00	Each
Lawn Sprinklers, Vacuum Breakers & Backflow Protection Devices		
For each lawn sprinkler system or any one meter, including backflow protection devices thereof	\$13.00	Each
For atmospheric-type vacuum breakers or backflow protection devices not included above:		
1 to 5	\$3.00	Each
Over 5, each	\$2.00	Each
For each backflow protective device other than atmospheric type vacuum breakers:		
2 inch diameter and smaller	\$6.00	Each
over 2 inch diameter	\$13.00	Each
Swimming Pools		
Public Pool	\$41.00	Each
Public Spa	\$25.00	Each
Private Pool	\$41.00	Each
Private Spa (pre-manufactured)	\$6.00	Per valuation
Private Spa (custom built)	\$25.00	Each
Miscellaneous		
For each appliance or piece of equipment regulated by the Plumbing Code but not classed in other appliance categories, or for which no other fee is listed in this code	\$13.00	Each
Other Inspection and Fees	Per building hourly rate	Per hour

^[2] The General Plan fee will be applied to all residential/commercial/industrial new construction and/or addition permits. The fee will be 0.25% (\$2.50/\$1000) of the valuation of the construction/addition.

^[3] Permit fees for work done without a valid permit are 2x the applicable permit fee

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
III. PUBLIC WORKS ^{[4] [5]}		
0 Public Works Hourly Rate	\$211.00	Hourly rate
1 Public Improvement Plan Check Fee (including grading)		
Valuation (\$)		
\$10,000	\$853.00	Flat fee
Each additional \$1,000 or fraction thereof	\$41.00	Flat fee
\$100,000	\$4,691.00	Flat fee
Each additional \$1,000 or fraction thereof	\$35.00	Flat fee
\$500,000	\$18,983.00	Flat fee
Each additional \$1,000 or fraction thereof	\$37.00	Flat fee
2 Construction Inspection		
Valuation (\$)		
\$10,000	\$853.00	Flat fee
Each additional \$1,000 or fraction thereof	\$69.00	Flat fee
\$100,000	\$7,251.00	Flat fee
Each additional \$1,000 or fraction thereof	\$55.00	Flat fee
\$500,000	\$30,075.00	Flat fee
Each additional \$1,000 or fraction thereof	\$59.00	Flat fee
3 Final Map Review		
Parcel Map (Up to 4)	\$6,569.00	Deposit
Tract Map (Up to 5)	\$8,211.00	Deposit
4 Subdivision Improvement Agreement Review	\$3,269.00	Deposit
5 Encroachment Permits Plan Review & Inspection		
Spot Repair (I.e. water leaks, pothole patches)	\$425.00	Flat Fee
Excavation/Restoration less than 100 LF	\$853.00	Flat Fee
Excavation/Restoration 100 LF or greater	\$853.00	Flat Fee
each additional 100 LF	\$425.00	Flat Fee
Curb, gutter, sidewalk, or driveway less than 100 LF	\$853.00	Flat Fee
Curb, gutter, sidewalk, or driveway 100 LF or greater	\$853.00	Flat Fee
each additional 100 LF	\$425.00	Flat Fee
Sewer connections, repair or extension 100 LF or less	\$853.00	Flat Fee
Storm Drain connection, repair or extension 100 LF or Greater	\$853.00	Flat Fee
each additional 100 LF	\$425.00	Flat Fee
Storm Drain connection, repair or extension <100 LF	\$853.00	Flat Fee
each additional 100 LF	\$425.00	Flat Fee
Storm Drain connection, repair or extension >100 LF	\$853.00	Flat Fee
each additional 100 LF	\$425.00	Flat Fee
Unpermitted encroachments	1.5 x fee	Fine / Penalty
Monitoring Wells	\$425.00	Flat Fee
Permit Time Extension	\$105.00	Flat Fee
6 Public Right-of-Way/Easement Encroachment (Temporary)	\$211.00	Flat fee
7 Deferred Improvement Agreement Review	\$425.00	Flat fee
8 Grading Permits Plan Review and Inspection ^[3]		
Grading changes 50-1,000 CY	\$853.00	Flat fee
Grading changes >1,000 CY	\$853.00	Flat fee
Additional 100 CY over 1000	\$211.00	Flat fee
9 Sewer Connections		
Transfer of Uninstalled Capacity Fee	\$425.00	Flat fee
10 Supporting to Planning		
1 Pre-Entitlement Processing		
Pre-Application Review	\$211.00	Deposit
Pre-Application: Commercial Cannabis Business Review	\$211.00	Deposit
2 Coastal Development Permit Processing		
Coastal Development Permit Exemption	\$211.00	Flat Fee
Single Family Residential	\$821.00	Deposit
Accessory Dwelling Unit - New Development	\$422.00	Flat Fee
Multiple Family Residential	\$1,642.00	Deposit
Commercial / Mixed Use	\$1,642.00	Deposit
Industrial / Institutional	\$1,642.00	Deposit
Other Development		
Community Development Director	\$821.00	Deposit
Planning Commission	\$1,642.00	Deposit

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
Amendments		
Minor Amendments	\$211.00	Flat fee
Major Amendments	\$1,642.00	Deposit
3 Environmental Clearance Processing		
CEQA/NEPA Environmental Clearance		
Negative Declaration	\$821.00	Deposit
EIR	\$1,642.00	Deposit
4 Entitlement Processing		
Commercial Cannabis Business License	\$1,642.00	Deposit
Use Permit	\$821.00	Deposit
Variance / Exception Planning Commission	\$821.00	Deposit
Exception/Community Development Director	\$821.00	Deposit
Zoning, LCP, and GP Amendments		
LCP/GP	\$821.00	Deposit
IP/Rezoning	\$821.00	Deposit
Planned Unit Development Specific Plan	\$821.00	Deposit
Planned Unit Development Specific Plan Amendment	\$821.00	Deposit
Planned Unit Development Precise Plan	\$821.00	Deposit
Planned Unit Development Precise Plan Amendment	\$821.00	Deposit
Annexation/Prezoning	\$821.00	Deposit
Land Division and Merger		
Certificate of Compliance	\$821.00	Deposit
Lot Merger	\$410.00	Deposit
Lot Line Adjustment	\$821.00	Deposit
Parcel Map (four or fewer lots)	\$1,642.00	Deposit
Tentative Subdivision Map	\$3,285.00	Deposit
Subdivision Agreement	\$0.00	No Fee
Time Extension	\$821.00	Deposit
Community Development Director Review	\$204.00	Deposit
11 Building Plan Review / Support		
1 Minor Residential improvement	\$211.00	Flat fee
2 TI or Addition of s.f	\$425.00	Flat fee
3 New SFD	\$425.00	Flat fee
4 New Multifamily or Commercial	\$1,064.00	Flat fee
^[3] Permit fees for work done without a valid permit are 2x the applicable permit fee ^[4] Construction activities during October through April shall require Storm Water Pollution Prevention plans, measures and fees. ^[5] For deposit accounts, total cost equal to 100% of staff and/or consultant time and materials		
IV. DEVELOPER IMPACT FEES^[6]		
1 Single Family		
1 Sewer Connection - Assessment District Participant	\$4,950.00	Per dwelling unit
Sewer Connection - Assessment District Non-Participant	\$17,599.00	Each SFRE***
2 SMIP Residential*	\$0.00	\$100,000 Valuation
SMIP Commercial*	\$0.00	\$100,000 Valuation
3 BSRF (Bldg. Stndrds Admin Spec Revolving Fnd)**		
\$1 - 25,000	\$1.00	Valuation
\$25,001 - 50,000	\$2.00	Valuation
\$50,001 - 75,000	\$3.00	Valuation
\$75,001 - 100,000	\$4.00	Valuation
Every \$25,000 or fraction above \$100,000	\$1.00	Valuation
4 Storm Drainage	\$754.00	Per dwelling unit
5 Capital Outlay Facilities	\$1,069.00	Per dwelling unit
6 Traffic Mitigation	\$6,965.00	Per dwelling unit
7 Park Facilities	\$7,864.00	Per dwelling unit
2 Development Fees; Multi-Family / Commercial		
1 Sewer Connections		
Multi-Family	\$4,158.00	Per dwelling unit
Mobile Home	\$3,118.00	Per dwelling unit
Office	\$1,336.00	Per 1,000 square feet
Commercial/Retail	\$1,929.00	Per 1,000 square feet
Lodging	\$1,929.00	Per room
Industrial	\$1,929.00	Per 1,000 square feet
Sewer Connection - Assessment District Non-Participant	\$17,599.00	Each SFRE***

