

THE CITY OF
HALF MOON BAY
CALIFORNIA



FY 2017-2018
Adopted Operating Budget



City of Half Moon Bay



501 Main St., Half Moon Bay, CA 94019

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<http://www.hmbcity.com>



CITY OF HALF MOON BAY

Fiscal Year 2017-18 Adopted Budget







CITY OF HALF MOON BAY

City Council



Mayor
Debbie Ruddock



Vice Mayor
Deborah Penrose

Council Members



Adam Eisen



Rick Kowalczyk



Harvey Rarback



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CITY OF HALF MOON BAY

Executive Staff



**City Manager
Magda Gonzalez**



**City Attorney
Catherine Engberg**



**Deputy City Manager
Matthew Chidester**



**Public Works Director
John Doughty**



**Finance Director
Yulia Carter**



**Administrative Services Manager
Russell Brunson**



**Chief of Police Services
John Munsey**



**City Clerk
Jessica Blair**

CITY OF HALF MOON BAY



ACKNOWLEDGMENTS:

Budget Book Preparation

Yulia Carter, Finance Director
Dennis Jaw, Senior Accountant
Jessica Blair, City Clerk

Budget Message Translation

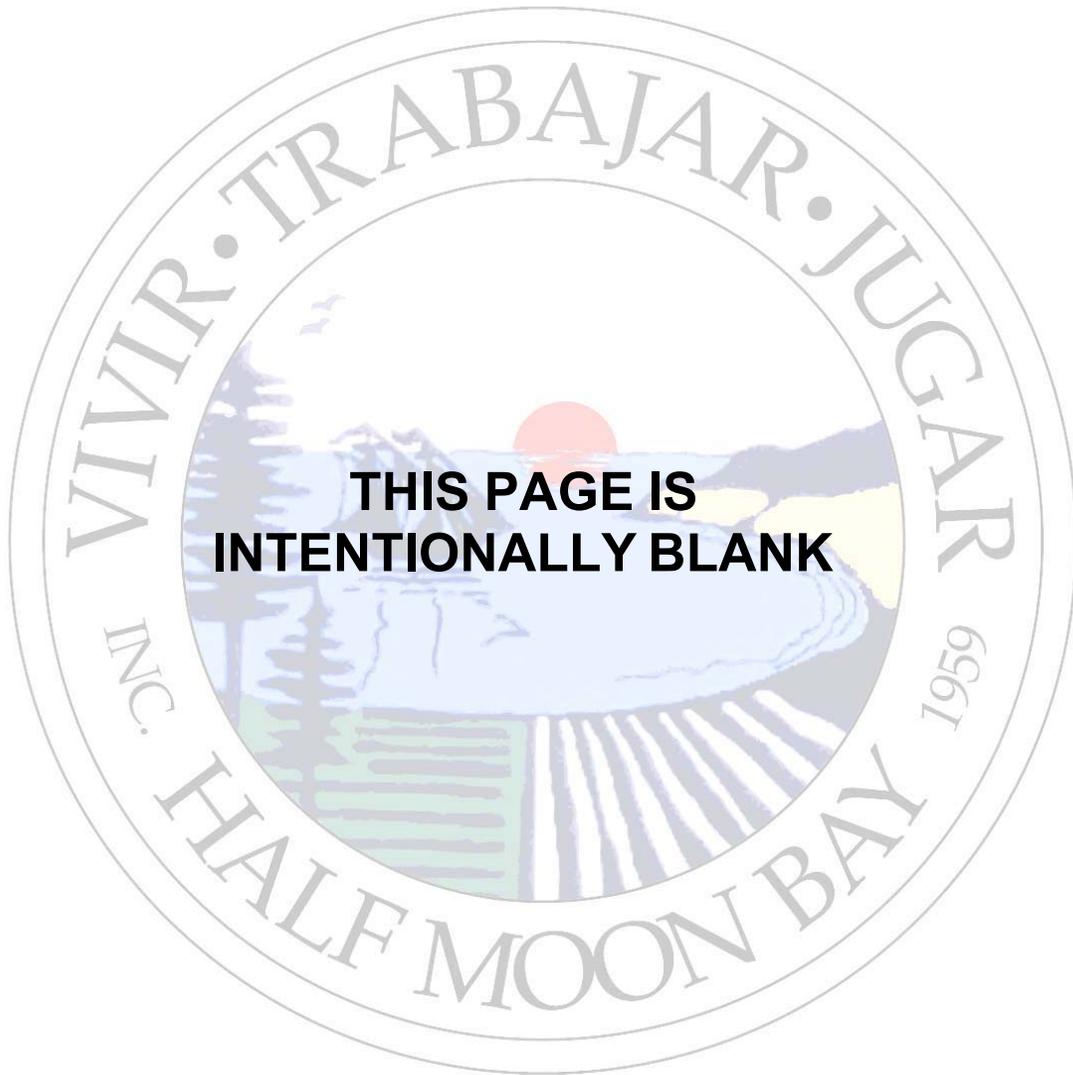
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CITY OF HALF MOON BAY

Executive Summary







CITY OF HALF MOON BAY

501 Main Street
Half Moon Bay, CA 94019

June 20, 2017

Honorable Mayor and Council Members,

It is with great pleasure that I present to the City Council and the community the Fiscal Year 2017-18 City Manager's Adopted Budget.

This is a wonderful and exciting time for the City organization and the entire community of Half Moon Bay.

Under the leadership of the City Council, we have embarked upon several process improvements and Council priorities, and I'm delighted to report that we are making great progress in all areas. With this new budget, we anticipate we'll now be more able to effectively provide the services that the City Council and community expect. We are continuing to improve upon our service delivery model, in providing high quality, professional, accessible, and efficient customer service in a fiscally sound manner.

As I look back on the budget process of the last several months, and at the City Council's guidance in moving forward, I can say that reinvesting in the community continues to be the goal of this year's budget. I am more confident than ever that the near future of Half Moon Bay is not only promising, it's on the path to excellence. We are a place where the community and the City organization are getting stronger and working in close partnership towards common goals - that strength and those partnerships are only going to further improve.

The last twelve months have been action packed; some of that action was planned and other elements...not so planned! Your Staff has worked incredibly hard over the last year to carry out the City Council's priorities. I can honestly say that this last year was even more exceptionally successful than the previous year.





A highlight is the new library construction which, with the Council's guidance and a lot of strong Staff work, is moving along on schedule. Today, much of the framing is complete and you can start to see the shape of the new building. Seymour Bridge was relocated, and we conducted five highly specialized and crucial study sessions in advance of the City Council's priority setting session.

Over the last year, we have also conducted several studies to provide the opportunity for Staff to strategically and deliberately plan for the future. That included conducting parks and facilities master planning, a staffing study, and an extensive coastal erosion study.

Among other accomplishments, of particular note are the following:

- we are close to concluding the process of entering into a new Solid Waste Franchise agreement;
- transitioned recreation services back in-house;
- the new website will be launched in the next couple of months;
- conducted a community workshop on immigration entirely in Spanish, offered four "Know Your Rights" immigration workshops, and assisted in publicizing several immigration assistance sessions held by others;
- remodeled City Hall and leased an Annex providing Staff with a safer, more effective, and productive working environment, while offering more welcoming, professional, and efficient services to the community;
- completed a User Fee Study and Cost Allocation analysis to maximize General Fund resources;
- established a Bicycle and Pedestrian Committee;
- held the first Spanish language Half Moon Bay Network, Engage, Transform (NET) Community Academy;
- instituted a modified zero-based budget; the records management program is well underway;
- we opened a new Public Records Act request portal to the community;
- Planning Commission meetings are now broadcast;
- Sheriff's Deputies have dedicated time to be more visible and engaged in the community;



- worked with the County to develop a Hazard Mitigation Plan;
- conducted a Staffing Study;
- City Council meetings and key community meetings have simultaneous transition;
- and, we initiated an electronic signature program to process contracts and other critical documents in a more timely manner.



Much of the work continued to be in areas that are not always visible to the community, as they are process and organizational improvements. But these improvements allow Staff to better carry out their core functions in serving the public.

I am honored to work with our City Staff, a wonderful group of professionals working very hard and very skillfully for this community. Every day they bring a high level of experience, skill, and passion to the City's efforts. Their work is what has made these achievements possible. I am truly grateful for the long hours, evenings away from home, and constant "can do" attitude.

I am very proud to present the Capital Improvement Program (CIP), which will be provided under separate cover. The CIP is part of the City's budget and it will continue to guide the City's infrastructure work over the next five years, and more. This further- improved CIP contains critical information that helps in prioritization and allocation of precious City resources. The creation and production of this document was a tremendous undertaking and I want to thank staff for their incredible work.

You will see that each project has its own information sheet containing critical data such as total cost, source of funding, and length of project. It now includes the cost of project management and how it aligns with the City's Strategic Plan. The CIP has been an iterative process. We are pleased with how it has developed, and excited about the work product that we are presenting. The City Council has seen this plan several times and has offered input at each stage, consistently providing its guidance to continue reinvesting in the community through capital improvements.





I am happy to report that the City continues to enjoy an exceptionally healthy financial outlook. The City's revenues continue to be very strong in our three primary revenue sources: Transient Occupancy Tax (TOT), Property Tax, and Sales Tax. The City's expenditures are less than revenues, creating a structural surplus in 2017-18, and in the foreseeable future. The City continues to maintain a very healthy reserve well-above the Council's adopted policy. Half Moon Bay is in an enviable financial position as compared to many of our neighboring cities.

One of the City Council's Strategic Elements is Fiscal Sustainability, and Staff will continue to seek ways to be as efficient as possible in managing City resources while providing high-quality services to the public. Staff looks forward to working with the City Council and the community to address any financial challenges the future may bring. We continue to seek and identify operational efficiencies, assess appropriate fee structures, pursue suitable economic development opportunities, and advise on potential revenue options available to ensure the continued high quality of life for the community of Half Moon Bay – residents, businesses, and visitors.

As was the case last year, your executive team met in advance of the City Council's Priority Setting Session and revisited our organizational vision. Last year, we set a goal of creating an organization that is transparent, respectful, responsive, professional, consistent, and one that has the trust of the community. We are pleased with our work and what we have accomplished over the last year in meeting that goal. We believe there is still more work to be done and will continue those efforts into the future.

At the City Council Priority Setting Session, Council affirmed the Strategic Elements, and identified five priorities:

- Affordable Housing
- Marijuana Regulation and Taxation
- Homelessness
- Community Park
- Transient Occupancy Tax Expansion

These priorities, along with the Council's Strategic Elements, will continue to provide guidance and focus as City Staff carries out its work for the community.



The City Council and community expect more of this organization, and the expectations and demands of 2018 are many and rapidly changing. As a result of community expectations and interests, in light of the Staffing Study, and in

order to meet City Council Priorities, we are adopting several changes including increasing staffing levels in the 2017-18 Budget.

These changes are designed to assure that the organization is providing quality professional services to the community in an efficient, effective, and transparent manner and is consistently more aligned with the interests and expectations of the community. Please see the Budget Overview Executive Summary for additional detail outlining the budget document, financial summary, and budgetary changes.

While this document represents my recommendations, it is built on input from the Executive Team, whom I would like to thank for their hard work and long hours in developing this budget, and for their incredible professionalism and amazing dedication to this community. I would also like to thank the budget team for their many hours of work in developing this document, especially Yulia Carter, Dennis Jaw, Jessica Blair, Kelcie McClain, Mark Dylina, Sandra Ricky, Paula Krogh, and Sara Williams.

Respectfully submitted,



Magda A. González
City Manager







CITY OF HALF MOON BAY

501 Main Street
Half Moon Bay, CA 94019

20 de junio del 2017

Honorable Alcalde y Miembros del Consejo,

Es con gran placer que les presento el Presupuesto Aprobado por el Administrador de la Ciudad para el Año Fiscal 2017-18.

Este es un momento maravilloso y emocionante para la organización de la Ciudad y toda la comunidad de Half Moon Bay. Bajo el liderazgo del Concejo Municipal, hemos emprendido varias mejoras de procesos y prioridades del Consejo, y estoy encantada de informarles que estamos logrando grandes avances en todas las áreas. Con este nuevo presupuesto, anticipamos que ahora seremos más capaces de proporcionar efectivamente los servicios que el Ayuntamiento y la comunidad esperan. Continuamos mejorando nuestro modelo de prestación de servicios, proporcionando un servicio al cliente de alta calidad, profesional, y accesible de una manera fiscal efectiva.

Al examinar el proceso presupuestario de los últimos meses y la orientación del Ayuntamiento para avanzar, puedo decir que la reinversión en la comunidad continúa siendo la meta del presupuesto de este año. Estoy más segura que nunca de que el futuro cercano de Half Moon Bay no sólo es prometedor, sino que está en el camino hacia la excelencia. Somos un lugar donde la comunidad y la Ciudad se están fortaleciendo y trabajando en una estrecha alianza hacia objetivos comunes – esta alianza sólo va a mejorar aún más.

Los últimos doce meses han sido llenos de acción; parte de esa acción fue planeada y otros elementos ... no tan planeado! El personal ha trabajado increíblemente duro durante este último año para llevar a cabo las prioridades del Concejo Municipal. Puedo decir honestamente que este año pasado fue aún más exitoso que el año anterior.





Un punto muy importante a sido la construcción de la nueva biblioteca que, con la colocación del Consejo y un gran trabajo del personal, se están llevando a cabo a tiempo. Hoy en día, gran parte de la estructura está completa y podemos empezar a ver la forma del nuevo edificio. El Seymour Bridge fue reubicado, y realizamos cinco sesiones de estudios altamente especializadas y cruciales antes de realizar la reunión de prioridades del Ayuntamiento

Durante el último año, también hemos llevado a cabo varios estudios para proporcionarle al personal la oportunidad de planificar estrategias para el futuro. Esto incluyó una experta planificación de parques e instalaciones, un análisis del personal y un extenso estudio de erosión costera.

Entre otros logros, se destacan los siguientes:

- estamos cerca de concluir el proceso de un nuevo acuerdo de la Franquicia de Residuos Sólidos;
- el regreso a casa de los servicios recreativos
- el nuevo sitio web se lanzará en los proximos meses;
- realizamos un taller comunitario sobre inmigración totalmente en español, ofrecimos cuatro talleres sobre inmigración "Conozca sus derechos" y ayudamos a publicar varias sesiones de asistencia de inmigración realizadas por otros;
- remodelamos el Ayuntamiento y arrendamos un anexo que proporciona a el personal un ambiente de trabajo más seguro, eficaz y productivo, al mismo tiempo ofreciendo servicios más acogedores, profesionales y eficientes a la comunidad;
- completamos un estudio de tarifas del usuario y un análisis de asignación de costos para maximizar los recursos del Fondo General;
- establecimos un Comité de Bicicletas y Peatones;
- desarrollamos la primera sesión de Half Moon Bay de Network Engage, Transform (NET) Community Academy; en español
- Instituímos un presupuesto basado en cero modificación; el programa de registros de documentación está bien avanzado;
- abrimos un nuevo portal de la Ley de Registros Públicos de solicitud a la comunidad
- las reuniones de la Comisión de Planificación son emitidos ahora;



- los Diputados del Sheriff han dedicado tiempo a ser más visibles y participar en la comunidad;
- trabajamos con el Condado para desarrollar un Plan de Mitigación de Riesgos;
- condujimos un estudio de dotación de personal;
- las reuniones del Ayuntamiento y las reuniones clave de la comunidad tienen transición simultánea
- y, iniciamos un programa de firma electrónica para procesar los contratos y otros documentos críticos de una manera más oportuna.



Gran parte del trabajo continuo siendo en áreas que no siempre son visibles para la comunidad, ya que son mejoras en el proceso y en la organización. Sin embargo, estas mejoras permiten al personal desempeñar mejor sus funciones básicas al servicio del público.

Me siento honrada de trabajar con nuestro personal de la ciudad, un grupo maravilloso de profesionales que trabajan muy duro y muy hábilmente para esta comunidad. Cada día traen un alto nivel de experiencia, habilidad y pasión a los esfuerzos de la Ciudad. Su trabajo es lo que ha hecho posible estos logros. Estoy verdaderamente agradecida por las largas horas, las tardes lejos de casa, y el constante "puede hacerse" actitud.

Estoy muy orgullosa de presentar el Programa de Mejoramiento de Capital (CIP), el cual será proporcionado bajo una cubierta separada. El PIC es parte del presupuesto de la Ciudad y continuará guiando el trabajo de infraestructura de la Ciudad durante los próximos cinco años, y más. Este CIP mejorado contiene información crítica que ayuda en la priorización y asignación de preciosos recursos de la Ciudad. La creación y producción de este documento fue un tremendo compromiso y quiero agradecer al personal por su increíble trabajo.

Usted verá que cada proyecto tiene su propia hoja de información que contiene datos críticos como costo total, fuente de financiamiento y duración del proyecto. Ahora incluye el costo de la administración del proyecto y su alineación con el Plan Estratégico de la Ciudad. El CIP ha sido un proceso iterativo. Estamos satisfechos con la forma en que se ha desarrollado y entusiasmados con el producto de trabajo que estamos presentando. El Ayuntamiento ha revisado este plan varias veces y ha ofrecido información en cada etapa, proporcionando consistentemente su orientación para continuar reinvertiendo en la comunidad a través de mejoras de capital.





Me complace informar que la Ciudad continúa gozando de una perspectiva financiera excepcionalmente saludable. Los ingresos de la Ciudad continúan siendo muy fuertes en nuestras tres principales fuentes de ingresos: Impuestos de Ocupación Transitorios (TOT), Impuesto a la Propiedad e Impuestos a las Ventas. Los gastos de la Ciudad son menores que los ingresos, creando un superávit estructural en 2017-18, y en el futuro previsible. La Ciudad sigue manteniendo una reserva muy saludable, por encima de la política adoptada por el Consejo. Half Moon Bay está en una

posición financiera envidiable en comparación con muchas de nuestras ciudades vecinas.

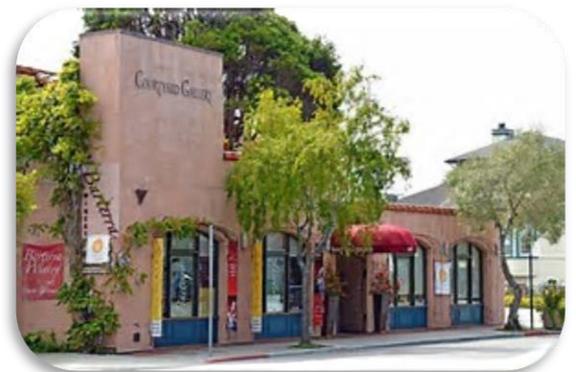
Uno de los Elementos Estratégicos del Ayuntamiento es la Sustentabilidad Fiscal, y el personal continuará buscando maneras de ser lo más eficiente posible en la administración de los recursos de la Ciudad mientras provee servicios de alta calidad al público. El personal espera trabajar con el Ayuntamiento y la comunidad para enfrentar cualquier desafío financiero que pueda traer el futuro. Continuamos buscando e identificando eficiencias operacionales, evaluando las estructuras apropiadas de tarifas, buscando oportunidades de desarrollo económico adecuadas y asesorando sobre posibles opciones de ingresos disponibles para asegurar la alta calidad de vida para la comunidad de Half Moon Bay - residentes, negocios y visitantes.

Como fue el caso el año pasado, su equipo ejecutivo se reunió antes de la Sesión de Prioridad del Concejo Municipal y revisó nuestra visión organizacional. El año pasado, establecimos el objetivo de crear una organización que sea transparente, respetuosa, receptiva, profesional, consistente y que tenga la confianza de la comunidad. Estamos satisfechos con nuestro trabajo y lo que hemos logrado durante el último año en el cumplimiento de ese objetivo. Creemos que todavía hay más trabajo por hacer y continuaremos estos esfuerzos en el futuro.

En la Sesión de Priorización del Concejo Municipal, el Consejo afirmó los Elementos Estratégicos e identificó cinco prioridades:

- Vivienda Asequible
- Regulación e Impuestos de la Marihuana
- Personas sin hogar
- Parque Comunitario
- Expansión del impuesto de ocupación transitoria

Estas prioridades, junto con los Elementos Estratégicos del Consejo, seguirán proporcionando



orientación y enfoque a medida que el personal de la Ciudad realiza su trabajo para la comunidad.

El Ayuntamiento y la comunidad esperan más de esta organización, y las expectativas y demandas de 2018 son muchas y cambian rápidamente. Como resultado de las expectativas e intereses de la comunidad, a la luz del Estudio de Dotación de Personal y para cumplir con las Prioridades del Concejo Municipal, estoy adoptando varios cambios incluyendo el aumento de personal en el Presupuesto 2017-18.

Estos cambios están diseñados para asegurar que la organización proporcione servicios profesionales de calidad a la comunidad de una manera eficiente, efectiva y transparente y está consistentemente más alineada con los intereses y expectativas de la comunidad. Por favor vea el Resumen Ejecutivo del Presupuesto para detalles adicionales que describen el documento del presupuesto, el resumen financiero y los cambios presupuestarios.

Si bien este documento representa mis recomendaciones, se basa en el aporte del Equipo Ejecutivo, a quien quiero agradecer por su arduo trabajo y largas horas en el desarrollo de este presupuesto, así como por su increíble profesionalismo y asombrosa dedicación a esta comunidad. También quiero agradecer al equipo de presupuesto por sus muchas horas de trabajo en el desarrollo de este documento, especialmente Yulia Carter, Dennis Jaw, Jessica Blair, Kelcie McClain, Mark Dylina, Sandra Ricky, Paula Krogh y Sara Williams.

Presentado respetuosamente,



Magda A. González
Administradora de la Ciudad





Strategic Plan Elements/Initiatives

The Half Moon Bay City Council holds an Annual Retreat, which serves as the launching point for the annual budget preparation process. At this year’s Retreat, on February 9, 2016, the following Strategic Elements were discussed and updated:

- **Infrastructure and Environment**
- **Healthy Communities and Public Safety**
- **Fiscal Sustainability**
- **Inclusive Governance**

Based on the Strategic Elements, the City Council has adopted Strategic Initiatives. These Initiatives are intended to help guide the City’s actions and work plans, and focus efforts on addressing the City’s identified priorities.

Strategic Element: Infrastructure and Environment	Strategic Element: Healthy Communities and Public Safety
<p>Initiatives:</p> <ul style="list-style-type: none"> • 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 	<p>Initiatives:</p> <ul style="list-style-type: none"> • 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

Strategic Element: Fiscal Sustainability	Strategic Element: Inclusive Governance
<p>Initiatives:</p> <ul style="list-style-type: none"> • 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 	<p>Initiatives:</p> <ul style="list-style-type: none"> • 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



About Half Moon Bay

"To Live, To Work, To Play"



Location:

Half Moon Bay is located 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.

Featuring the best of Northern California all in one place, visitors of Half Moon Bay will enjoy miles of white sandy beaches, redwood forests, a historic downtown filled with local artisan shops, beautiful state parks, fields of wild flowers, and trails along ocean bluffs and mountain ridges as far as the eye can see.

History:

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.



For thousands of years, the land was inhabited by "Costanoan" (as the Spanish called them) Native Americans. They lived in many places around San Mateo County, including Half Moon Bay's Pilarcitos Creek. Originally used for cattle grazing, the City only began to develop during the 1850's. As the late 1800s passed, the area's character became established by the diversity of different cultures that made the Coastside a prime example of the American melting pot.



The 1906 earthquake destroyed Mexican adobes and some early American efforts to build brick business buildings in Half Moon Bay. Wooden homes and shops survived the quake, and many of those early wooden structures still remain.

In 1906, the Ocean Shore Railway began construction along the shoreline. Construction of the Railway spanning from San Francisco to Tunitas Glen, just south of Half Moon Bay, was completed in 1907. Due to financial problems and the increasing

popularity of the horseless carriage, the railroad ceased operation in 1920.

Half Moon Bay developed a new personality during The Prohibition Era (1920 – 1933) because the hidden ocean coves and thick fog provided the ideal setting for rumrunners from Canada and for local moonshiners.

During this time, the Miramar roadhouse was raided numerous times for illegal liquor, gambling and prostitution during Prohibition.

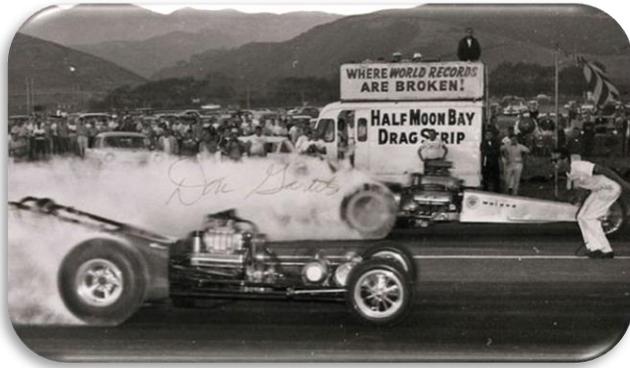
Miramar was a notorious drop off point for illegal liquor. Smugglers bought their booze in Canada and shipped it down the coast to Half Moon Bay. Under the cover of darkness, small vessels, known as “rum runners”, met the large ships off the coast and transferred the illegal cargo to shore. Rum Runners, because of their speed, were ideal vessels to make the transfer from ship to shore. Due to their agility and speed they were often able to out run Coast Guard patrol boats.



Half Moon Bay was the ideal location for the transfer of this illegal cargo, as it was small and isolated, yet still close enough to San Francisco for transport by car.



In 1942, the California State Highway Department constructed the Half Moon Bay Airport 20 miles south of San Francisco for the U.S. Army during World War II, which was turned over to the Navy at the war's conclusion.



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 50s and 60s, but in 1968, the strip was sold and closed down shortly after.

The City of Half Moon Bay was incorporated in 1959. It has many reminders of its early beginnings in the mid-1800s as an agricultural town. Fields of flowers, artichokes, brussel sprouts, Christmas trees, pumpkins and other crops blanket the breathtaking landscape.

The City's location on the coast attracted fishermen, farmers & many other industries. The Town developed a rich and unique community comprised of people with many languages and ethnicities.

The City is considered a rural coastal community and is home to approximately 12,500 people.



Government Structure:

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.



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, zoning and building inspection, storm drain maintenance, code and parking enforcement, engineering and general administrative services.

The members of the City Council serve as the policy-making body. City voters elect five Council members to staggered four-year terms.

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 the City Council, Planning and Recreation Commissions, and any other committees are open to the public except when certain personnel matters and legal items are discussed.



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) 726-8260	507-B Purissima St
Finance	(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's website at www.half-moon-bay.ca.us

Population:

There is a rich culture of diverse traditions and multi-generational families who have lived in Half Moon Bay for well over 100 years. In any given neighborhood you will find farmers, high-tech entrepreneurs, and artists living together. There are approximately 4,000 households, and 2,800 families (68% of households). About 83.8% of the City has a high school degree, and 40.7% have a Bachelor's degree or higher.

Culture, Recreation & Local Attractions:

The City and Coastsides are a thriving agricultural, fishing and tourism destination. The local and growing organic 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 pumpkin are grown on the coastsides every year and the ripened ones are featured



in the 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. Its historic downtown is home to shopping, art galleries, fine dining and entertainment.

The 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 acclaimed golf courses graced with spectacular ocean backdrops.



The enduring natural beauty that makes up the Half Moon Bay coast is appreciated by both visitors and residents alike. Besides the sandy beaches and rugged cliffs along the beautiful ocean, Half Moon Bay is also home to residential communities where century-old architecture is enhanced by colorful yards and gardens. New construction projects often include parks and trails.

Visitors can stroll around town 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 held 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.

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.