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
2 SMIP Residential*	Per formula	Valuation over \$3,850, the fee is \$13 per \$100,000 permit valuation
SMIP Commercial*	Per formula	Valuation over \$1,786, the fee is \$28 per \$100,000 permit valuation
SMIP Flat Fee*	Per formula	Residential permits under \$3,850 and Commercial permits under \$1,786, fee is \$50
3 BSRF (Bldg. Stndrds Admin Spec Revolving Fnd)**	<i>According to Chapter 719, Statutes of 2008 (Senate Bill No. 1473)</i>	
\$1 - 25,000	\$1.00	Valuation
\$25,001 - 50,000	\$2.00	Valuation
\$50,001 - 75,000	\$3.00	Valuation
\$75,001 - 100,000	\$4.00	Valuation
Every \$25,000 or fraction thereof above \$100,000	\$1.00	Valuation
4 Storm Drainage		
Multi-Family	\$298.00	Per dwelling unit
Mobile Home	\$0.00	Per dwelling unit
Office	\$637.00	Per 1,000 square feet
Commercial/Retail	\$460.00	Per 1,000 square feet
Lodging	\$0.00	Per room
Industrial	\$318.00	Per 1,000 square feet
5 Capital Outlay		
Multi-Family	\$891.00	Per dwelling unit
Mobile Home	\$676.00	Per dwelling unit
Office	\$341.00	Per 1,000 square feet
Commercial/Retail	\$188.00	Per 1,000 square feet
Lodging	\$24.00	Per room
Industrial	\$170.00	Per 1,000 square feet
6 Traffic Mitigation		
Multi-Family	\$3,799.00	Per dwelling unit
Mobile Home	\$3,595.00	Per dwelling unit
Office	\$4,366.00	Per 1,000 square feet
Commercial/Retail	\$7,316.00	Per 1,000 square feet
Lodging	\$2,318.00	Per room
Industrial	\$3,550.00	Per 1,000 Square Feet
7 Park Facility Fee		
Multi-Family	\$6,553.00	Per dwelling unit
Mobile Home	\$4,980.00	Per dwelling unit
3 Development Fees - Residential Subdivision Fees Only		
Park Dedication	Per Chapter 17.48 of Municipal Code	
^[6] Fees increase annually by the applicable regional annual average of the Engineering News Record - Construction Cost Index * Strong Motion Instrumentation Program Fees Set According to State of CA Dept of Conservation Rates ** Fees Set According to Chapter 719, Statutes of 2008 (Senate Bill No. 1473) *** Single Family Residential Equivalent. See Chapter 13.36.080 Section C. for Commercial, Professional and Institutional Calculation of Connection Charge.		
V. PLANNING^[5]		
0 Planning Hourly Rate	\$232.00	Per hour
1 Pre-Entitlement Processing		
1 Pre-Application Review	\$1,553.00	Deposit
2 Pre-Application Commercial Cannabis Business	\$1,553.00	Deposit
3 Measure 'D'		
Accessory Dwelling Unit	\$0.00	No fee
Single Allocation	\$585.00	Flat fee
Phasing Agreement	\$2,261.00	Deposit
2 Coastal Development Permit Processing		
1 Coastal Development Permit Exemption	\$451.00	Deposit
2 Single Family Residential		
<= 3,000 square feet	\$2,251.00	Deposit
> 3,000 square feet	\$2,894.00	Deposit
3 Accessory Dwelling Unit - New Development	\$580.00	Flat fee
4 Multiple Family Residential		
>= Four dwelling units	\$3,323.00	Deposit
< Four dwelling units	\$5,575.00	Deposit
5 Commercial / Mixed Use		
<= 10,000 square feet	\$3,323.00	Deposit

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
> 10,000 square feet 6 Industrial / Institutional	\$5,575.00	Deposit
<= 20,000 square feet	\$3,323.00	Deposit
> 20,000 square feet	\$5,575.00	Deposit
7 Other Development		
Community Development Director	\$2,465.00	Deposit
Planning Commission	\$3,162.00	Deposit
8 Amendments		
Minor Amendment	\$449.00	Flat fee
Major Amendments	\$2,465.00	Deposit
3 Environmental Clearance Processing		
1 CEQA/NEPA Environmental Clearance		
Negative Declaration	\$4,502.00	Deposit
EIR	\$10,131.00	Deposit
2 Notice of Exemption	\$232.00	Flat fee
4 Design Review Processing		
1 Architectural, Landscape, and Site Plan Review	\$669.00	Deposit
5 Entitlement Processing		
1 Home Occupation	\$116.00	Flat fee
2 Commercial Cannabis Business License	\$5,371.00	Deposit
3 Use Permit	\$1,018.00	Deposit
4 Variance / Exception Planning Commission	\$1,018.00	Deposit
5 Exception and Community Development Director	\$449.00	Deposit
6 Zoning, LCP, and GP Amendments		
LCP/GP	\$15,814.00	Deposit
IP/Rezoning	\$15,814.00	Deposit
Planned Unit Development Specific Plan	\$15,814.00	Deposit
Planned Unit Development Specific Plan Amendment	\$7,880.00	Deposit
Planned Unit Development Precise Plan	\$7,880.00	Deposit
Planned Unit Development Precise Plan Amendment	\$4,074.00	Deposit
Annexation/Prezoning	\$15,814.00	Deposit
6 Appeals		
Filing Fee - Outside CCC Appeals Jurisdiction	<i>Half the original fee if applicable. No appeal fee if the City is the applicant.</i> \$232.00	Flat fee
Filing Fee - Within CCC Appeals Jurisdiction	\$0.00	No fee
Processing Fee - Paid by developer	\$3,376.00	Deposit
7 Land Division and Merger		
Certificate of Compliance	\$2,036.00	Deposit
Lot Merger	\$899.00	Deposit
Lot Line Adjustment	\$2,036.00	Deposit
Parcel Map (four or fewer lots)	\$4,074.00	Deposit
Tentative Subdivision Map	\$11,258.00	Deposit
Subdivision Agreement	\$4,502.00	Deposit
Time Extension	\$2,036.00	Deposit
8 Sign Permit		
Community Development Director Review	\$177.00	Flat fee
Planning Commission Review	\$1,018.00	Deposit
Exceptions Planning Commission Review	\$1,018.00	Deposit
9 Other Services		
Zoning Compliance Letter	\$232.00	Flat fee
Public Convenience & Necessity Letter	\$232.00	Flat fee
Water Transfer Letter	\$232.00	Flat fee
10 Tree Removal Review		
Up to 5 trees	\$294.00	Flat Fee
More than 5 trees	\$508.00	Deposit
11 Mobile Food Vendor Permit	\$232.00	Flat fee
12 Sound Amplification Permit	\$232.00	Flat fee
13 Fees Required by other Agencies ^[7]		
1 California Department of Fish and Wildlife	Fee required to review various environmental documents	Per agency schedule
2 Local Agency Formation Commission (LAFCo)	Annexation fees vary by acreage	Per agency schedule
3 San Mateo County Recorder	Fee required to record and/or post various documents	Per agency schedule

^[5] For deposit accounts, total cost equal to 100% of staff and/or consultant time and materials