Fun Facts:

- Natives, Spanish explorers and Mexican cowboys have all lived or passed through this Coastside. The ocean and land provided adequately for its earliest residents. They worried about grizzly bears and mountain lions. The last grizzly was killed here in 1879. The early Mexicans named one of Half Moon Bay's creeks, "Arroyo Lion." Lion's Creek. That creek



crosses the eastern edge of the town. The cougars were driven back, but are still occasionally seen.

- A Mexican soldier named Candelario Miramontes was given the land grant that became today's historic Half Moon Bay business district. The Main Street Bridge over the creek became the entrance to the Miramontes ranch. A Spaniard named Estanislao Zaballa married into the family. He and others brought a commercial flavor by opening the first businesses - saloons, rooming houses, blacksmiths - along that main road into the community.



- Earlier, the Miramontes family was one of two (along with the Briones family) to have a home outside the walls of the San Francisco Presidio. That makes the man who could be called the founder of Half Moon Bay also one of the first private residents of what would soon become the City of San Francisco.
- There is a funny kink in Half Moon Bay's Mill Street – one block east of Main Street. That is because that original owner of the Mexican land grant (Candelario Miramontes) built his adobe right there. When Mill Street was improved, it was deliberately misaligned from the street plan in order go around the big home. The adobe fell to age, and the first block was aligned according to the city plan. The last block remains off line, a quiet reminder of the grand old adobe.
- Mill Street got its name because in the 1860s, there was a long-forgotten major gristmill operating at the eastern end of the street. (See walking tour books like *"Treasures of Half Moon Bay."*)
- One of the first times that reinforced concrete (steel laced inside of concrete for great strength) was ever used in the world was to build Half Moon Bay's Main Street Bridge. The bridge was built in 1900. The steel used in the bridge was



surplus cable from San Francisco's California Street Cable Car system. When the 1906 San Francisco Earthquake struck, the bridge stood strong. Nearby adobes and brick buildings collapsed. That bridge helped prove why reinforced concrete should be a key part of California's modern earthquake building standards.

- A railroad connected Half Moon Bay to San Francisco for over a decade. It was called the Ocean Shore Railroad. It operated long trains pulled by the typical steam locomotives of that age. However, as it faded into disuse (1920), it took its last gasps by running single gasoline powered railway cars.



- Most Coastside and Half Moon Bay development were planned when that railroad was being built. Many large subdivisions were made, with such optimistic names as “Riviera Ocean,” and “Grandview Terrace.” Tens of thousands of individual home building lots were legally created within those subdivisions. That dream of growth was too early. The market reality was that few homes were actually built during the railroad years.



- The Coastside has its well-known broad, sandy beaches. Not so well known is that just a few miles southwest of town is a most beautiful redwood forest. There are thousands of parkland acres, complete with babbling brooks, hillsides cloaked in mountain ferns and trees, laced with hiking and biking trails. Over a century ago as San Francisco was building, those forests were cut for timber to build The City. Now those redwoods are enjoyed for their enduring natural beauty.

- Historic timing is why so many old homes, cafes, and public buildings remain in town. After the railroad departed, this early California community remained quite unchanged. California’s second migration (the first being the Gold Rush) began after World War II. However, the Coastal mountains separated the Coastside from the spread of the cities. Just as those freeways were finally about to roll on over those hills, a new spirit emerged. The postwar optimism for growth gave way to – and blended – with a spirit of conservation and open space. Some say that this old community remained in frozen in time. Not entirely, of course. It is slowly changing. And quietly enjoying its surroundings.





City of Half Moon Bay

The City welcomes those wishing to live, work and play in Half Moon Bay. You will find an inviting and multicultural community atmosphere and friendly and involved people here.

CITY STATISTICS

Population	12,657
Climate Range	47 to 62 °F
Land Area	6.47 Square Miles
Miles of Streets	35
Miles of Sanitary Sewers	35
City Parks	10

HOTELS, MOTELS, B&B'S

Number of Hotels, Inns and B&B's	12
RV Parks and Campgrounds	3
Hotel Rooms	579
Average Occupancy	72%
Annual Coast Side Visitors	4,132,560
Overnight Visitors	216,372
Overnight Visitor Annual Spending	\$80,897,062



EMPLOYMENT	Number Employed	% of Total
Professional Management	2,444	42.8%
Service Category	1,264	22.1%
Sales Industry	978	17.1%
Construction and Maintenance	618	10.8%
Production and Transportation	408	7.1%
DEMOGRAPHICS		
Median Age	45.8	
Total Households	4,585	
Average Household Size	2.63	
Median Household Income	\$103,255	
Education – High School Degree or higher	83.80%	
Education – Bachelor’s Degree or higher	40.70%	
Median Housing Value	\$710,300	
Percent of Foreign Born Persons	26.9%	



Source: US Census Bureau of Quick Facts 2011-2015, 2016 data from the Half Moon Bay Chamber of Commerce, Western Regional Climate Center, USA.com



Half Moon Bay City Limits



Unincorporated
San Mateo County

Unincorporated
San Mateo County

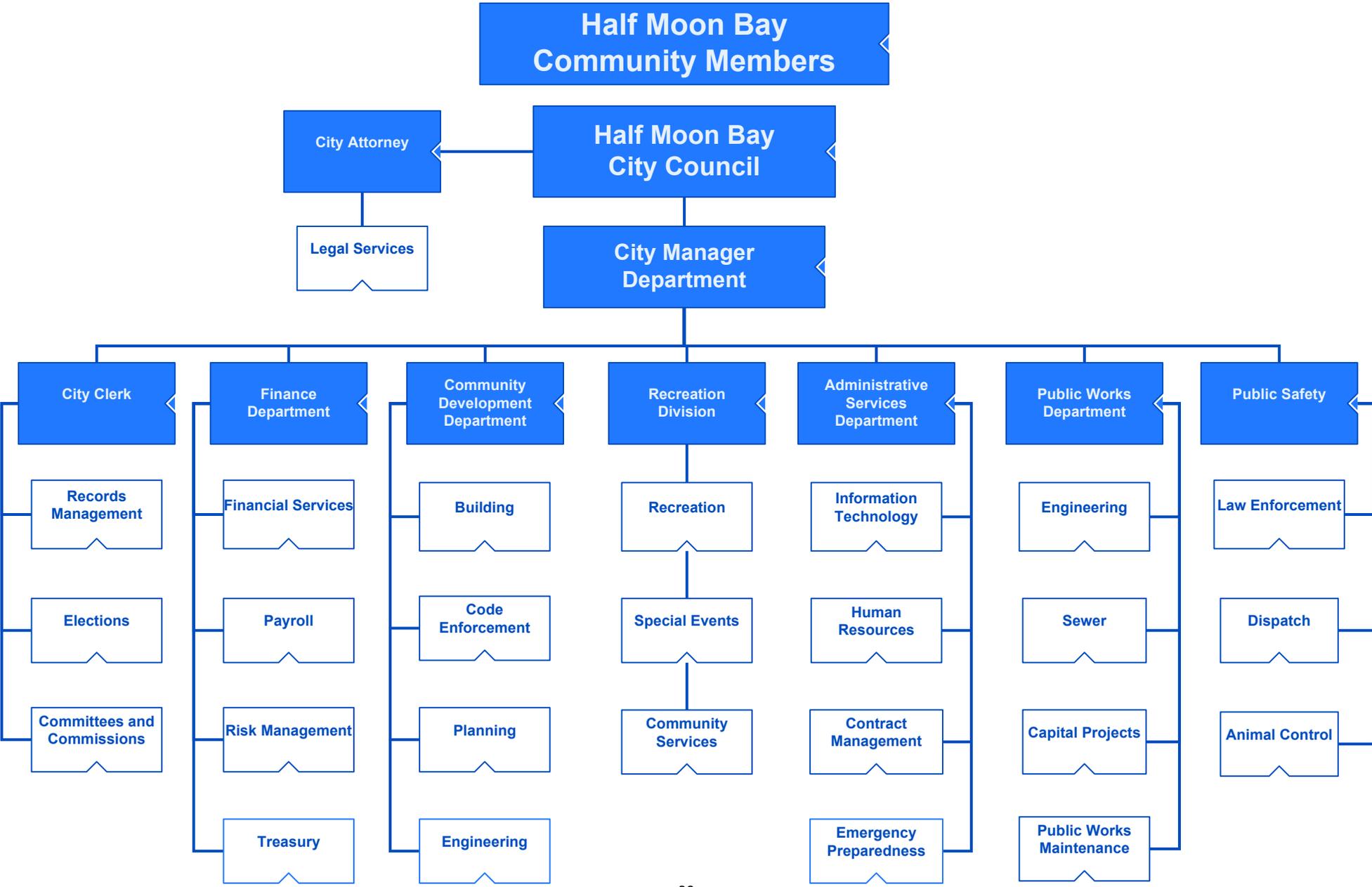
Unincorporated
San Mateo County

City of
Half Moon Bay



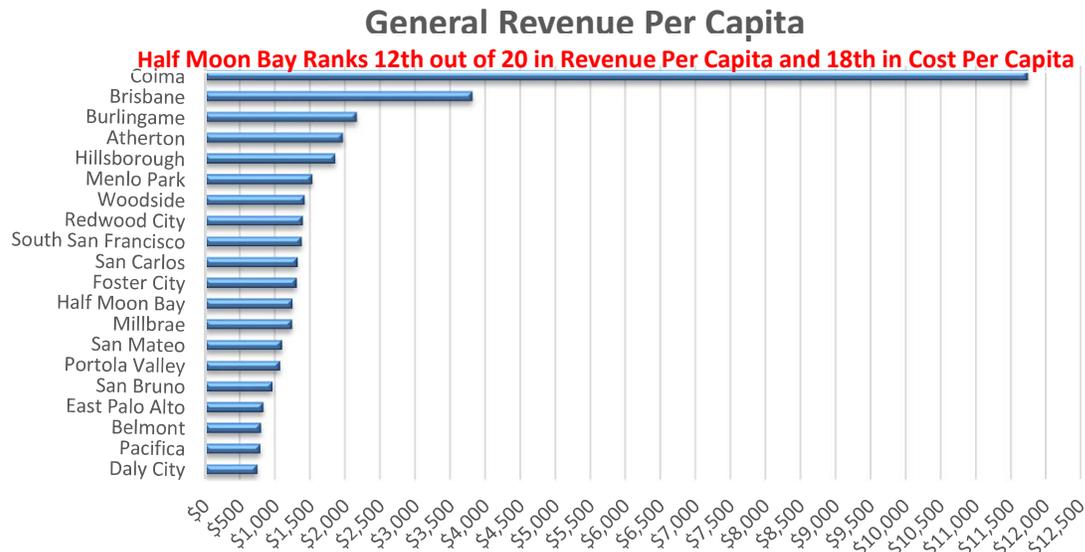
 Map not to Scale

City of Half Moon Bay FY 2017-18 Organizational Chart



San Mateo County Cities Comparison

The City of Half Moon Bay ranks the 9th lowest in revenues per capita compared to other cities within the San Mateo county. The City is prudent in managing its resources, as it has one of the lowest expenditures per capita and third lowest cost per capita.



City	Population	Report Totals			Per Capita		
		General Revenues	General Expenditures	Outstanding Debt	General Revenue	General Exp's	O/S Debt
Colma	1,509	17,719,980	13,410,015	20,074,424	11,743	8,887	13,303
Brisbane	4,282	16,357,706	14,849,747	10,250,727	3,820	3,468	2,394
Burlingame	30,459	66,155,143	47,459,375	49,297,613	2,172	1,558	1,618
Atherton	7,167	14,108,498	10,610,643	-	1,969	1,480	-
Hillsborough	11,451	21,303,987	19,692,941	38,160,951	1,860	1,720	3,333
Menlo Park	33,449	51,089,111	42,565,409	18,345,340	1,527	1,273	548
Woodside	5,561	7,916,016	6,106,621	2,457,565	1,423	1,098	442
Redwood City	85,288	118,435,016	101,683,939	88,478,047	1,389	1,192	1,037
South San Francisco	67,271	92,636,721	86,795,020	1,279,181	1,377	1,290	19
San Carlos	29,931	39,354,024	41,264,415	5,480,493	1,315	1,379	183
Foster City	33,477	43,557,905	33,048,205	7,526,305	1,301	987	225
Half Moon Bay	12,657	15,808,803	8,781,267	10,915,000	1,249	694	862
Millbrae	22,795	28,214,447	22,513,569	60,687,273	1,238	988	2,662
San Mateo	103,536	113,413,278	95,778,915	131,196,545	1,095	925	1,267
Portola Valley	4,594	4,896,045	4,302,501	226,244	1,066	937	49
San Bruno	43,185	41,450,108	38,881,775	24,809,834	960	900	575
East Palo Alto	29,662	24,628,405	17,734,543	20,313,997	830	598	685
Belmont	27,218	21,673,539	16,800,141	34,548,037	796	617	1,269
Pacifica	39,260	30,973,052	27,357,676	27,507,316	789	697	701
Daly City	106,562	79,172,396	79,062,386	34,377,611	743	742	323
TOTAL	699,314	\$ 848,864,180	\$ 728,699,103	\$ 585,932,503	\$ 1,214	\$ 1,042	\$ 838

NOTE 1: Estimated population figures are for US Census Bureau estimates for 2017.

NOTE 2: Source of data is from the most recent City Budgets and CAFRs (primarily FY 2015-16).

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.



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California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2016-2017

Presented to the

City of Half Moon Bay

For meeting the criteria established to achieve the Operating Budget Excellence Award.

January 31, 2017



A handwritten signature in black ink, appearing to read "John Adams".

*John Adams
CSMFO President*

A handwritten signature in blue ink, appearing to read "Craig Boyer".

*Craig Boyer, Chair
Professional Standards and
Recognition Committee*

Dedicated Excellence in Municipal Financial Reporting



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Half Moon Bay
California**

For the Fiscal Year Beginning

July 1, 2016

Jeffrey R. Emswiler

Executive Director



City of Half Moon Bay

“Gann” Appropriations Limit

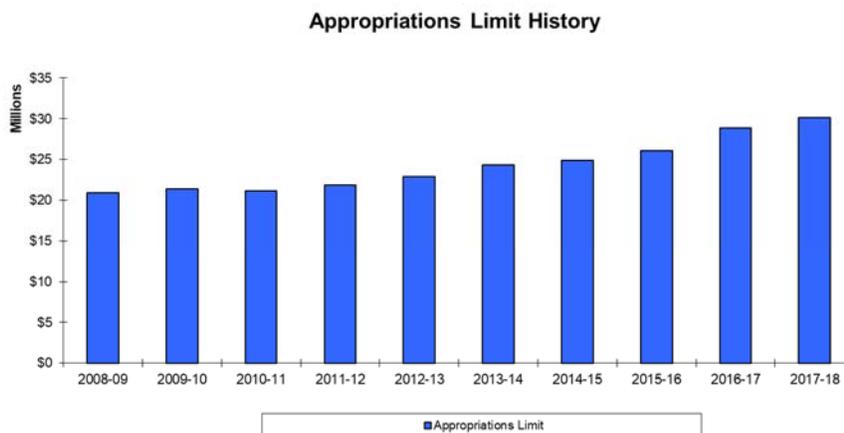
Article XIII B of the California State Constitution set an appropriations limit for governmental agencies. It became effective in Fiscal Year (FY) 1979-80 by passage of Proposition 4 (“The Gann Initiative”) and was modified by Proposition 111 in November 1989. With FY 1978-79 appropriations as the starting 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 2017-18

Per Capita Personal Income Growth	3.69%	1.0369 factor
Population Change	0.56%	1.0056 factor
FY 2016-17 Appropriation Limit	\$28,467,334	
Calculation of factor for FY 2017-18	1.0369 X 1.0056 = 1.0427066	
FY 2017-18 Appropriation Limit	\$29,683,078	



**CITY OF HALF MOON BAY
 FY 2017-18 BUDGET
 (GANN) APPROPRIATIONS LIMIT CALCULATIONS**

Appropriations Limit Worksheet

	<u>Amount</u>	<u>Amount</u>
A LAST YEAR'S LIMIT	28,467,334	
B ADJUSTMENT FACTOR		
1. POPULATION	1.0056	STATE FINANCE
2. INFLATION	1.0369	STATE FINANCE
3. TOTAL ADJUSTMENT	1.042707	(B1 x B2)
C ANNUAL ADJUSTMENT	1,215,744	(A x B3)
D OTHER ADJUSTMENTS	-	
E TOTAL ADJUSTMENTS	1,215,744	(C+D)
THIS YEAR'S LIMIT	29,683,078	(A+E)

RESOLUTION NO. C-2017-65

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY ESTABLISHING THE APPROPRIATION LIMIT PURSUANT TO CALIFORNIA CONSTITUTION ARTICLE XIII B, AND SECTION 7900 ET. SEQ OF THE CALIFORNIA GOVERNMENT CODE FOR FISCAL YEAR 2017-2018

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 Gann limit originally adopted by the City Council on June 20, 2017 has been revised; 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 revised appropriations limit for the fiscal year 2017-18, as calculated in Exhibit A, and hereby determines the amount to be twenty-nine million, six hundred eighty-three thousand seventy-eight dollars (\$29,683,078) 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 2017-18 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 2017.

I, the undersigned, hereby certify that the foregoing resolution was duly passed and adopted on the 5th day of September, 2017 by the City Council of Half Moon Bay by the following vote:

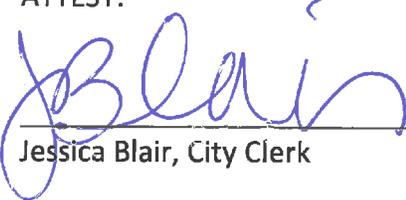
AYES, Councilmembers: EISEN, KOWALCZYK, RARBACK, PENROSE, AND RUDDOCK

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:



Jessica Blair, City Clerk

APPROVED:



Debbie Ruddock, Mayor

RESOLUTION No. C-2017-40

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY
ADOPTING THE FISCAL YEAR 2017-2018 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 2017-18 Operating and Capital Improvement Program Budgets during the Study Session held on June 20, 2017 and gave general direction on the recommendations contained therein during a public meeting; 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 2017-18; and

WHEREAS, the City of Half Moon Bay now desires to adopt the 2017-18 Fiscal Year Appropriations Limit, Operating and Capital Improvement Program Budgets for fiscal year 2017-18;

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 \$57,036,859, including CIP allocation of \$31,731,457, for fiscal year 2017-18 consisting of appropriations, inter-fund transfers and General Fund expenditures of \$17,073,339 as set forth in all Fund Summary section of the Fiscal Year 2017-18 Budget.
2. The City Council does hereby approve and adopt the City's budgeted revenue of \$46,797,447 for fiscal year 2017-18 and General Fund revenues of \$16,147,673 as set forth in all Fund Summary section of the Fiscal Year 2017-18 Budget.
3. The amount of the 2017-18 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 2017-2018 fiscal year.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 20th day of June, 2017 by the City Council of Half Moon Bay by the following vote:

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

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:

APPROVED:



Jessica Blair, City Clerk



Debbie Ruddock, Mayor



CITY OF HALF MOON BAY

Budget Overview





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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, 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 2016-2017, the City experienced its ninth straight year of economic growth, led by consumer spending and tourism. Meanwhile, the real estate and labor market continued to stay strong and, in the case of the latter, continued to grow.

The unemployment rate in San Mateo County has dropped to 2.4% as of June 2017, down from 3.3% in 2016. The city of Half Moon Bay's unemployment rate was identical, also coming in at 2.4%. This compares favorably with an unemployment rate of 4.7% for California and 4.3% for the nation during the same period. As of June 2017, there was an estimated 446,600 jobs in the County, an increase of 15,700 jobs from the prior year.

Housing prices have declined slightly from their highs in 2016, but have remained relatively strong.

The National Association of Realtors released a report that shows median sales price for a home is \$230,700, up 7.0% from the median of \$215,700 the same time last year. According to annual report data from the San Mateo County Association of Realtors, the median sales price of a home in Half Moon Bay is \$1.1 million as of December 2016, which is a 33% increase from the same period a year ago. While the average price of a home has increased over last year, home sales in Half Moon Bay are expected to be the same as in the prior year, due to low inventory.

Unemployment and real estate markets reflect a local economy that is expanding and as such, we expect continued solid growth that will over time translate into higher municipal revenues.



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.

Fortunately, the State of California's is doing very well financially and economically. Financial forecast reflects continued improvement in California's finances, and the economy has grown at a real rate of 3.23% per year, resulting in growing state revenue. Indeed, the debt crises that plagued the state the past decade are behind it as the state was running surpluses from FY 2014-2017.



Notwithstanding this positive fiscal outlook, history suggests that we are now past the midpoint of the current economic expansion. The main risks to the state's economy in the next few years are a slowdown in the global economy, stock market fluctuation, and possibility of the next recession.

On average, economic expansion continues for approximately five years, meaning it would be a historical anomaly for there not to be a recession by 2020. Even a fairly mild recession for the U.S. would be very difficult for California. For example, if unemployment continues to drop and thus causes inflation to rise, a moderate recession could occur from 2018-2019. If that happens, the Department of Finance predicts that US real GDP would fall by 0.4%, before recovering in the following two years. In such a scenario, California would lose almost half a million jobs, and wages and salaries would fall by about 6%. Moreover, a recession would most likely be accompanied by a large fall in the stock market, strongly affecting all City revenues.

An economic downturn would definitely put a wrench in California's finances and return the State to operate under a larger deficit. This in turn could force the State to make difficult choices, like 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.

However, according to the California Legislative Analyst's Office (LAO) the state budget is better prepared for an economic downturn than it has been at any point in decades.



The Governor is anticipating a cooling in the economy, which will impact the amount of revenue expected due to sluggish income tax and sales revenues. As a result, the Governor proposed no new major State General Fund spending and increased the State's Rainy-Day Fund from \$3.5 billion to \$6.7 billion.

BUDGET DEVELOPMENT PROCESS

City staff prepares an annual operating budget each year, which requires City Council adoption, containing revenues, appropriations and other financial information pertaining to all City operating and capital budgets. The philosophy employed in creating this budget has been to focus the City's efforts in continuing to provide quality "core" municipal services in the most efficient way possible.

This operating budget covers the 2017-18 fiscal year which runs from July 1, 2017 to June 30, 2018.



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.

Council Strategic Planning



As part of the budget process, the City retained Management Partners to lead us through the City's Strategic Planning process. Planning session was held with City Council, the City's Executive Team and members of the public on March 15 to review the Strategic Plan and establish the City Council's priorities for the FY 2017-18.

The Executive Team held subsequent meetings to develop Work Plan for the upcoming year to meet Council's priorities. Many Council priorities from this process have been funded as part of the FY 2017-18 Budget

Budget Preparation

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



Public Meeting	Budget Step	Timeframe
1	Council Study Session CIP	February 7
2	Council Strategic Plan Retreat	March 15
3	FY 2016-17 Mid-Year Budget Adjustment Approval	April 4
4	Study Session 1: Budget Methodology, Base Budget Assumptions, Budget Recommendations, Financial Outlook, Capital Plan	May 16
5	Study Session 2: City Council Budget Approval	June 6
6	City Council Budget Hearing and Adoption	June 20

This year’s budget cycle launched in February with the Council’s review of the recommended Capital Improvement Program (CIP) during the CIP study session on February 7, 2017.

On March 15, 2017, City Council held a Priority Setting Workshop, when Council reaffirmed previously adopted Strategic Plan Elements and Initiatives presented on page 13 of this document, and identified the following list of FY 2017-18 priorities for subsequent Council consideration:



1. Develop an affordable housing strategy
2. Develop a plan to regulate and tax marijuana
3. Develop a response to homelessness through appropriate grant funding to non-profit organizations and encampment cleanup
4. Initiate planning for a new or renovated community park
5. Expand the Transient Occupancy Tax to include other short-term rentals

At the workshop, Council provided staff with direction on adding certain services related to these priorities to the upcoming budget.

The City Manager and Finance Director provide guidance to departments, prior to preparation of department budgets, related to economic outlook and parameters for budgeting.



Budget projections are submitted by department heads to the Finance Department. The Finance Director submits the draft recommended City budget to the City Manager for review.

Staff took Council priorities into account during the budget development process, and every new programmatic addition to the budget was viewed and presented in light of Council priorities and strategic elements.

The table below demonstrates how Council’s FY 2017-18 priorities fit in the larger Strategic Plan Elements and Initiatives adopted on February 9, 2016 and presented on page 13 of this budget document.

FY 2017-18 PRIORITY	STRATEGIC ELEMENTS			
	Infrastructure/ Environment	Health Communities/ Public Safety	Fiscal Sustainability	Inclusive Governance
Affordable Housing		✓		✓
Marijuana Regulation and Taxation			✓	✓
Homelessness		✓		✓
Community Park	✓	✓		✓
Transient Occupancy Tax			✓	✓

Council held two budget study sessions in May and June to review and discuss budget options for the FY 2017-18, before finally adopting the budget on June 20, 2017.

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. Generally, the budget is amended in the middle of the year and at the end of the year. All approved additional appropriations are added to the adopted budget and an amended budget is presented to the City Council, which adopts it after due review.
5. The City Manager is authorized to transfer budget amounts of operational expenditure categories within funds as deemed necessary in order to meet the City's operational needs.
6. City Council approval is required for all inter-fund transfers, fund reserve to appropriations transfers, new revenue sources with offsetting appropriations, and for transfers to/from the capital expenditure category. The legal level of budgetary control of the City Council 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 budget no later than June 30th of each year.

The City's budget goals are 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 20% of operating expenditures. 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.

BUDGET METHODOLOGY

The FY 2017-18 Adopted Budget is the result of an inclusive and interactive budget development process. Staff factored in the City Council's adopted Strategic Plan and input received from the Capital Improvement Plan study session and Council Priority Workshop, as well as FY 2016-17 mid-year budget review and Council's direction throughout the year.

During the FY 2016-17 budget process, staff implemented a modified zero-based budget methodology and will continue using this methodology for the FY 2017-18 budget.

This methodology is a systematic financial management strategy which will help achieve a more cost-effective delivery of public services. Expenses must be demonstrated as necessary and are not assumed to carry over from prior years. Each new program is considered in light of potential alternatives and priorities. This will allow the City to redirect efforts and funds from current lower-priority programs to new, higher-priority programs which will improve efficiency and reduce spending.

Each department was provided a base budget expenditure allotment consistent with the authorized FY 2016-17 Budget, adjusted by known personnel salary and benefit increases, and a 3.0% inflationary increase for professional services contractual obligations and 2% increase for other operating expenses. Each department was then given an



opportunity to submit prioritized program changes for enhancements and reductions to the base budget.



The goal of this budget process is to develop the City's budget document by completing a full analysis of the City's current service level to identify necessary and desirable service increase and/or reduction options, which combined will reach a balanced and sustainable budget. To this end, the City Manager formulates a packaged budget recommendation of enhancements and reductions for Council to consider.

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.

During the FY 2016-17 Mid-Year Budget review, the Finance Department worked with each department to analyze the FY 2016-17 projections in order to recommend adjustments for the FY 2017-18 Budget.

These projections were used to create a Base Budget for FY 2017-18, which, adjusted with certain assumptions, eventually shifted into a proposed (recommended) budget for FY 2017-18. The City Manager and Finance Director met with each department individually, and then as a group, to discuss and finalize the FY 2017-18 proposed budget recommendations which were presented to the City Council at the June 20, 2017 Council Budget Study Session and subsequently adopted.

Staff recommendations for service changes were based on many factors, including the Council's strategic vision, staffing capacity and potential impact to the overall City operation and services provided to the community and the Staffing Study the City Council requested. The goal of this process is to identify necessary and /or desirable service increase or reduction options, which combined will reach a balanced and sustainable budget. To this end, the City Manager reviewed department requests and formulated a packaged budget recommendation of enhancements that were approved by Council at the June 20, 2017 Budget Study Session.