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT	UNIT / TYPE
⁽⁷⁾ Fees charged by these agencies are in addition to fees charged by the City		
VI. ADMINISTRATIVE CITATION PENALTIES		
1 Violations of Municipal Code other than building or safety provisions		
1 First Violation	\$100.00	Each
2 Second Violation within one calendar year	\$200.00	Each
3 Third or subsequent violations within one calendar year	\$500.00	Each
2 Violations of building or safety provisions of the Municipal Code		
1 First Violation	\$100.00	Each
2 Second Violation within one calendar year	\$500.00	Each
3 Third or subsequent violations within one calendar year	\$1,000.00	Each
VII. PARKS AND RECREATION		
1 Violations of Municipal Code other than building or safety provisions		
1 First Violation	\$100.00	Each
2 Second Violation within one calendar year	\$200.00	Each
3 Third or subsequent violations within one calendar year	\$500.00	Each
2 Violations of building or safety provisions of the Municipal Code		
1 First Violation	\$100.00	Each
2 Second Violation within one calendar year	\$500.00	Each
3 Third or subsequent violations within one calendar year	\$1,000.00	Each
VIII. PUBLIC SAFETY		
1 Duplication		
1 Public Safety Reports	\$10.00	Each
2 Photo Reproduction	\$20.00	Each
3 Audio Tape/CD Reproduction	\$20.00	Per tape / CD disc
4 Audio Tape Reproduction	\$20.00	Per tape / CD disc
2 Licensing		
1 Bingo Establishment Processing (Chapter 3.94)		
Bingo Establishment	\$134.00	Each
Renewal	\$134.00	Each per year
2 Fortune Telling (Chapter 3.95)		
New Business	\$668.00	Each
Renewal	\$134.00	Each per year
New Tech.	\$668.00	Each
Renewal Tech	\$134.00	Each per year
3 Massage Establishments (Chapter 3.88)		
New Business	\$668.00	Each
Renewal	\$134.00	Each per year
Transfer	\$668.00	Each
Reinstatement - "grandfather" existing practitioners prior to Jan 1, 2015	\$286.00	Each
New Tech.	\$0.00	No fee
Renewal (Tech)	\$0.00	No fee
Reinstatement (Tech)	\$0.00	No fee
4 Secondhand Dealers		
New Dealers	\$134.00	Each
Renewal	\$134.00	Each per year
5 Solicitor / Peddler		
New Applicant	\$668.00	Each
Annual Renewal	\$134.00	Each per year
3 Miscellaneous Fees		
1 Public Safety Service Fees		
Public Dance	\$42.00	Each
Deputy / Sergeant / Reserve / Community Service Officer	\$232.00	Per hour
2 Vehicle Release	\$95.00	Per vehicle
Repossession Release	\$15.00	Per vehicle
3 Clearance/Special Letters	\$42.00	Each
4 Illegal Sign Confiscation	\$173.00	Per incidence
5 Illegal Fireworks Confiscation	\$173.00	Per citation
4 Parking Fees		
1 Nighthime Permit Parking Program (Miramar/Naples & Alsace Lorraine Neighborhoods)		
HMB Resident	\$41.00	Incl. up to 4 guest permits per year
Additional Resident Permits > 4	\$21.00	Each per year
HMB Resident Outside Permitted Areas	\$41.00	Up to two vehicles per year
Visitors	\$41.00	Per vehicle per year
2 Temporary Offstreet Parking	\$21.00	Per vehicle per year

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

Fees are increased annually by the annual average CPI-W San Francisco-Oakland-Hayward of the previous year (excluding Development Impact Fees and Public Safety)

SERVICES	FY 19-20 AMOUNT		UNIT / TYPE
	FEE	DELINQUENT FEE	
5 Citation Fee Schedule ^			
1. Municipal Code			
10.08.060 Removing Chalk Marks	\$74.00	\$44.00	Each
10.12.030 Obedience To Signs	\$74.00	\$44.00	Each
10.36.110 Wheels Not Curbed	\$45.00	\$46.00	Each
10.28.060 Limited Access	\$45.00	\$46.00	Each
10.36.010 No Parking, Stopping, Standing	\$44.00	\$46.00	Each
10.36.030 Parking Restricted	\$44.00	\$46.00	Each
10.36.040 No Parking Zone (Permits)	\$48.00	\$46.00	Each
10.36.050 Parked Over 72 Hours	\$48.00	\$46.00	Each
10.36.060 Advertising For Sale On Street	\$45.00	\$46.00	Each
10.36.070 Repair Vehicle On Street	\$45.00	\$46.00	Each
10.36.080 Washing Vehicle On Street	\$45.00	\$46.00	Each
10.36.090 (B) School Zone	\$48.00	\$46.00	Each
10.36.100 (A) No Parking Posted	\$48.00	\$46.00	Each
10.36.100 (B) No Parking-Narrow Street	\$48.00	\$46.00	Each
10.36.120 Peddler Vehicle-No Permit	\$45.00	\$46.00	Each
10.36.130 Emergency Signs	\$78.00	\$46.00	Each
10.37.020 Oversize Vehicle 0200-0500	\$78.00	\$46.00	Each
10.37.030 Non-Motorized Vehicle Unhook	\$78.00	\$46.00	Each
10.40.010 15 Min Zone (Green Curb)	\$48.00	\$46.00	Each
10.40.020 2 Hour Zone	\$48.00	\$46.00	Each
10.40.030 Parking On One-Way Streets	\$48.00	\$46.00	Each
10.40.040 (A) Diagonal Parking Zone	\$48.00	\$46.00	Each
10.40.040 (B) Front Tire 6 Inches From Curb	\$48.00	\$46.00	Each
10.40.050 Use More Than One Space	\$48.00	\$46.00	Each
10.40.060 No Stopping Zone	\$48.00	\$46.00	Each
10.40.070 12 Hour Parking-When Posted	\$46.00	\$44.00	Each
10.40.080 Move Vehicle - Avoid Time Limit	\$46.00	\$44.00	Each
10.40.090 Store Vehicle On Street	\$46.00	\$44.00	Each
10.40.100 Repeat Violations	\$46.00	\$44.00	Each
10.40.110 Extended Parking Permits	\$46.00	\$44.00	Each
10.44.020 Curb Marked (Red/White/Green)	\$74.00	\$44.00	Each
10.44.030 No Truck/Trailer	\$71.00	\$44.00	Each
10.44.040 Loading Zone	\$46.00	\$44.00	Each
10.44.050 Passenger Loading Zone	\$46.00	\$44.00	Each
10.44.060 No Parking In Alley	\$46.00	\$44.00	Each
10.44.070 Bus Zone	\$46.00	\$44.00	Each
10.48.030 Vehicle Off Road	\$71.00	\$44.00	Each
10.50.010 No Parking After Dusk Mirada/Redondo/Poplar	\$74.00	\$44.00	Each
10.50.020 No Parking After Dusk Wavecrest	\$74.00	\$44.00	Each
12.08.040 Dumping On Street/Alley/Gutter	\$286.00	\$44.00	Each
12.12.030 Dumping	\$124.00	\$44.00	Each
2. California Vehicle Code ^^			
21113 (A) Parked On Public Ground	\$43.00	\$42.00	Each
22500.1 Parking Prohibited	\$38.00	\$42.00	Each
22500 (A) Parking In Intersection	\$38.00	\$42.00	Each
22500 (B) Parking On Crosswalk	\$38.00	\$42.00	Each
22500 (C) Parking In Safety Zone	\$38.00	\$42.00	Each
22500 (D) Within 15' Fire Station Driveway	\$38.00	\$42.00	Each
22500 (E) Parking In Driveway	\$38.00	\$42.00	Each
22500 (F) Parking On Sidewalk	\$38.00	\$42.00	Each
22500 (G) Obstruct Traffic @ Excavation	\$38.00	\$42.00	Each
22500 (H) Double Parking	\$38.00	\$42.00	Each
22500 (I) Parking In Bus Zone	\$38.00	\$42.00	Each
22500 (J) Parking In Tunnel	\$38.00	\$42.00	Each
22500 (K) Parking On Bridge	\$38.00	\$42.00	Each
22500 (L) Blocking Wheelchair Access	\$333.00	\$42.00	Each
22502 (A) Over 18" From Curb	\$33.00	\$42.00	Each
22502 (E) Curb Parking/One-Way Street	\$30.00	\$42.00	Each
22504 (A) Unincorporated Area Parking	\$43.00	\$42.00	Each
22505 (B) No Parking - State Hwy	\$48.00	\$42.00	Each
22507.8 (A) Handicapped Space Without Placard	\$333.00	\$42.00	Each

**City of Half Moon Bay
Master Fee Schedule
Other Fees, Charges & Services**

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SERVICES		FY 19-20 AMOUNT		UNIT / TYPE
22507.8 (B)	Blocking Handicapped Space	\$333.00	\$333.00	Each
22507.8 (C)	Hashmarks Handicap Zone	\$333.00	\$333.00	Each
22514	Fire Hydrants - Within 15 Feet	\$38.00	\$38.00	Each
22515	Unattended Vehicle - Engine Running	\$33.00	\$33.00	Each
22519	Posted For Patrons Only	\$33.00	\$33.00	Each
22522	Block Sidewalk Ramp	\$333.00	\$333.00	Each
22523 (A)	Abandon Vehicle On Highway	\$105.00	\$105.00	Each
22523 A/B	Abandoned Vehicle	\$105.00	\$105.00	Each
22523 (B)	Abandon Vehicle - Private Property	\$105.00	\$105.00	Each
22526 (A)	Blocking Intersection	\$53.00	\$53.00	Each
22951	Park Lot - Street & Alley	\$25.00	\$25.00	Each
22952 (A)	Park Lot-Tow/Removal	\$40.00	\$40.00	Each
22952 (B)	Park Lot-Tow/Removal	\$40.00	\$40.00	Each
23333	Stop/Park On Bridge	\$43.00	\$43.00	Each
23336	Violate Posted Signs	\$40.00	\$40.00	Each
28071	Bumper Required-Fine Or P/C	\$25.00	\$25.00	Each
22507.8 (A)	Handicapped Space Without Placard	\$333.00	\$333.00	Each
4000 (A)	Unregistered Vehicle	\$53.00	\$53.00	Each
4462 (B)	Registration On Wrong Vehicle	\$30.00	\$30.00	Each
4464	Altered License Plate	\$30.00	\$42.00	Each
5200	Lic Plate Missing - Fine Or P/C	\$35.00	\$35.00	Each
5201	Plate Positioning - Fine Or P/C	\$30.00	\$30.00	Each
5202	Period Of Display - Fine Or P/C	\$30.00	\$30.00	Each
5204 (A)	Tags Attach Wrong - Fine Or P/C	\$30.00	\$30.00	Each
6 D.U.I. Cost Recovery				
Arrest with Traffic Collision & Transportation		\$731.00		Each

[^] Citation fee amounts increase for two or more offenses. Applicable fees are stated on the violation notice.