FY 2017-18 ADOPTED BUDGET OVERVIEW

The Adopted FY 2017-18 Budget is balanced and has a significant structural surplus when general revenue is compared to operating expenses.

In FY 2017-18, General Fund revenue of \$16.1 million are projected to exceed General Fund expenses of \$14.6 million by \$1.56 million.

The General Fund budget is also projected to have a continuing surplus in the upcoming years.



This means that the City will be able to fully fund the cost of day-to-day operations and services in Half Moon Bay with a healthy annual surplus that can be used towards the cost of desired Capital Improvement Program projects and other needs.



Transient occupancy (hotel) tax, property tax, and sales tax revenue make up 80% of General Fund revenue. All major General Fund Revenues are experiencing healthy growth, as further described in the General Fund section of the budget document. General Fund expenditures are projected to be \$1.3 million higher than the FY 2016-17 Revised Budget, due to the current budget assumptions and proposed program enhancements described below.

Base Budget Assumptions

The base budget is not an exact duplicate of the Adopted or Amended FY 2016-17 Budget because of actions the Council may have taken to modify the budget during the course of the year, and most notably because of the 2017-18 budget assumptions used to develop the base budget. The following are some of the key assumptions which were used in the FY 2017-18 Base Budget:

Base Budget General Fund Revenue Assumptions

- **Total General Fund revenue** of \$15.7 million (excluding \$444,430 of internal allocations) show an increase of \$953,000 (6.5%) from the FY 2016-17 Revised Budget of \$14.8 million, primarily due to strong projections in Transient Occupancy Taxes and as a result of the recently completed user fee study and Council's approval of a revised Master Fee Schedule that will go into effect late July, 2017.
- **Transient Occupancy Tax (TOT)** is the City's largest source of revenue. TOT revenue has increased by no less than 6% each year since FY 2009-10 due to increased tourism activity and initiatives by the Chamber of Commerce to promote mid-week business travel. The FY 2017-18 Budget assumes a 6% increase from the FY 2016-17 Revised Budget amount.
- **Property tax** is the City's second largest revenue source. While we assumed a 4% increase for base property tax based on prior-year trends, the FY 2017-18 budget recommendation for overall property tax category will remain at the prior year's level as the distributions of excess Educational Revenue Augmentation Fund (ERAF) are uncertain to budget for and are not included in the projections.



- **Sales and Use Tax** is the City's third largest revenue source. Based on discussions with the City's sales tax advisor, MuniServices, local sales will increase by approximately 3.7% over the FY 2016-17 Adopted Budget amount.
- **Charges for Services** are projected to increase by \$830,500 or 105.4% over the Revised FY 2016-17 Budget based on projected building activity related to Pacific Ridge development and results of the user fee study, as well as new fees from recreation activities, which the City will resume responsibility for in the 2017-18 fiscal year.
- **Other Revenues** project a marginal increase of \$6,900 or 0.5%. This category includes County Credit reimbursement for the accelerated side fund payment applied to Sheriff's total personnel cost, golf fees per development agreement with Ocean Colony and parking fees.



Base Budget Expenditures Assumptions:

- Total General Fund expenditures of \$17.1 million, an increase of \$1.3 million or 8.2% over the Revised FY 2016-17 Budget. The budget includes \$2.4 million of capital transfers to fund the City's FY 2017-18 Capital Improvement Program.
- Salary and Benefits projections include funding for 36 full-time equivalent (FTE) positions city-wide, with 30.45 FTE allocated in the General Fund. This includes the addition of two positions presented under "program enhancements" below. Vacant positions are budgeted at top step. Projections include salary step increases for staff members who may be eligible on their performance review dates, and a 2% cost of living adjustment (COLA) increase as per current memorandum of understanding (MOU) contracts.
- Vacant positions are budgeted at top step. Projections include salary step increases for staff members who may be eligible on their performance review dates, and a 2% COLA increase as per current MOU contracts.
- Overtime funding is included in the projections based on historical averages of overtime hours worked.



- FY 2017-18 PERS retirement rates are budgeted as provided by CalPERS: Tier 1 (2.0 @ 55) at 9.6% for classic members and Tier 2 (2% @ 62) at 6.9% for new employees without prior municipal experience or who have had a break in service.
- A budget of \$21,600 is allocated between City Manager, Administrative Services, Finance and Community Development Departments (\$5,400 each) to cover the cost of interns or part time temporary assistance.
- An annual transfer of \$50,000 from General Fund to the Equipment Fund (Fund 62) is included to fund future technology equipment needs.
- Professional Services contractual obligations were increased by 3% over the FY 2016-17 Revised Budget to account for possible increases, unless the exact cost estimate has been received and included in the budget.
- Operating Expenses are set at 2% over the FY 2016-17 Revised Budget to account for normal inflationary increases.
- The standard assumption of 3% increase was applied to the cost of the annual service contract with the Sewer Authority Mid-Coastside (SAM) in the Base Budget. However, Staff recently received a FY 2017-18 proposal from SAM which included a significant increase over the prior year. This item will be scheduled for future discussion at a City Council meeting. If directed by Council, staff will bring forward a budget amendment.



Additional Items included in Base Budget:

At the Council Priority Setting Workshop held on March 15, 2017, City Council identified list priorities and provided staff with direction on adding certain services related to affordable housing, homelessness, cannabis cultivation and sidewalk repair program. Staff fine-tuned the cost estimates based on the direction received at the workshop and included the following items in the base budget. Costing presented at the workshop also included staffing increases for these programs, but are now presented for Council consideration under “City Manager’s Recommendations” below for position control purposes.

- On-going additional contract support to fund webmaster services (\$20,000)
- One-time funds for homeless encampment clean-up, including additional services for a biological consultant, fencing and ongoing maintenance (\$290,000). Council also directed staff to develop a \$50,000 grant program for non-profit organizations to provide job services to homeless. Staff built in an



assumption to use half of the on-going allocation for Community Grant Program (\$100,000) included in the base budget for these purposes.

- On-going funds for the Sidewalk Repair and Replacement Program in FY 2017-18, included in the 5-year CIP (\$200,000)
- On-going funds to retain the consultant services for Marijuana issues, based on three preliminary proposals received by staff (\$45,000)
- On-going funds for the Accessory Dwelling Unit Program in the Affordable Housing Fund (\$75,000)



City Manager's Budget Recommendations



The FY 2017-18 Budget includes City Manager recommended changes based on Council direction from the priority workshop and the recent organizational study conducted per Council request by Management Partners. These budget changes are considered “program enhancements” over the Base Budget.

These program additions are listed in order of City Manager’s priority and are grouped in two program categories:

Category I: Resources for Current Services. The objective of this category is to adequately carry out the Council’s vision in projects and tasks that are already assigned and underway, as well as to address retention and succession concerns identified in the organizational study that was presented by Management Partners at the budget study session on May 16th.

Category II: Resources for FY 2017-18 Council Priorities. The objective of this category is to provide sufficient resources to accommodate the City Council priorities related to affordable housing, homelessness, management of the human services grant program, community engagement, and marijuana regulations and taxation, as identified and affirmed at the Council Priority Setting Workshop on March 15, 2017.

Additional information on proposed budget recommendations related to these categories is provided below.

Category 1: Resources for Current Services

There are eight recommendations listed in this group which total \$487,625, including up to \$382,625 in the General Fund and \$105,000 in one-time equipment cost.



It should be noted that dollar amounts associated with positions listed below include salary and benefits.

If approved, these budget additions will allow staff to efficiently and adequately provide the current level of services, and help retain current staff and reduce their burn-out rate.



1. Reclass of the Administrative Services Manager position to Administrative Services Director to bring the position in-line with the assigned responsibilities (General Fund, \$65,000 – On-going).
2. Reclass Senior Accountant position in the Finance Department to Finance Manager to more accurately reflect the assigned duties and provide additional support for the entire department (General Fund, \$23,800 – On-going).
3. Convert .06 FTE contract Principal Planner to 1.0 FTE in-house Associate Planner for additional Planning Division support (General and Housing Funds - On-going, On-going, but no additional cost in FY2017-18).
4. Addition of a Maintenance Worker (I) in the Public Works Department (\$75,375) to safely and efficiently address the City's current maintenance service requirements (General Fund, \$48,979 Sewer Fund, \$7,535, Other Funds, \$18,861 – On-going).
5. Addition of Administrative Assistant position to provide required administrative support for the new Public Works Department (General Fund, \$58,833, Sewer Fund, \$12,607, Other Funds, \$12,607 – On-going).
6. Re-allocate Administrative Services Management Analyst to Human Resources division full-time (currently at 0.55 FTE) and increase staffing to address human resources needs of the organization, as well as increase Information Technology contractual services to provide required desktop support services (General Fund, \$56,000 – On-going)
7. Addition of a Maintenance Worker (I) in the Public Works Department and necessary vehicle (\$100,375) to safely and efficiently address the City's current maintenance service requirements (General Fund, \$48,979 Sewer Fund, \$7,535, Other Funds, \$18,861 – On-going; Vehicle Replacement Fund, \$25,000 – One-time)



Category 2: Resources for FY 2017-18 Council Priorities

There are two recommendations listed in this group with the total of \$165,150. If approved, these budget additions will help to carry-on Council's strategic vision, develop and implement new programs to deliver services related to affordable housing,

homelessness, management of human services grant program, community building and civic engagement, and marijuana regulations and taxation.

8. Reclass part-time (0.5 FTE) Senior Management Analyst position in the Community Development Department to a full-time Senior Planner for housing, Accessory Dwelling Units, marijuana services, and other special projects (General Fund, \$50,045, Affordable Housing Fund, \$16,682 – On-going).

9. Addition of Management Analyst position in the Parks and Recreation Division for community engagement and projects related to homelessness, the City's Human Services Grant Program and community building (General Fund, \$105,150 – On-going).



All recommendations involving staffing are estimated based on the top step, fully burdened annual cost for the positions. Based on the City's current practices, most appointments are made at the mid-range salary scale, and the actual annual cost is likely to be lower in the first few years of the position being filled.

The cost of new positions is based on a preliminary market compensation analysis of similar classifications of neighboring cities. With Council's direction, staff will now conduct an in-depth salary and salary structure alignment analysis, and will bring the recommended calculation methodology and salary schedule with the approval of the position classifications. New positions also include an assumed 25% vacancy rate savings in FY 2017-18, representing the time required to complete the recruitment process.

Other Significant Changes to the Budget



Internal Position Allocation

Staff reviewed and made adjustments to the FTE position allocation schedule to ensure that the City is accurately accounting for the cost of providing programs and services within City operations.

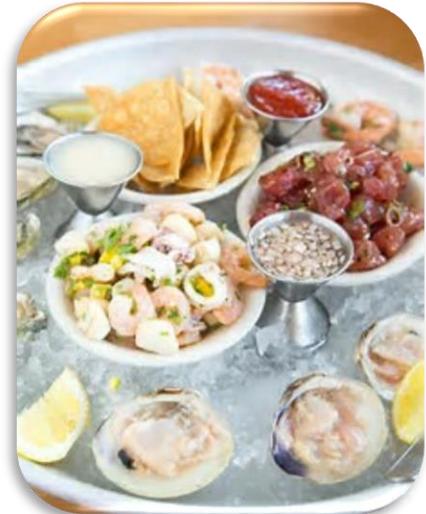
Cost Allocation Plan

Staff recently retained the services of NBS Government Solutions to update the City's Cost Allocation Plan (CAP) using current financial data. The CAP is an analytical tool through which the City's administrative costs are apportioned to individual funds or departments within the agency to ensure that the City is accurately accounting for the true cost of providing various programs and services within City operations and maximize the recovery of General Fund.

The CAP model serves as the backbone for the overall cost of services analysis, as it is the City's goal to identify overhead rates that can be used in the calculation of billable hourly rates for grants, fees, federal reimbursements, and other billings; and develop charges for user fees that comply with Proposition 218.

Through this approach, the CAP model provides the City with a fair, comprehensive and defensible method of identifying and distributing general and administrative costs and accurately incorporates cost allocations into the budget.

The model calculates how much should be recovered from other City funds, based on average time spent on other non-general fund programs, as well as employing other reasonable service utilization factors (bases), like the number of full-time equivalent employees (FTE), agenda frequency, number of accounts payable and receivable invoices processed, as well as salaries and benefits budgeted for each department. These indirect and direct overhead costs are represented as cost allocations to and from department budgets.

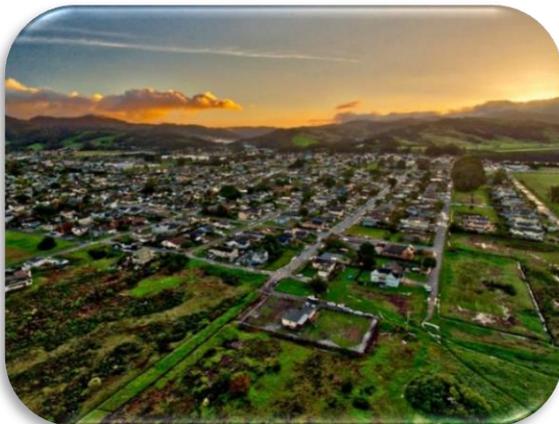


The City's Cost Allocation Plan was originally developed by NBS as part of the User Fee Study, using the FY 2014-15 budget data. Due to substantial changes in the City's current budget and organization, staff felt that the previous CAP no longer accurately reflected the current costs of the City and required an update based on the recommended FY 2017-18 budget.

As a result of the update to the cost allocation plan model, the City's General Fund will recover an additional \$145,930 from other funds, including Sewer and Gas Tax. These revenues have been recorded in FY 2017-18 budget under other revenue category of General Fund.

Capital Improvement Program (CIP) Budget

During the FY 2016-17 budget process, staff made an enormous effort to redesign the City's Capital Improvement Program. During the Council Strategic Plan and Priority Setting workshop, CIP Community Meetings, and the first budget study session, City Council identified infrastructure needs, set priorities and provided direction regarding what projects should be included in the Five-Year (FY 2017-18 through FY 2021-22) CIP Budget.