^{**} California Vehicle Code Fees are established by the State of California and are not escalated by the CPI All Urban Consumers/San Francisco-Oakland-San Jose

IX. REFUND POLICY

Any request for Fee refunds shall be submitted in writing to the appropriate Department's Director within 90 days from the date of submittal. The grounds for requesting a refund shall be detailed in the written request. However, once the City has commenced work on an applicable service for which a fee is charged, no refunds are allowed. The Department's Director shall determine if a fee is refundable based on this criterion. Any refund will be net a processing fee equivalent to 0.5 hours of the Building Hourly Rate and any other incidentals that may be incurred. The party requesting the refund shall be informed in writing of the decision of the Department's Director within ten (10) working days of receiving the written refund request. The requesting party may appeal the determination of the Department's Director to the City Manager, within ten (10) days of mailing notice to the requesting party. The City Manager's decision of the appeal review will be the final action taken by the City.



CITY OF HALF MOON BAY

Statistics



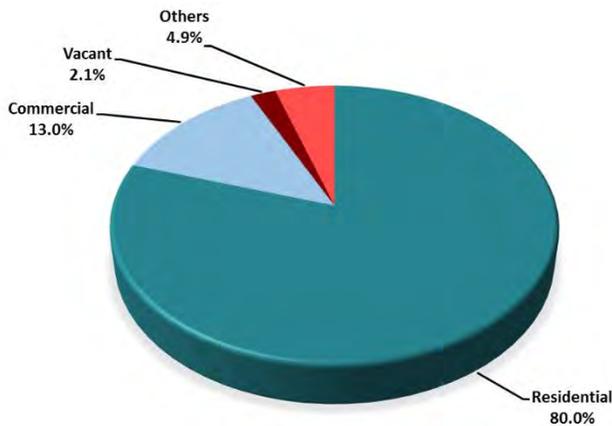
THE CITY OF HALF MOON BAY

FY 2017-18 USE CATEGORY SUMMARY

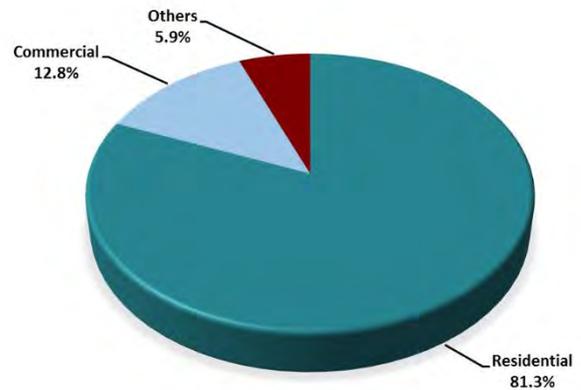
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	3,776	\$2,395,266,812 (80.0%)	\$2,365,335,848 (81.3%)
Commercial	203	\$389,536,412 (13.0%)	\$372,002,147 (12.8%)
Industrial	15	\$7,185,938 (0.2%)	\$7,185,938 (0.2%)
Dry Farm	7	\$4,358,514 (0.1%)	\$4,358,514 (0.1%)
Institutional	22	\$18,427,488 (0.6%)	\$309,882 (0.0%)
Irrigated	14	\$5,944,497 (0.2%)	\$4,411,271 (0.2%)
Miscellaneous	141	\$26,914,954 (0.9%)	\$17,677,501 (0.6%)
Recreational	22	\$41,361,992 (1.4%)	\$41,062,725 (1.4%)
Vacant	1,926	\$62,199,420 (2.1%)	\$56,557,151 (1.9%)
Unsecured	[243]	\$41,213,220 (1.4%)	\$40,418,385 (1.4%)
TOTALS	6,126	\$2,992,409,247	\$2,909,319,362

ASSESSED VALUE

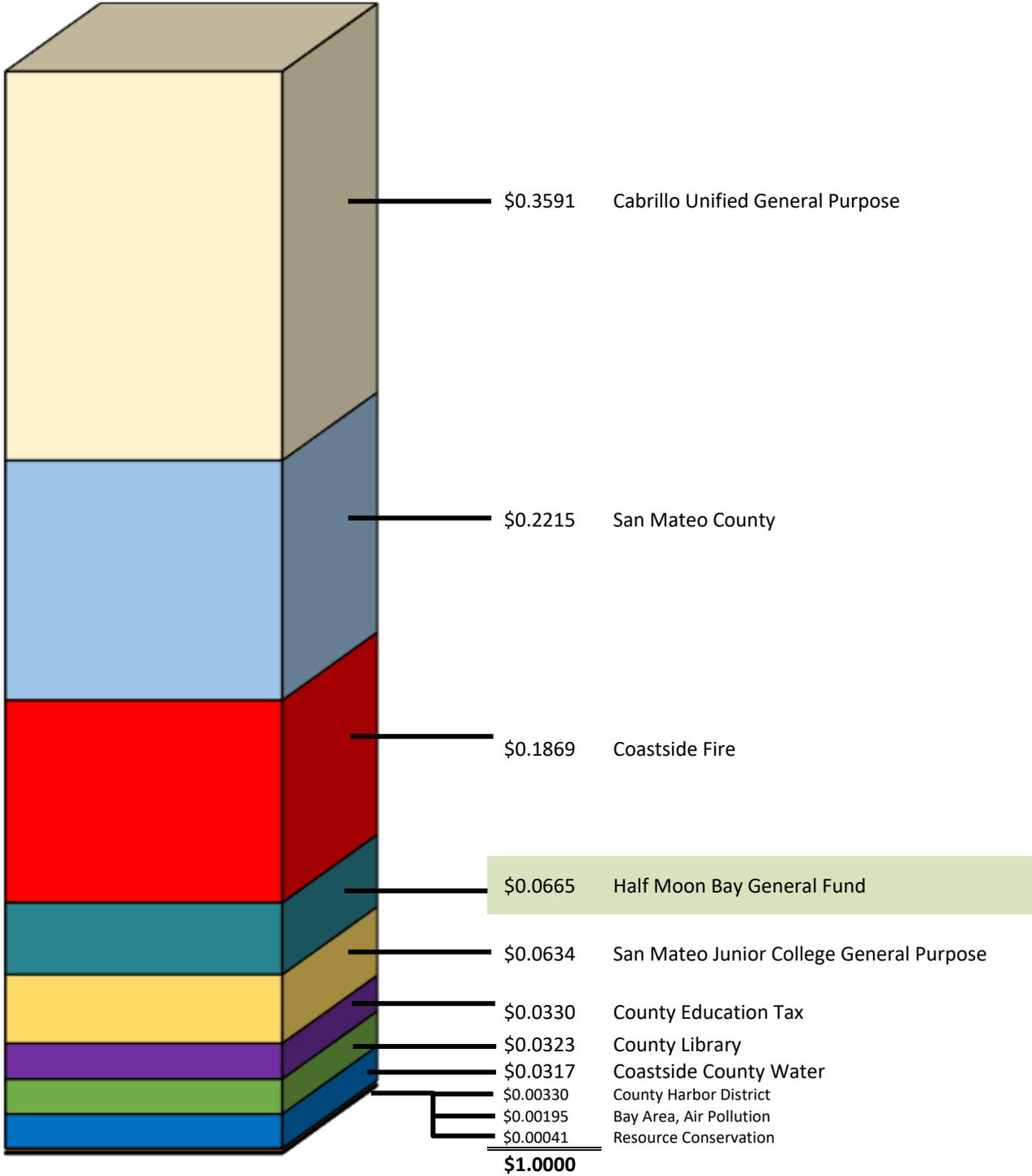


NET TAXABLE VALUE



THE CITY OF HALF MOON BAY

PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 017-005, Excluding Redevelopment Factors & Additional Debt Service