The CIP Budget is presented in a separate document, with a CIP Fund Summary schedule being included in both operating and capital budgets.

The Draft Five Year Capital Improvement Program represents a new milestone in the City’s efforts to protect public health and safety and enhance the quality of life and experience for visitors and residents.

Staff began its formulation of projects and conceptual budgets in November of 2016. Staff prioritization in early January provided the foundation for the preliminary draft FY 2017-18 Capital Budget presented during the CIP Study Session on February 7, 2017. On March 15, 2017, in conjunction with the City Council Priority Setting Workshop, staff provided a more focused list of projects, project descriptions and project costs to the community and City Council, while City Council identified infrastructure needs, set priorities and provided direction on which projects should be included in the Five Year (FY 2017-18 through FY 2021-22). Over the following two months, staff has further refined the project descriptions, timing and budgets that are now included in the adopted budget.



PROJECT CATEGORIES	FY 2017-18	FYs 2018-22	Total Five-Year Summary
DRAINAGE IMPROVEMENTS	850,000	9,304,250	\$ 10,154,250
ECONOMIC DEVELOPMENT	144,211	536,000	\$ 680,211
OPERATIONAL IMPROVEMENTS	350,000	200,000	\$ 550,000
PARKS IMPROVEMENTS	-	1,012,000	\$ 1,012,000
PUBLIC FACILITIES	13,719,746	4,643,000	\$ 18,362,746
SEWER IMPROVEMENTS	3,862,500	12,780,000	\$ 16,642,500
STREET IMPROVEMENTS	12,085,000	12,690,000	\$ 24,775,000
TRAILS IMPROVEMENTS	720,000	6,400,000	\$ 7,120,000
TOTAL	\$ 31,731,457	\$ 47,565,250	\$ 79,296,707

The FY 2017-18 CIP and capital budget will follow the same format as the current program, which is presented in a separate document with the CIP Fund Summary schedule included in both operating and capital budgets. Attachment 2 to this staff report includes a listing of recommended projects for inclusion in the FY 2017-18 capital budget, as well as a list of projects identified for years 2-5 as part of the Five-Year CIP. The CIP document will be produced by staff and presented to City Council on June 6, 2017.

Staff also identified probable funding sources for projects and explored 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 Fund is allocated to help fund identified projects. In the FY 2017-18 proposed CIP, the General Fund contribution is \$2,489,419, which includes a net transfer of \$19,419 of remaining Measure J Funds.



Measure J Allocation

This year, Staff retained the services of the City's independent auditors, Maze & Associates, to apply Agreed Upon Procedures (AUP) of the revenues and expenses of Measure J Funds. Measure J was a 0.5% sales tax increment approved by the voters in November 2012 and expired in March 2016. The measure provided revenue only for the City of Half Moon Bay for the improvement of infrastructure, facilities, and other general city services.



A draft of the AUP audit was reviewed and discussed by the Finance Committee on April 6, 2017. The AUP produced no findings regarding the City's administration and accounting of Measure J funds. However, the auditors identified certain projects that were originally budgeted and received Measure J funds but either were not completed, or completed at under the budgeted amount. The auditors presented staff an option to transfer these funds back to the General Fund in order to fund other projects, which has been factored in the budget.

Additionally, as a result of the delay of certain projects previously identified to receive Measure J funding, staff is recommending that the funding for these projects shift towards more immediate projects planned for the upcoming year.

The table below shows the history of Measure J allocations, staff recommendations for allocation of remaining Measure J funds, as well as the return transfers:

MEASURE J ALLOCATION							
	Actual FY 2012-13	Actual FY 2013-14	Actual FY 2014-15	Actual FY 2015-16	Revised FY 2016-17	Adopted FY 2017-18	TOTAL
Revenues	\$ 158,029	\$ 1,554,059	\$ 1,506,741	\$ 1,219,579	\$ -	\$ -	\$ 4,438,408
STREET RESURFACING/GATEWAY	\$ -	\$ 500,000	\$ 550,000	\$ 975,000	\$ -	\$ -	\$ 2,025,000
CHAMBER (EC. DEVELOPMENT)	-	102,794	111,195	-	-	-	\$ 213,989
LIBRARY IMPROVEMENTS	-	-	917,000	333,000	-	-	\$ 1,250,000
PILARCITOS CREEK BRIDGE REPAIR	-	-	100,000	-	-	-	\$ 100,000
SEYMOUR TRAIL BRIDGE	-	-	-	45,000	390,000	-	\$ 435,000
POPLAR BEACH EXPANSION	-	-	70,000	-	-	(70,000)	\$ -
BIKE & PEDESTRIAN MASTER PLAN	-	-	-	-	125,000	-	\$ 125,000
DOWNTOWN GATEWAY	-	-	75,000	-	-	(34,905)	\$ 40,095
OCEAN VIEW PARK RESTROOM	-	-	75,000	-	-	(75,000)	\$ -
POPLAR BEACH AND COASTAL TRAIL GATEWAY	-	-	-	-	-	186,324	\$ 186,324
ELECTRIC VEHICLE CHARGING STATION	-	-	50,000	-	-	13,000	\$ 63,000
Expenditures/Allocation	-	602,794	1,948,195	1,353,000	515,000	19,419	4,438,408
Reserve Balance	158,029	1,109,294	667,840	534,419	19,419	-	



Budgetary Reserves

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

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 or General Fund Committed Fund Balances:

- Operating Contingency Reserve of 30% of annual expenditures (\$4,375,176)
- Main Street Bridge Contingency (\$1,500,000)
- Unassigned General Fund Balance (\$3,197,193)

The General Fund balances for the fiscal years 2017-18 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 2015-16	Revised Budget 2016-17	Proposed Budget 2017-18
Beginning Fund Balance	\$ 9,542,557	\$ 10,739,444	\$ 9,998,035
Total Revenue	16,097,759	15,038,906	16,147,673
Total Expenditures	14,900,872	15,780,315	17,073,339
Ending Fund Balance	10,739,444	9,998,035	9,072,369
Operating Contingency	(3,143,812)	(3,938,676)	(4,375,176)
Assigned for Measure J	(534,419)	(19,419)	-
Assigned for Main Street Bridge Contingencies	(1,500,000)	(1,500,000)	(1,500,000)
Total Designations	(5,178,231)	(5,458,095)	(5,875,176)
Undesignated Fund Balance	5,561,213	4,539,940	3,197,193
Total Operating Expenses	8,781,267	11,186,052	12,640,285
Total Operating Transfers	1,698,105	1,942,868	1,943,635
Ending Fund Balance as % of Total Op. Expenses	102%	76%	62%

Conclusion

The FY 2017-18 General Fund operating budget expenditures are \$17,073,339 and include \$2,489,419 in capital transfers. The FY 2017-18 Other Funds expenditures total \$39,853,615. The One-Year Capital Improvement Plan (CIP) budget is \$31,731,457 and includes 31 projects, and the Five-Year Capital Improvement Plan budget is \$73,660,113.



The City continues to benefit from the improvement in the 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 2017-18 Fiscal Year. The major Revenues continue to increase at a normal rate and cover the cost of day to day operations and services and CIP projects. However, there are many potential issues that may impact the City's budget and future financial sustainability. Some of the challenges that the City will face in the future include:

- Unfunded liabilities as they relate to pension and Other Pension Employee Benefits (OPEB). In FY 2014-15, the City complied with the Governmental Accounting Standards Board (GASB) Statement 68 which revised the way that governments recognize pension liability. Similarly, GASB Statements 74 and 75, which will make similar accounting changes to OPEB plans, have been issued and will be effective in upcoming years that will subsequently increase the City's reported liability.
- Uncertainties with the CalPERS retirement assumptions, changes to the CalPERS amortization and smoothing policies, which will drive our CalPERS rates higher. CalPERS recently voted to lower the discount rate from 7.5 percent to 7.0 percent over the next three years. This will result in increases in normal pension costs and unfunded actuarial liabilities. However, Council had previously established a Retirement Stabilization Fund for this purpose. Staff will continue to monitor how this change affects the City and recommend if additional funds need to be set aside.
- Federal and State Budget challenges and potential threat to local governments. Various capital projects are expected to be funded by grant awards.
- Healthcare costs continue to grow at inflationary rates.
- The possibility of another recession. However, staff presented a recession scenario model to Council during the June 6, 2017 budget study session which showed that the City is equipped to weather an economic downturn.

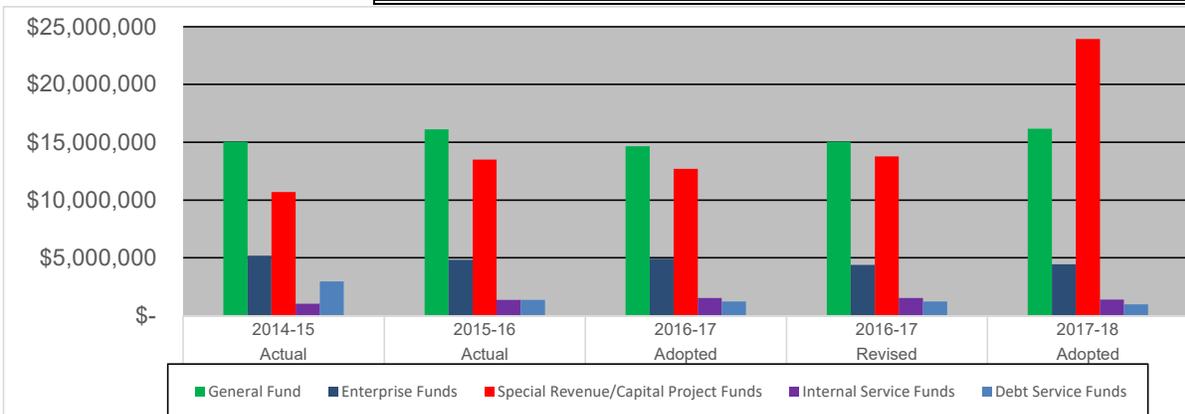
Fiscal sustainability remains a high priority for Half Moon Bay. To that end, staff will continue to seek ways to be as efficient as possible in providing services to the public.

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



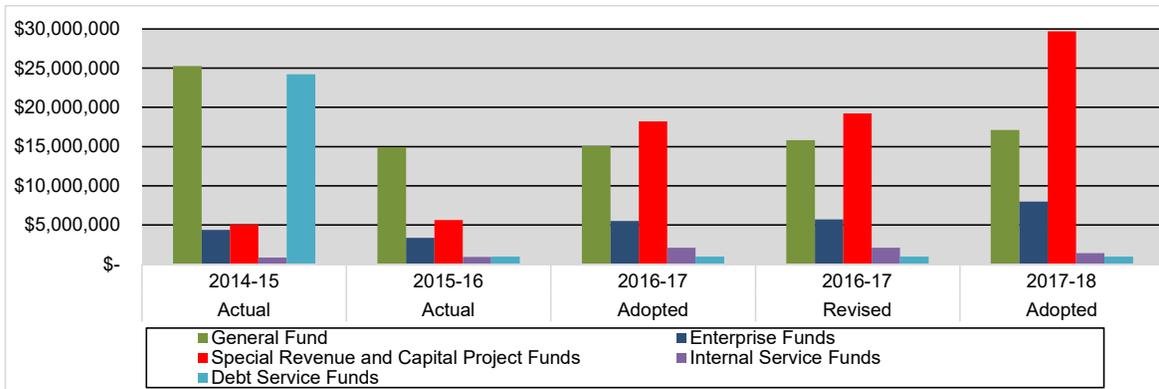
**City of Half Moon Bay
FY 2017-18 Budget
Summary of Revenue & Transfers by Fund**

Fund Name	Actual 2014-15	Actual 2015-16	Adopted 2016-17	Revised 2016-17	Adopted 2017-18
GENERAL FUND	\$ 15,027,645	\$ 16,097,759	\$ 14,629,516	\$ 15,038,906	\$ 16,147,673
ENTERPRISE FUNDS					
Sewer Operating	3,163,661	2,822,047	3,014,900	2,525,659	2,530,659
Sewer Capital	2,005,536	1,986,956	1,883,100	1,849,100	1,892,200
TOTAL ENTERPRISE FUNDS	5,169,197	4,809,004	4,898,000	4,374,759	4,422,859
SPECIAL REVENUE FUNDS					
Storm Drain Operating	120,864	125,567	50,600	50,600	50,600
Main Street Bridge	234,540	80,118	143,400	143,400	1,203,700
Gas Tax	391,497	275,465	374,539	374,539	382,600
Streets and Roads	3,334,502	1,391,521	1,007,100	1,007,100	10,057,600
Measure A	255,281	250,794	264,660	264,660	270,500
Traffic Mitigation	193,766	220,553	398,570	398,570	91,400
Library Operation	51,282	52,748	10,600	10,600	10,700
Library Capital	3,667,000	8,365,242	6,272,000	6,403,900	7,117,810
Park/Facilities Development	1,022,346	1,454,961	962,590	1,262,590	780,124
Affordable Housing	334,628	403,862	358,300	358,300	11,100
Capital General	-	-	1,536,628	2,193,403	1,900,436
Police Grants	105,391	126,969	101,300	101,300	103,700
Drainage Capital	143,255	209,420	973,140	973,140	1,183,600
Public Facilities	829,639	540,970	222,300	222,300	758,500
TOTAL SPECIAL REVENUE AND CAPITAL PROJECT FUNDS	10,683,991	13,498,190	12,675,727	13,764,401	23,922,370
Vehicle Replacement	4,663	4,800	3,949	3,949	4,000
Equipment Replacement	419,266	562,959	257,637	257,637	200,100
Risk Management	409,913	434,064	837,134	837,134	640,873
Pension Stabilization	172,999	333,295	414,147	414,147	514,574
INTERNAL SERVICE FUNDS	1,006,841	1,335,118	1,512,867	1,512,867	1,359,547
DEBT SERVICE FUNDS	2,931,761	1,346,783	1,196,398	1,196,398	944,998
Total Other Funds	46,615,710	20,989,094	20,282,992	20,848,426	30,649,774
Total All Funds	\$ 61,643,355	\$ 37,086,853	\$ 34,912,507	\$ 35,887,331	\$ 46,797,446



**City of Half Moon Bay
FY 2017-18 Budget
Summary of Expenditures & Transfers by Fund**

Fund Name	Actual 2014-15	Actual 2015-16	Adopted 2016-17	Revised 2016-17	Adopted 2017-18
GENERAL FUND	\$ 25,245,545	\$ 14,900,872	\$ 15,068,440	\$ 15,780,315	\$ 17,073,339
ENTERPRISE FUNDS					
Sewer Operating	2,542,759	2,827,709	3,322,270	3,502,368	3,815,146
Sewer Capital	1,785,243	508,120	2,156,700	2,156,700	4,148,960
TOTAL ENTERPRISE FUNDS	4,328,002	3,335,829	5,478,970	5,659,068	7,964,106
SPECIAL REVENUE FUNDS					
Storm Drain Operating	87,660	89,276	49,646	49,646	51,200
Main Street Bridge	81,509	93,185	175,000	175,000	1,200,000
Gas Tax	416,876	488,246	432,505	432,505	309,221
Streets and Roads	1,856,016	677,799	1,134,750	1,134,750	11,202,923
Measure A	301,808	332,793	280,883	280,883	274,844
Traffic Mitigation	468,451	77,245	274,155	274,155	24,900
Library Operation	36,284	43,769	41,000	41,000	42,000
Library Capital	36,671	1,481,726	11,567,000	11,698,900	11,552,010
Park/Facilities Development	848,013	1,601,905	1,157,890	1,157,890	990,426
Affordable Housing	-	-	60,000	60,000	151,682
Capital General	-	-	1,400,100	1,854,485	1,964,552
Police Grants	33,488	148,308	100,000	100,000	103,000
Drainage Capital	93,385	232,643	961,022	1,159,222	899,205
Public Facilities	759,344	325,943	570,490	780,490	930,900
Land Assets					
TOTAL SPECIAL REVENUE AND CAPITAL PROJECT FUNDS	5,019,507	5,592,838	18,204,442	19,198,927	29,696,862
INTERNAL SERVICE FUNDS	789,846	897,046	2,055,578	2,055,578	1,361,947
DEBT SERVICE FUNDS	24,211,228	937,704	940,529	940,529	940,604
Total Other Funds	34,348,582	10,763,417	26,679,519	27,854,102	39,963,520
Total All Funds*	\$ 59,594,127	\$ 25,664,289	\$ 41,747,959	\$ 43,634,417	\$ 57,036,859



**City of Half Moon Bay
FY 2017-18 Budget
Transfers/Allocations (In) Summary**

	Budget 2017-18
GENERAL FUND (01)	
From Sewer Operating (05)	420,668
From Sewer Capital (06)	11,460
From Gas Tax (10)	12,302
GENERAL FUND (01)	444,430
STORM DRAIN OPERATING (07)	
From General Fund (01)	50,000
STORM DRAIN OPERATING (07)	50,000
STREETS AND ROADS (11)	
From Gas Tax (10)	390,000
STREETS AND ROADS (11)	390,000
DRAINAGE FUND (14)	
From General Fund (01)	535,000
DRAINAGE FUND (14)	535,000
LIBRARY OPERATING FUND (15)	
From General Fund (01)	10,000
LIBRARY OPERATING FUND (15)	10,000
PARK FACILITY FUND (17)	
From General Fund (01)	425,000
From Measure J	116,324
PARK FACILITY FUND (17)	541,324
GENERAL CAPITAL FUND (25)	
From General Fund (01)	755,000
From Measure J	13,000
GENERAL CAPITAL FUND (25)	768,000
PUBLIC FACILITIES FUND (48)	
From General Fund (01)	755,000
PUBLIC FACILITIES FUND (48)	755,000
EQUIPMENT FUND (62)	
From General Fund (01)	179,058
From Sewer Operating (05)	11,520
From Gas Tax (10)	1,570
From Drainage Fund (14)	555
From Streets & Roads (11)	3,617
From Measure A (12)	780
EQUIPMENT FUND (62)	197,100
RISK MANAGEMENT FUND (63)	
From General Fund (01)	554,705
From Sewer Operating (05)	44,439
From Gas Tax (10)	5,049
From Drainage Fund (14)	2,606
From Streets & Roads (11)	17,383
From Measure A (12)	4,974
From Parks Facilities Fund (17)	616
RISK MANAGEMENT FUND (63)	629,772
PENSION STABILIZATION FUND (64)	
From General Fund (01)	509,674
PENSION STABILIZATION FUND (64)	509,674
JUDGEMENT OBLIGATION BOND (78)	
From General Fund (01)	690,198
JUDGEMENT OBLIGATION BOND (78)	690,198

**City of Half Moon Bay
FY 2017-18 Base Budget
Fund Balances Summary**

	Projected Fund Balance 7/1/2017	Revenues & Trsfrs In Budget	Expenditures & Trsfrs Out Budget	Revenue Over(Under) Expenditures	Projected Fund Balance 6/30/2018
GENERAL FUND					
01 General*	\$ 9,998,035	\$ 16,147,673	\$ 17,073,339	\$ (925,666)	\$ 9,072,368
ENTERPRISE FUNDS					
05 Sewer Operating ¹	1,951,221	2,530,659	3,815,146	(1,284,487)	666,733
06 Sewer Capital ¹	21,271,681	1,892,200	4,148,960	(2,256,760)	19,014,921
Total Enterprise Funds ¹	23,222,902	4,422,859	7,964,106	(3,541,247)	19,681,654
SPECIAL REVENUE FUNDS					
07 Storm Drain Operating	150,410	50,600	51,200	(600)	149,810
09 Main Street Bridge	575,675	1,203,700	1,200,000	3,700	579,375
10 Gas Tax	51,307	382,600	309,221	73,379	124,685
11 Streets and Roads*	4,501,140	10,057,600	11,202,923	(1,145,323)	3,355,817
12 Measure A*	134,076	270,500	274,844	(4,344)	129,732
13 Traffic Mitigation*	505,395	91,400	24,900	66,500	571,895
15 Library*	95,714	10,700	42,000	(31,300)	64,414
16 Library Capital	5,218,844	7,117,810	11,552,010	(4,434,200)	784,644
17 Park/Facilities Development*	511,413	780,124	990,426	(210,302)	301,111
19 Affordable Housing	2,094,046	11,100	151,682	(140,582)	1,953,465
25 Capital General	338,918	1,900,436	1,964,552	(64,116)	274,802
22 Police Grants	194,929	103,700	103,000	700	195,629
14 Drainage Capital	369,349	1,183,600	899,205	284,395	653,744
48 Public Facilities	195,028	758,500	930,900	(172,400)	22,628
79 Land Assets* ²	26,823,920	-	-	-	26,823,920
Total Special Revenue and Capital Project Funds	41,760,164	23,922,370	29,696,862	(5,774,492)	35,985,672
INTERNAL SERVICE FUNDS					
61 Vehicle Replacement ¹	622,935	4,000	72,400	(68,400)	554,535
62 Equipment Replacement ¹	640,499	200,100	150,100	50,000	690,499
63 Risk Management ¹	1,540,483	640,873	629,773	11,100	1,551,583
64 Retirement Stabilization Fund ¹	1,019,452	514,574	509,674	4,900	1,024,352
Total Internal Service Funds ¹	3,823,369	1,359,547	1,361,947	(2,400)	3,820,969
DEBT SERVICE FUNDS					
77 Judgment Obligation Bond -Series A*	(5,444)	-	-	-	(5,444)
78 Judgment Obligation Bond -Series B*	11,492,993	944,998	940,604	4,394	11,497,387
Total Debt Service Funds	11,487,549	944,998	940,604	4,394	11,491,943
Total Other Funds	\$ 80,293,985	\$ 30,649,774	\$ 39,963,520	\$ (9,313,746)	\$ 70,980,239
Total All Funds	\$ 90,292,019	\$ 46,797,447	\$ 57,036,859	\$ (10,239,412)	\$ 80,052,607

¹ Enterprise and Internal Service Fund Balances are presented on a Net Asset basis, in accordance with GASB Statement No. 34.

² Land Assets Fund Balance includes Glencree and Beechwood property values.



CITY OF HALF MOON BAY

Personnel Summary





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Employee Compensation and Benefits Summary

The Administrative Services Department is responsible for initiating recruitments and providing employment services to all City departments and employees, and for implementing Federal, State and court mandates and requirements related to employment.



These services include: recruitment and selection of qualified employees, administration of the City’s benefit programs, administration of workers’ compensation programs, maintenance of the City’s classification and salary structure, coordination of Citywide training and development for employees, administration for various Memoranda of Understanding (MOU) between the City and employee unions, and problem solving and employee assistance activities.

The Administrative Services Department is also responsible for the labor negotiation process and employee relations. The Department arranges legally required training for employees, such as Harassment and Defensive Driving Training, as well as many other training seminars throughout the year. The Department also maintains all personnel files and records, including the performance evaluation records.

The City has successfully negotiated and implemented labor contracts with the following three bargaining units listed below. Any changes to MOU provisions are performed through the negotiations process and are approved by the Council separately from the budget process.

Represented Management	07/01/15 – 06/30/18
Operating Engineers Local 39	07/01/15 – 06/30/18
Non-Represented Benefits and Compensation Plan	07/01/15 – 06/30/18



The Compensation Plan for authorized positions in the unit consists of job title classifications/job codes, with corresponding salary scales spanning five steps with 5% differential between each step.

The City participates in the CalPERS program and offers a variety of retirement and health benefit programs and services to employees.

Listed below are examples of these benefits:

MEDICAL / VISION / DENTAL – Employees can choose between nine HMO and PERS Cafeteria Health Plans offered by the City at three levels: for employee only; for employee plus dependent; and for family coverage. The City pays monthly contributions toward the premium for employee and dependent medical coverage for employees working 20 hours or more per week. The City also pays for employee dental and vision insurance plans.

ADMINISTRATIVE LEAVE – Management and exempt employees receive 12 days of administrative leave per year. The City Manager may grant up to an additional 12 hours of administrative leave per year in recognition of unanticipated efforts.

EMPLOYEE ASSISTANCE PROGRAM – The City provides an employee assistance program for employees and their dependents.

VACATION LEAVE – Employees accrue between 12 and 23 days of vacation per year depending upon their length of service. Vacation accrual is capped at a maximum of two years accumulation.

SICK LEAVE – Employees accrue 12 days per year of sick leave, as well as a sick leave incentive of up to an additional 4 days per year.

HOLIDAYS – There are 14 paid holidays per year, one of which is a floating holiday.

LIFE INSURANCE/ACCIDENTAL DEATH & DISMEMBERMENT – The City pays basic life insurance and accidental death and dismemberment insurance for Operating Engineers in an amount up to \$75,000 per employee; and for Represented Management and Non-Represented employees in the amount equal to their individual annual base salary.

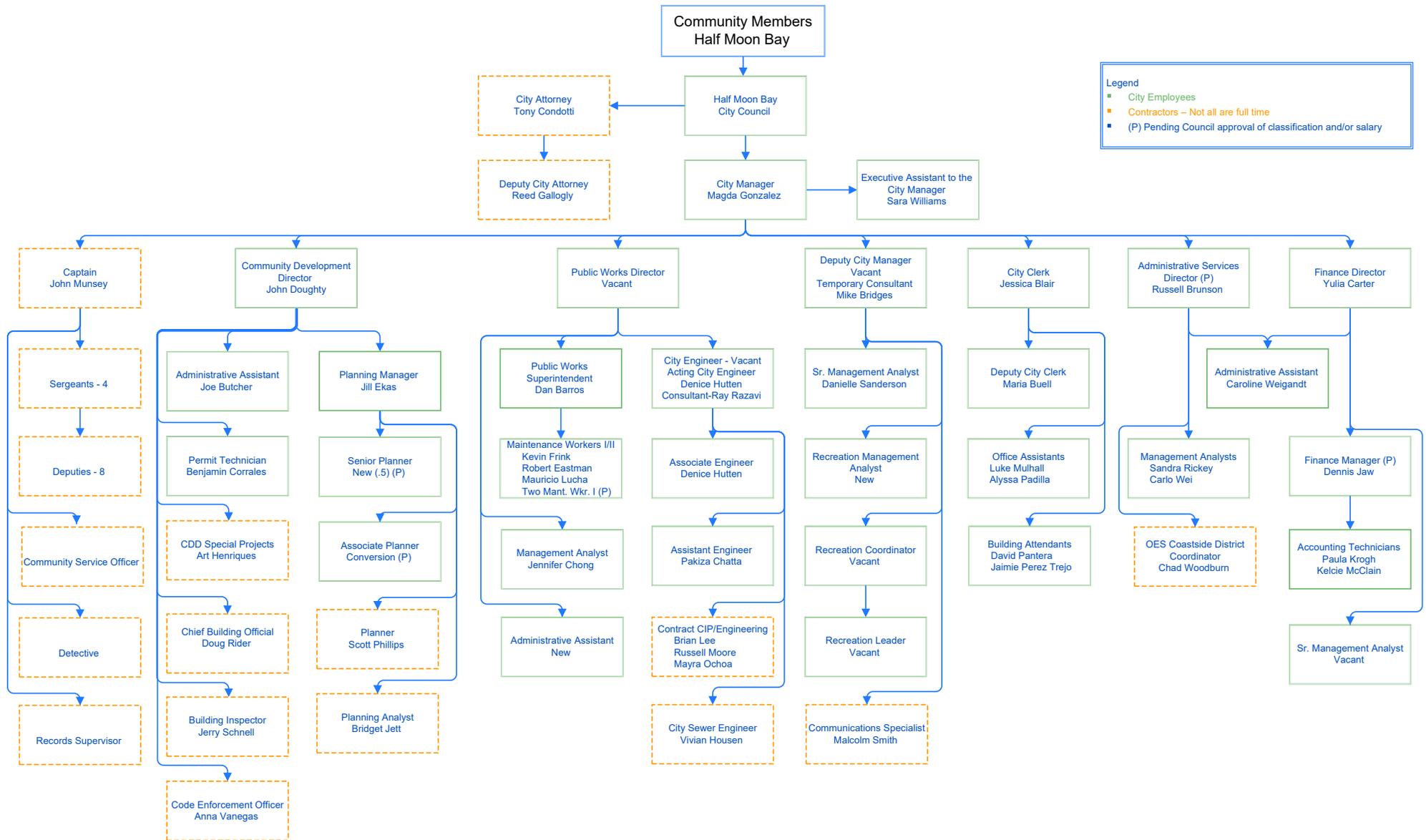
LONG TERM DISABILITY/WORKERS' COMPENSATION INSURANCE – The City provides workers' compensation and long term disability insurance for employees.