Data Source: San Mateo County Assessor 2017/18 Annual Tax Increment Tables

THE CITY OF HALF MOON BAY

FY 2017-18 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	6,126	0	243
TRAs	8	0	7
Values			
Land Improvements	1,412,228,016	0	25,986
Personal Property	1,519,072,543	0	5,949,562
Fixtures	17,325,583	0	24,471,755
Aircraft	2,569,885	0	10,765,917
Total Value	0	0	0
	\$2,951,196,027	\$0	\$41,213,220
Exemptions			
Real Estate			
Personal Property	81,512,081	0	370,165
Fixtures	638,766	0	374,195
Aircraft	144,203	0	50,475
Homeowners*	0	0	0
Total Exemptions*	16,225,430	0	0
	\$82,295,050	\$0	\$794,835
Total Net Value	\$2,868,900,977	\$0	\$40,418,385

Combined Values	Total
Total Values	\$2,992,409,247
Total Exemptions	\$83,089,885
Net Total Values	\$2,909,319,362
Net Aircraft Values	\$0

** Note: Homeowner Exemptions are not included in Total Exemptions*

Totals do not Include Aircraft Values or Exemptions

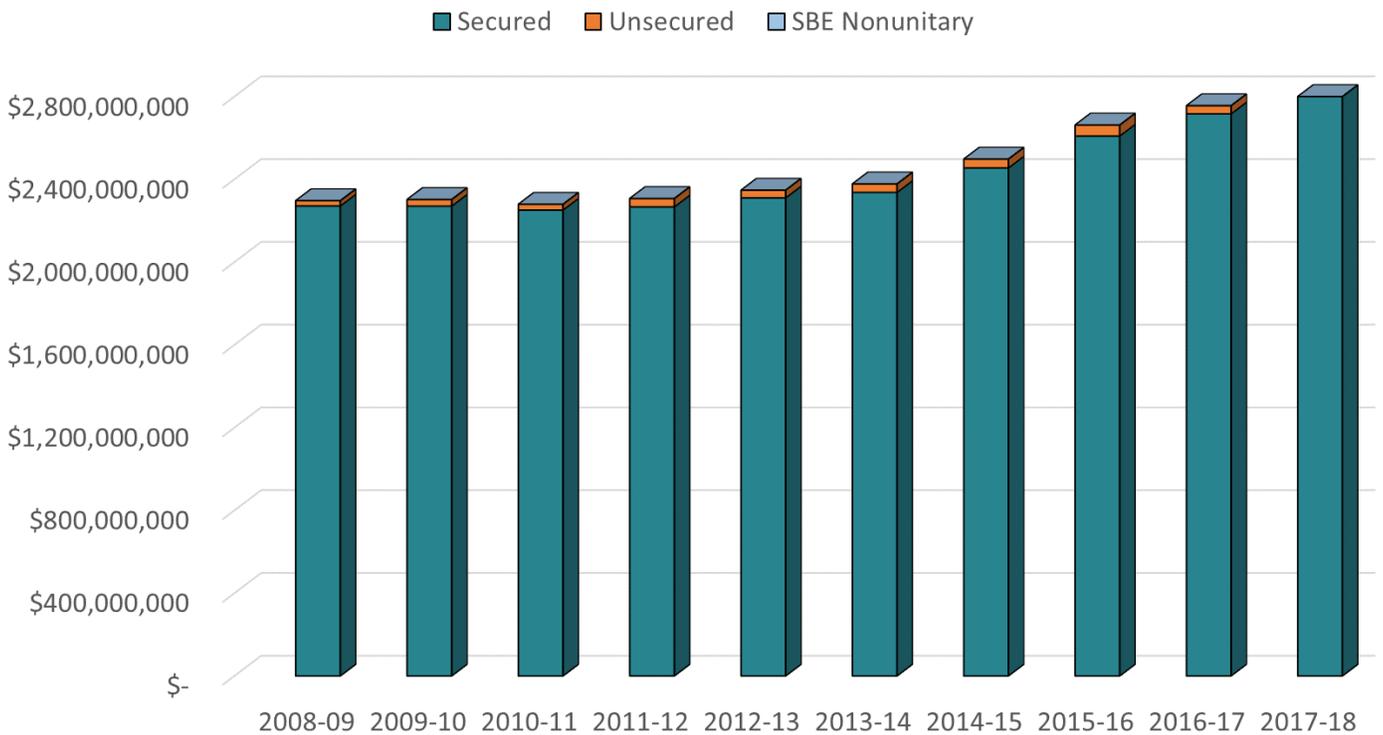
Data Source: San Mateo County Assessor 2017/18 Combined Tax Rolls

THE CITY OF HALF MOON BAY

NET TAXABLE ASSESSED VALUE HISTORY

FY 2008-09 to FY 2017-18 Taxable Property
Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2008-09	\$2,271,215,524	\$25,449,648	\$0	2,296,665,172	
2009-10	\$2,270,581,839	\$31,809,471	\$0	2,302,391,310	0.25%
2010-11	\$2,251,380,792	\$28,037,312	\$0	2,279,418,104	-1.00%
2011-12	\$2,266,736,579	\$40,476,099	\$0	2,307,212,678	1.22%
2012-13	\$2,310,590,314	\$37,048,774	\$0	2,347,639,088	1.75%
2013-14	\$2,336,930,963	\$40,818,124	\$0	2,377,749,087	1.28%
2014-15	\$2,454,848,902	\$42,658,908	\$0	2,497,507,810	5.04%
2015-16	\$2,609,284,214	\$53,103,728	\$0	2,662,387,942	6.60%
2016-17	\$2,716,280,909	\$39,462,822	\$0	2,755,743,731	3.51%
2017-18	\$2,868,900,977	\$40,418,385	\$0	2,909,319,362	5.57%



Data Source: San Mateo County Assessor 2017/18 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

THE CITY OF HALF MOON BAY

ASSESSED VALUE OF TAXABLE PROPERTY

FY 2008-09 to FY 2017-18 Taxable Property Values

Category	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Residential	1,819,104,616	1,814,166,741	1,806,656,465	1,807,548,717	1,847,817,296	1,871,838,949	1,986,554,631	2,128,750,156	2,238,878,627	2,365,335,848
Commercial	319,080,038	331,836,973	329,209,700	330,355,442	333,127,837	344,198,890	346,707,418	356,041,843	363,813,823	372,002,147
Industrial	5,421,901	5,600,922	5,568,852	5,901,115	6,016,889	6,133,649	6,172,772	6,292,015	6,801,114	7,185,938
Dry Farm	5,936,865	3,191,476	11,235,759	10,559,490	11,427,110	3,720,127	3,496,499	3,786,377	4,241,537	4,358,514
Govt. Owned	37,102	0								
Institutional	278,434	258,950	284,781	260,279	265,484	293,694	272,021	277,456	281,685	309,882
Irrigated	20,653,643	17,674,128	5,418,982	6,116,088	4,368,007	3,423,600	4,862,761	5,333,856	4,324,786	4,411,271
Miscellaneous	7,716,105	6,830,284	12,936,578	12,953,724	20,894,204	12,075,286	22,681,808	23,460,537	14,211,644	17,677,501
Recreational	36,654,225	38,520,391	32,211,663	37,455,517	38,043,156	38,699,751	38,874,879	39,568,823	40,290,547	41,062,725
Vacant	51,807,016	49,742,858	46,517,696	50,669,067	48,630,331	50,679,666	45,226,113	45,773,151	43,437,146	56,557,151
Unsecured	25,449,648	31,809,471	28,037,312	40,476,099	37,048,774	40,818,124	42,658,908	53,103,728	39,462,822	40,418,385
Unknown	4,525,579	2,759,116	1,340,316	4,917,140		5,867,351				
TOTALS	2,296,665,172	2,302,391,310	2,279,418,104	2,307,212,678	2,347,639,088	2,377,749,087	2,497,507,810	2,662,387,942	2,755,743,731	2,909,319,362
Total Direct Rate	0.05426	0.05426	0.05426	0.05426	0.05453	0.05452	0.05818	0.05818	0.05819	0.05819

Notes:

Exempt values are not included in Total

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

THE CITY OF HALF MOON BAY

FY 2017-18 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) SHC HALF MOON BAY LLC	2	\$146,205,488	5.10%	2	\$647,889	1.60%	\$146,853,377	5.05%	Commercial Half Moon Bay General Fund
2) OCEAN COLONY PARTNERS L P	18	\$40,483,817	1.41%				\$40,483,817	1.39%	Recreational Half Moon Bay General Fund
3) KEET NERHAN	34	\$25,064,773	0.87%	2	\$51,968	0.13%	\$25,116,741	0.86%	Commercial Half Moon Bay General Fund
4) HMB MUSICH	3	\$15,423,559	0.54%				\$15,423,559	0.53%	Commercial Half Moon Bay General Fund
5) IWF HALF MOON BAY LLC	1	\$10,487,921	0.37%				\$10,487,921	0.36%	Commercial Half Moon Bay General Fund
6) LONGS DRUG STORE INC	1	\$8,523,766	0.30%				\$8,523,766	0.29%	Commercial Half Moon Bay General Fund
7) CASTRO PARTNERS LLC	3	\$7,585,437	0.26%	1	\$72,753	0.18%	\$7,658,190	0.26%	Commercial Half Moon Bay General Fund
8) PROFESSIONAL PENINSULA PROPERTIES LLC	8	\$7,299,311	0.25%				\$7,299,311	0.25%	Commercial Half Moon Bay General Fund
9) HALF MOON BAY EDENBRIDGE	14	\$7,000,000	0.24%				\$7,000,000	0.24%	Vacant Half Moon Bay General Fund
10) COUNTY OF SAN MATEO	12	\$6,872,359	0.24%				\$6,872,359	0.24%	Commercial Half Moon Bay General Fund
Top Ten Total	96	\$274,946,431	9.58%	5	\$772,610	1.91%	\$275,719,041	9.48%	
City Total		\$2,868,900,977			\$40,418,385		\$2,909,319,362		

THE CITY OF HALF MOON BAY

FY 2008-09 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) SHC HALF MOON BAY LLC	2	\$132,310,811	5.83%				\$132,310,811	5.76%	Commercial Half Moon Bay General Fund
2) OCEAN COLONY PARTNERS LP	38	\$21,117,344	0.93%	4	\$303,184	1.19%	\$21,420,528	0.93%	Recreational Half Moon Bay General Fund
3) KEET NERHAN	32	\$20,305,027	0.89%	2	\$126,276	0.50%	\$20,431,303	0.89%	Commercial Half Moon Bay General Fund
4) SOUTH WAVECREST LLC	2	\$19,159,616	0.84%				\$19,159,616	0.83%	Recreational Half Moon Bay General Fund
5) NURSERYMEN'S EXCHANGE INC	12	\$14,043,898	0.62%				\$14,043,898	0.61%	Irrigated Farm Half Moon Bay General Fund
6) REGENCY CENTERS LP	3	\$13,627,786	0.60%				\$13,627,786	0.59%	Commercial Half Moon Bay General Fund
7) FRANCESCO CARRUBBA	3	\$10,453,717	0.46%				\$10,453,717	0.46%	Commercial Half Moon Bay General Fund
8) PENINSULA OPEN SPACE TRUST	21	\$9,188,885	0.40%				\$9,188,885	0.40%	Irrigated Farm Half Moon Bay General Fund
9) IWF HALF MOON BAY LP	1	\$9,125,236	0.40%				\$9,125,236	0.40%	Commercial Half Moon Bay General Fund
10) RUGGERO MILANO AND MAJIDI SHAHLA	1	\$5,093,798	0.22%				\$5,093,798	0.22%	Commercial Half Moon Bay General Fund
Top Ten Total	115	\$254,426,118	11.20%	6	\$429,460	1.69%	\$254,855,578	11.10%	
City Total		\$2,271,215,524			\$25,449,648		\$2,296,665,172		

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THE CITY OF HALF MOON BAY
DIRECT & OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF TAXABLE VALUE)

Agency	Last 10 Fiscal Years									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Cabrillo Unified Bond	0.04640	0.04970	0.05080	0.05220	0.07220	0.07190	0.07040	0.07260	0.08320	0.07510
San Mateo Junior College	0.01650	0.01820	0.01930	0.01990	0.01940	0.01940	0.01900	0.02500	0.02470	0.02350
Total Direct & Overlapping² Tax Rates	1.06290	1.06790	1.07010	1.07210	1.09160	1.09130	1.08940	1.09760	1.10790	1.09860
City's Share of 1% Levy Per Prop 13³	0.06648	0.06648	0.06648	0.06648	0.06648	0.06648	0.06648	0.06648	0.06648	0.06648
Voter Approved City Debt Rate										
Total Direct Rate⁴	0.05426	0.05426	0.05426	0.05426	0.05453	0.05452	0.05818	0.05818	0.05819	0.05819

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition

to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in

2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

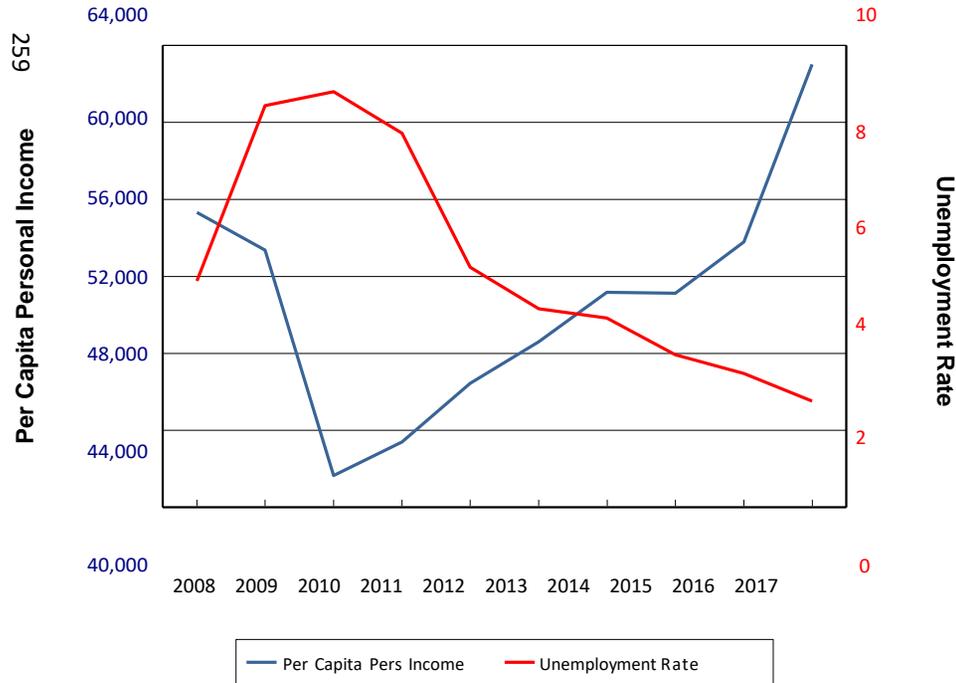
Data Source: San Mateo County Assessor 2008/09 - 2017/18 Tax Rate Table

THE CITY OF HALF MOON BAY

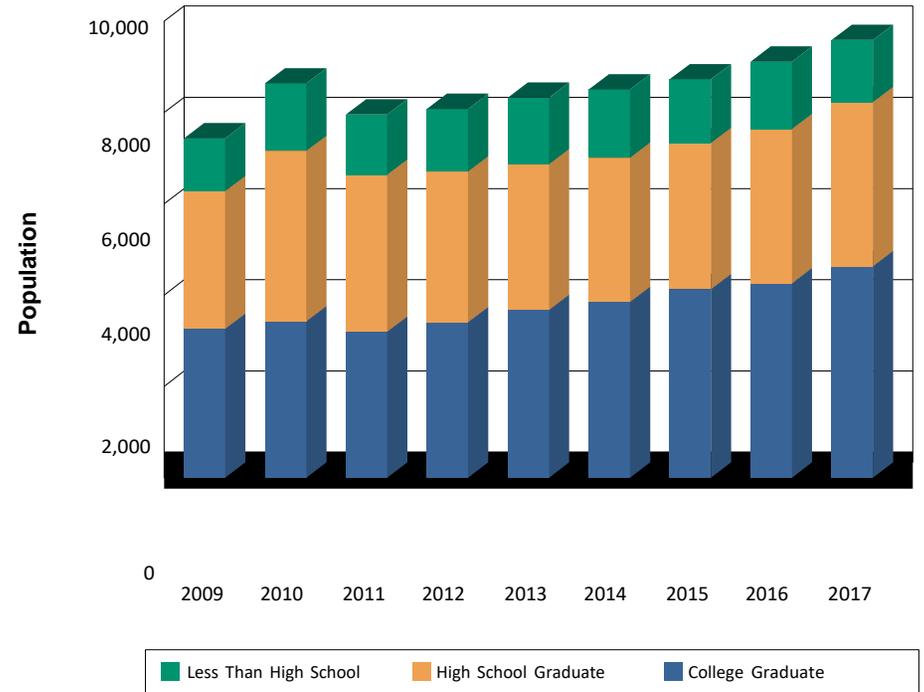
DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2008	13,001	\$719,233	\$55,321	4.9%			
2009	13,206	\$704,770	\$53,367	8.7%	40.9	84.4%	43.9%
2010	13,371	\$556,795	\$41,642	9.0%	40.4	82.9%	39.7%
2011	11,478	\$498,019	\$43,389	8.1%	42.1	83.4%	40.2%
2012	11,581	\$537,926	\$46,449	5.2%	42.9	83.0%	42.2%
2013	11,721	\$569,699	\$48,605	4.3%	43.2	82.5%	44.2%
2014	11,727	\$600,059	\$51,169	4.1%	44.8	82.4%	45.3%
2015	12,528	\$640,547	\$51,129	3.3%	44.7	84.0%	47.3%
2016	12,591	\$677,251	\$53,788	2.9%	45.8	83.8%	46.7%
2017	12,639	\$796,455	\$63,015	2.3%	47.1	85.8%	48.3%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data released to date. Demographic

Data is totaled from Census Block Groups that overlap the City's boundaries

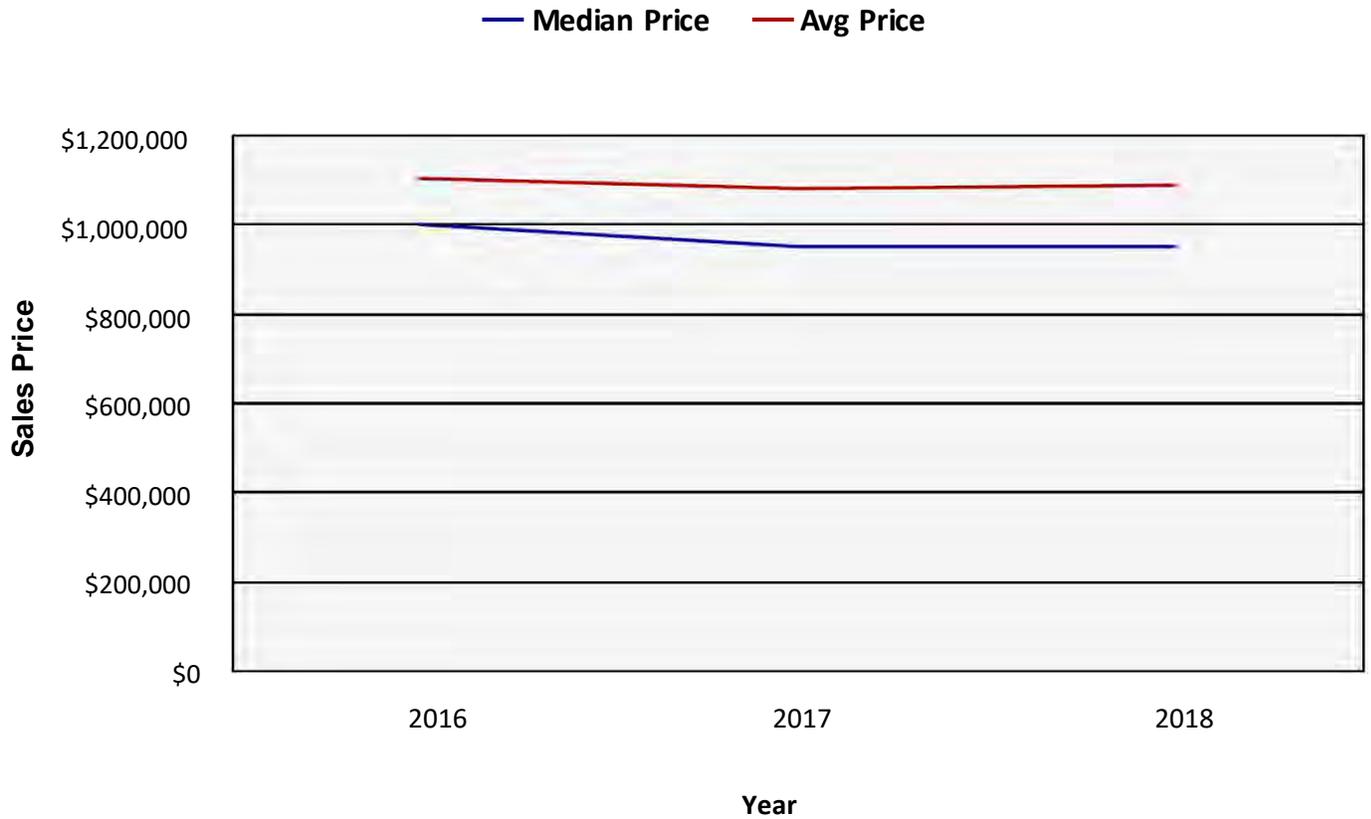
2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

THE CITY OF HALF MOON BAY

SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2016 - 6/30/2018)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2016	137	\$1,082,422	\$950,000	
2017	146	\$1,164,458	\$1,097,000	15.47%
2018	68	\$1,206,426	\$1,153,500	5.15%



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.



CITY OF HALF MOON BAY

Budget and Acronym Glossaries



Budget Glossary

ACTIVITIES

Specific services performed in accomplishing program objectives and goals (see Program).

ACCRUAL

A method of accounting to record revenues when earned and expenses when incurred.

ACTUAL

A column heading in the budget. Figures found in the Actual column indicate actual financial information recorded for that time period.

ADJUSTED BUDGET

The increase or decrease of the amount budgeted for a program or account.

ADOPTED BUDGET

This is the budget that is adopted by the City Council after reviewing and providing feedback and direction on the recommended budget at one or more budget study sessions.

AGENCY FUNDS

Also known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. The fiduciary funds used by the City include agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

ALLOCATION

A distribution of funds, or an expenditure limit established for an organizational unit or function.

APPROPRIATION

An authorization made by the City Council which permits the City to incur obligations and to make expenditures of resources in providing services as planned.

APPROPRIATION LIMIT

Propositions 4 and 111 created a restriction on the amount of revenue which can be appropriated in any fiscal year. The Limit is based on actual appropriations during the 1978-79 fiscal years, and is increased each year using the growth of population and inflation. Not all revenue is restricted by the limit; only those which are referred to as "proceeds of taxes." Some examples of proceeds of taxes are sales tax, property tax, and business license tax.

ASSESSED VALUE

A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, assessed value is established by the County for the secured and unsecured property tax rolls. The utility property tax roll is valued by the State Board of

Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal year 1979 by rolling back values to fiscal year 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal. Property taxes for general purposes cannot exceed 1% of assessed value.

AUDIT

Conducted by an independent certified public accountant (CPA), the primary objective of an audit is to determine if the City's financial statements present fairly the City's financial position and results of operations in conformity with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards for Comprehensive Annual Financial Reporting. In conjunction with their performance of an audit, the auditing standards require an independent auditor to report to the City Council of audit findings on adequacy of the City's internal controls as well as recommendation and improvements to the City's financial management practices.

BALANCED BUDGET

A balanced budget is a situation in financial planning or the budgeting process where total revenues are equal to or greater than total expenses.

BEGINNING/ENDING FUND BALANCE

Appropriated resources available in a fund from the prior/current year after payment of the prior/current fiscal year's expenses. This is not necessarily cash on hand.

BONDS

Bonds are a form of borrowing (debt financing) which reflects a written promise from the City to repay a sum of money on a specific date at a specified interest rate. Local governments use bonds to obtain long-term financing for large capital projects such as buildings, streets, utility infrastructure, and bridges.

BUDGET

A budget is a financial plan for a specified period of time that matches planned revenue and expenditures to municipal services, goals and, objectives. The City uses a financial plan covering a fiscal year (July 1 through June 30), with actual budget appropriations made annually.

BUDGET AMENDMENT

The City Council has the sole responsibility for adopting the City's budget and may amend or supplement the budget at any time after adoption by majority vote. The City Manager has the authority to approve administrative adjustments to the budget as long as those changes are between objects, as well as departments, within the same fund category.

BUDGET CALENDAR

A budget calendar is the schedule of budget preparations, hearings, and adoption of the annual budget.

BUDGET POLICIES

Budget policies are general and specific guidelines, developed by the City Manager in consultation with the City Council, that govern financial plan preparation and administration. Departments make their budget requests on the basis of the guidelines.

CAPITAL IMPROVEMENT PLAN (CIP)

Commonly, a CIP is a five-year plan providing for the maintenance or replacement of existing public facilities and assets and for building or acquiring new ones.

CONTINGENCY

A contingency is a budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CONTRACTUAL SERVICES

Services rendered to a government by private firms, individuals, or other governmental agencies are contractual services. Examples include public safety services, recreation services, utilities, maintenance agreements, and professional consulting services.

DEBT

A state of being under obligation to pay or repay someone or something.

DEBT INSTRUMENT

Debt instruments are methods of borrowing funds, including, but not limited to, general obligation bonds, judgment obligation bonds, revenue bonds, lease/purchase agreements, lease-revenue bonds, and assessment district bonds.

DEBT SERVICE

Debt service is the payment of principal and interest on bonds and other debt instruments according to a pre-determined schedule.

DEBT SERVICE FUNDS

The debt service fund type is used to account for the payment and accumulation of resources related to general long-term debt principal and interest (see Fund).

DEFICIT

A deficit is the excess of an entity's liabilities over its assets or the excess of expenditures over revenue during a single accounting period.

DEPARTMENT

A department is a major organizational unit of the City which has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

DEPRECIATION

Depreciation is the expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy, or obsolescence.

DEVELOPMENT IMPACT FEES

Fees placed on the development of land or conditions required for the approval of a development project such as the donation of certain land (or money) to specific public uses. The fees are justified as an offset to the future impact that development will have on existing infrastructure.

ENTERPRISE FUNDS

The enterprise fund type is used to account for operations that are financed and operated in a manner similar to private sector enterprises and it is the intent of the City that the costs (including depreciation) of providing goods or services to the general public be financed or recovered primarily through user fees. The City accounts for Sewer Operations as an Enterprise Fund (see Fund).

EXPENDITURE

An expenditure is the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure, but a commitment. An encumbrance reserves funds to be expended in future periods.

EXPENDITURE SAVINGS

Under the City's budgeting procedures, personnel cost projections are based on all positions being filled throughout the year. Cost projections for major supply purchases and service contracts are projected on a similar basis. However, past experience indicates that expenditures are consistently less than budgeted amounts, due at least in part to this costing methodology. Accordingly, the expenditure savings category is used to account for this factor in preparing fund balance projections.

FEES

Charges for services levied by the City to recover costs associated with providing a service or permitting an activity.

FISCAL YEAR (FY)

A fiscal year is a designated twelve-month period for budgeting and record keeping purposes. As a general law city, July 1 to June 30 is specified as the fiscal year.

FIXED ASSETS

Assets of long-term nature such as land, buildings, roads, bridges, and related infrastructure, machinery, furniture, and other equipment are fixed assets. The City has defined such assets as roads, bridges and related infrastructure with an expected life in excess of one year and an acquisition cost in excess of \$5,000.

FULL-TIME EQUIVALENT

The ratio of the total number of paid hours during a period (part time, full time, contracted) by the number of working hours in that period Mondays through Fridays.

FUNCTION

A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a broad goal or accomplishing a major service are functions.

FUND

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, for specific activities or government functions. The six fund types used by the City are: General Fund, Special Revenue, Debt Service, Capital Project, Enterprise, and Agency Funds.

FUND BALANCE

Also known as financial position, fund balance for governmental fund types is the excess of fund assets over liabilities, and represents the cumulative effect of revenue and other financing sources over expenditures and other financing uses. For the enterprise funds, the term used is "net asset," a comparable (although not exact) financial position concept as fund balance (see Working Capital).

GAAP

GAAP stands for Generally Acceptable Accounting Principles. These are uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GASB

GASB stands for Governmental Accounting Standards Board. The accounting profession's regulatory body for governmental accounting and determines what constitutes GAAP for governmental agencies.

GANN LIMIT

An absolute dollar limit on the amount of funds derived from taxes that the City can legally appropriate and expend each fiscal year, as specified by Article 13-B of the State Constitution. Any tax revenues in excess of the Gann Limit must be returned to taxpayers. The base-year used on computing the Gann Limit is FY1978-79, with adjustments to the appropriations limit allowed succeeding fiscal years for changes in population and changes in the cost of living.

GENERAL FUND

The general fund is the primary operating fund of the City. All revenue that are not allocated by law or contractual agreement to a specific fund are accounted for in the General Fund. With the exception of subvention or grant revenue restricted for specific uses, General Fund resources can be utilized for any legitimate governmental purpose (see Fund).

GOAL

A goal is a statement of broad direction, purpose, or intent.

GOVERNMENTAL FUND

Government funding refers to financial assistance received by non-government entities in the form of federal, state, or local government grants, loans, loan guarantees, property, cooperative agreements, food commodities, direct appropriations, or other assistance.

GRANT

Contribution or gift of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity, or facility.

INTERFUND TRANSFER

The movement of monies between funds of the same governmental entity is an interfund transfer.

INVESTMENT REVENUE

Investment revenue is received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

LINE ITEM BUDGET

A line item budget lists detailed expenditure categories (salary, materials and supplies, telephone service, travel, etc.) separately, along with the amount budgeted for each specified category. The City uses a line-item detail to maintain and record for financial reporting and control purposes.

MATERIALS AND SUPPLIES

Expendable materials and operating supplies are necessary to conduct departmental operations.

MISSION STATEMENT

A mission statement provides policy guidance and direction for the highest priority objectives to be accomplished.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

The modified accrual basis of accounting is used in conjunction with the current financial resources measurement focus. Revenue is recognized when they are available and measurable. Expenditures are recognized when goods and services are received.

OBJECT OF EXPENDITURE

Object of expenditure is a classification referring to the lowest and most detailed level of classification, such as electricity, office supplies, and contract services.

OPERATING BUDGET

The operating budget is the portion of the budget that pertains to daily operations providing basic governmental services. The program budgets in the financial plan form the operating budget.

OPERATIONS

Operations are a grouping of related programs within a functional area (see Function and Program).

PERFORMANCE MEASURES (OBJECTIVES)

Performance measures are a statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program. Performance measures are clearly stated objectives that are measurable in quantitative terms.

PROGRAM

Programs are group activities, operations, or organizational units designed for specific purposes or objectives.

RESERVE

A reserve is an account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose or designated by the City Council and is, therefore, not available for general appropriation.

RESERVE DRAWDOWN

Reserve draw down refers to the amount of fund balance required as a funding source to balance fund budgets where appropriations exceed current revenue. If current revenue exceeds appropriations, the fund balance will increase and be referred to a reserve improvement.

RESOLUTION

A resolution is a special or temporary order of a legislative body. It is an order of a legislative body requiring less legal formality than an ordinance or statute.

RESOURCES (SOURCES)

Resources are total amounts available for appropriation, including estimated revenue, borrowing proceeds, fund transfers, and beginning balances.

SPECIAL REVENUE FUNDS

A special revenue fund type is used to account for the proceeds from specific revenues sources (other than trusts or capital funds) that are legally restricted to expenditures for specific purposes (see Fund).

STRUCTURAL BALANCE

The structural or underlying fiscal balance is the relationship between government ongoing revenues and ongoing expenditures.

SUBVENTIONS

Subventions are revenue collected by the State (or other level of government) which is allocated to the City on a formula basis. The major subventions received by the City from the State include motor vehicle in-lieu and gasoline taxes.

WORKING CAPITAL

Working capital is the excess of current assets over current liabilities.

Acronym Glossary

ACRONYM	DEFINITION
AB	Assembly Bill
ABAG	Association of Bay Area Governments
ADA	Americans with Disabilities Act
BID	Business Improvement District
C/CAG	City/County Association of Governments
CAFR	Comprehensive Annual Financial Report
CALPERS	California Public Employees Retirement System
CCWD	Coastside County Water District
CEQA	California Environmental Quality Act
CIP	Capital Improvement Program
COPS	Community-Oriented Policing Services
CPI-U	Consumer Price Index - All Urban Consumers
CSAC	California State Association of Counties
CSO	Community Service Officer
DOC	Department Operations Center
EOC	Emergency Operations Center
ERAF	Educational Revenue Augmentation Fund
FDIC	Federal Deposit Insurance Corporation
FICA	Federal Insurance Contribution Act
FPPC	Fair Political Practices Commission
FSLIC	Federal Savings and Loan Insurance Corporation
FTO	Field Training Officer
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GF	General Fund
GFOA	Government Finance Officers Association
GIS	Geographic Information System
HOPTTR	Homeowner Property Tax Relief
I&I	Infiltration and Inflow
IT	Information Technology
JOB	Judgment Obligation Bonds
JPA	Joint Powers Authority
LAIF	Local Agency Investment Fund
LCP	Local Coastal Plan
LTD	Long-Term Disability

ACRONYM**DEFINITION**

MTC	Metropolitan Transportation Commission
NACSLB	National Advisory Council on State and Local Budgeting
NEPA	National Environmental Policy Act
NPDES	National Pollutant Discharge Elimination System
OPEB	Other Post-Employment Benefits
PMS	Pavement Management System
POST	Peace Officer Standards and Training
RDA	Redevelopment Agency
SAM	Sewer Authority Mid-Coastside
SB	Senate Bill
SLESF	Supplemental Law Enforcement Services Funds
SMC	San Mateo County
SR2S	Safe Routes to School
SRO	School Resource Officer
STIP	Statewide Transportation Improvement Plan
TDA	Transportation Development Act
TOT	Transient Occupancy Tax
VLF	Vehicle License Fee