RETIREMENT – The City is part of the Public Employee's Retirement System (PERS) and has two tiers of retirement benefits. CalPERS Classic Members who were hired before 2013 will receive 2% at 55; with the member paying a 7% employee contribution. CalPERS PEPRAs Members who were hired after 2013 will receive 2% at 62, with members paying a 6.5% employee contribution.



EDUCATION INCENTIVE – Employees qualify for up to \$1,500 in reimbursement of eligible costs for job-related educational classes.

DEFERRED COMPENSATION – Voluntary participation in ICMA or CalPERS 457 deferred compensation plans is available.



City of Half Moon Bay
Salary Schedule
Effective July 1, 2017

Position	Class	Steps					
		A	B	C	D	E	
Monthly Salary Ranges (e)							
Exempt - Non Represented Management							
City Manager	99-999	<i>Set by contract</i>					20,091
Public Works Director	10-xxx	14,098	14,802	15,542	16,319	17,134	
Community Development Director	10-505	12,976	13,624	14,305	15,020	15,770	
Deputy City Manager	10-500	12,953	13,600	14,279	14,992	15,741	
Finance Director	10-490	12,856	13,498	14,172	14,880	15,623	
Administrative Services Director	10-xxx	<i>Pending Council Approval</i>					
Exempt - Confidential							
Executive Assistant to the City Manager	10-715	5,927	6,223	6,534	6,860	7,203	
Exempt - Represented Management							
City Engineer	10-750	11,389	11,958	12,555	13,182	13,841	
Planning and Development Services Manager	10-748	10,349	10,866	11,409	11,979	12,577	
Finance Manager	10-xxx	<i>Pending Council Approval</i>					
Senior Planner	10-xxx	<i>Pending Council Approval</i>					
Associate Engineer	10-746	8,067	8,470	8,893	9,337	9,803	
City Clerk	10-410	7,843	8,235	8,646	9,078	9,531	
Public Works Superintendent	10-400	7,644	8,026	8,427	8,848	9,290	
Senior Management Analyst	10-727	7,195	7,554	7,931	8,327	8,743	
Management Analyst	10-721	6,985	7,334	7,700	8,084	8,488	
Associate Planner	10-xxx	<i>Pending Council Approval</i>					
Assistant Engineer	10-718	6,524	6,850	7,192	7,551	7,928	
Recreation Coordinator	10-xxx	5,225	5,486	5,760	6,047	6,349	
Non-Exempt Operating Engineers Local 39							
Deputy City Clerk	39-160	6,204	6,514	6,839	7,180	7,538	
Permit Technician	39-250	5,425	5,696	5,980	6,279	6,592	
Administrative Assistant	39-155	5,183	5,442	5,714	5,999	6,298	
Maintenance Worker II	39-275	4,917	5,162	5,420	5,690	5,974	
Maintenance Worker I	39-xxx	<i>Pending Council Approval</i>					
Accounting Technician	39-145	4,463	4,686	4,920	5,166	5,424	
Office Assistant II	39-135	4,133	4,339	4,555	4,782	5,021	
Office Assistant I	39-129	3,620	3,801	3,991	4,190	4,399	
Recreation Leader III	39-xxx	2,664	2,797	2,936	3,082	3,236	
Recreation Leader II	39-xxx	2,402	2,522	2,648	2,780	2,918	
Recreation Leader I	39-xxx	2,123	2,229	2,340	2,456	2,578	
Part-Time Hourly							
Intern	02-100	10.00	13.00	16.00	19.00	22.00	

**City of Half Moon Bay
Fiscal Year Ending June 30, 2018
Personnel Summary**

Full-Time Equivalent	Actual 2013-14	Actual 2014-15	Actual 2015-16	Revised 2016-17	Adopted 2017-18
City Manager	1.00	1.00	1.00	1.00	1.00
Deputy City Manager	0.00	1.00	1.00	1.00	1.00
Finance Director/City Treasurer	1.00	1.00	1.00	1.00	1.00
Public Works Director	0.00	0.00	0.00	1.00	1.00
Community Development Director	0.00	1.00	1.00	1.00	1.00
Administrative Services Director	0.00	0.00	0.00	0.00	1.00
Administrative Services Manager	0.00	1.00	1.00	1.00	0.00
City Clerk	1.00	1.00	1.00	1.00	1.00
Accounting Technician	2.00	2.00	2.00	2.00	2.00
Administrative Assistant	2.60	2.00	2.00	2.00	3.00
Assistant City Manager	1.00	0.00	0.00	0.00	0.00
Assistant Engineer	0.00	0.00	1.00	1.00	1.00
Assistant to the City Manager	1.00	0.00	0.00	0.00	0.00
Associate Engineer	0.00	0.00	1.00	1.00	1.00
Associate Planner	0.00	0.00	0.00	0.00	1.00
City Engineer	0.00	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00	1.00
Executive Assistant	0.00	0.00	1.00	1.00	1.00
Finance Manager	0.00	0.00	0.00	0.00	1.00
Maintenance Worker (I/II)	2.00	2.00	3.00	3.00	5.00
Management Analyst	2.00	4.00	3.00	3.00	4.00
Permit Technician	0.00	0.00	1.00	1.00	1.00
Planning Manager	0.00	0.00	0.00	1.00	1.00
Public Works Superintendent	1.00	1.00	1.00	1.00	1.00
Recreation Coordinator	0.00	0.00	0.00	1.00	1.00
Recreation Leader	0.00	0.00	0.00	1.00	1.00
Senior Accountant	0.00	1.00	1.00	1.00	0.00
Senior Accountant Technician	1.00	0.00	0.00	0.00	0.00
Senior Management Analyst	0.00	1.00	1.75	2.50	2.00
Senior Planner	0.00	0.00	0.00	0.00	1.00
Total Regular Fulltime Employees	16.60	21.00	25.75	30.50	36.00

**City of Half Moon Bay
FY 2017-18 Budget
Staffing Level Summary**

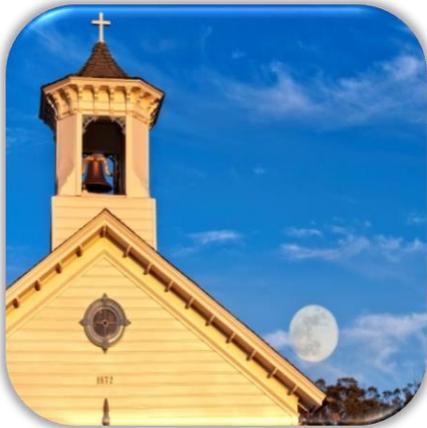
Department Division	Actual 2014-15	Actual 2015-16	Adopted Budget 2016-17	Revised Budget 2016-17	Adopted Budget 2017-18
General Fund					
General Administration	11.90	12.85	12.40	12.40	12.80
Community Development					
Planning Services	1.09	2.90	4.05	4.05	4.25
Building and Code Enforcement	0.30	0.40	0.65	0.65	0.90
Total Public Works	1.39	3.30	4.70	4.70	5.15
Public Works					
Engineering	0.60	2.85	2.20	2.50	3.40
Facilities Maintenance	3.13	2.30	2.75	3.15	5.60
Total Public Works	3.73	5.15	4.95	5.65	9.00
Recreation Services					
Parks/Recreation	0.40	0.20	0.40	2.40	3.50
Community Center	0.00	0.00	0.00	0.00	0.00
Total Recreation Services	0.40	0.20	0.40	2.40	3.50
Total General Fund	17.42	21.50	22.45	25.15	30.45
Other Funds					
05 - Sewer Operating	0.75	1.20	1.65	1.80	1.80
11/12 - Streets & Roads/Measure A	1.70	1.90	1.00	1.15	2.00
14 - Storm Drains	0.55	0.55	0.90	0.90	0.20
17 - Parks Facilities	0.00	0.00	0.15	0.15	0.15
19 - Affordable Housing	0.00	0.00	0.00	0.00	0.25
48 - Public Facilities	0.00	0.00	0.15	0.15	0.00
61 - Vehicle Internal Service	0.58	0.60	0.10	0.10	0.00
63 - Risk Management	0.00	0.00	1.10	1.10	1.15
Total Permanent Staffing Levels (FTE)	21.00	25.75	27.50	30.50	36.00
City Council	5.00	5.00	5.00	5.00	5.00
Total Staffing Levels (FTE)	26.00	30.75	32.50	35.50	41.00

Service Area	Full Time Equivalents (FTE)		
	FY 2016-17	Net Change	FY 2017-18
City Council	5.00	-	5.00
City Clerk	1.80	0.10	1.90
City Manager	2.75	0.35	3.10
Finance and Risk Management	4.65	(0.05)	4.60
Admin Svcs/HR/IT/Emergency Services	3.20	0.30	3.50
Community Development/Planning Services/Building Inspection	4.70	0.45	5.15
Public Works - Engineering/Facilities Maintenance	5.65	3.35	9.00
Public Safety		-	
Recreation	2.40	1.10	3.50
Other	5.35	(0.10)	5.25
TOTAL	35.50	5.50	41.00



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 major revenue sources for the General Fund are transient occupancy (hotel) taxes, sales taxes, 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 and 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, Finance, 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), Code Enforcement, Dispatch, Engineering, Information Technology, Janitorial, Law Enforcement, Legal Services, Library Operations, Planning, Recreation Programs, and limited Landscaping Maintenance services.

BUDGET OVERVIEW

The General Fund budget for FY 2017-18 is \$16.1 million in revenue and \$14.6 million in operating expenditures, excluding capital transfers. This will generate a structural surplus of \$1.56 million in the 2017-18 General Fund budget.



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 74% of the revenue in the General Fund: Transient Occupancy (Hotel) Tax, Property Tax and Sales Tax.

General Fund revenue in 2017-18 is projected to come in higher than last year's revenue. The budget includes an increase of approximately \$963,000, or 7.4%, over total FY 2016-17 revised budgeted revenues, primarily due to strong economic conditions and as a result of the recently completed user fee study and adoption of a revised Master Fee Schedule that will go into effect late July 2017.

Key general fund revenue categories are further described below:

Transient Occupancy Taxes (TOT)

Transient occupancy taxes are assessed on The City's twelve hotels, motels, bed & breakfast establishments, and three campgrounds at a rate of 14%, generating the City's largest source of revenue. Based on information provided by the City's Chamber of Commerce, the 579 available rooms in 2017 averaged 72% occupancy and accommodated over 4.1 million of annual coastside visitors, including nearly 216,400 overnight guests. The tourist profile includes about 15% of foreign visitors, 22% domestic from other states and around 63% from other parts of Northern California. It is estimated that these visitors contributed to the Half Moon Bay economy, by making purchases totaling about \$80,900,000 in sales throughout the community last year.



TOT revenue is projected to increase due to strong occupancy numbers and room rates at local hotels. TOT revenue has increased by no less than 6% each year since FY 2009-10, and are projected to go up by the same percentage or \$356,000 in the upcoming year.



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.

The City's share of this property tax revenue is approximately 6.67%, less than the rebate back to the State for Educational Revenue Augmentation Fund (ERAF), which would bring the City's General Fund portion of property tax revenue down to a net share of about 5.5 cents per each dollar of tax collected.

Where Do Property Taxes Go?

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



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

While the property tax budget revenue assumes a 4% increase for base property tax based on prior-year trends, and information received from the San Mateo County Controller's Office, the FY 2017-18 budget recommendation for overall property taxes of \$3.06 million will pretty much remain at the prior year's level, as the distributions of excess Educational Revenue Augmentation fund (ERAF) are too uncertain to include in the budget projections.

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.

Based on discussions with MuniServices, the City's external sales tax consultant, local sales will increase by approximately 3.7% over the Adopted FY 2016-17 Budget based largely on the favorable current economic conditions.



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 10.0% of General Fund revenue. For FY 2017-18, charges for services are projected to increase by \$830,500, or 105.4%, over the Revised FY 2016-17 Budget, based on projected building activity related to Pacific Ridge development and as a result of an updated user fee schedule and new fees from recreation activities, for which the City will resume responsibility in the 2017-18 fiscal year.

Staff has recently completed a comprehensive citywide user fee study conducted by an outside consultant, NBS Government Solutions. 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 will move from the current 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), and offer subsidies for services that provide public benefit (e.g. public safety, children and senior services and activities). The FY 2017-18 Budget reflects these changes and assumes an increase of 105.4% in charges for services category, which includes approximately \$390,000 in revised fee-related services and \$115,000 in recreation program revenues, as the City will be bringing this function back in-house in the FY 2017-18 fiscal year.

Other Revenues

Other Revenues project a marginal increase of \$6,850 or 0.5%. This category includes County Credit reimbursement for the accelerated side fund payment applied to Sheriff's total personnel cost, golf fees per development agreement with Ocean Colony and parking fees.



GENERAL FUND EXPENDITURES

The 2017-18 General Fund Budget expenditures of \$17.1 million shows a 8.2% increase in spending over the Revised 2016-17 Budget. The increase in expenditures in the coming year is primarily due to the budget assumptions used to develop the base budget as well as approved budget enhancements related to an increase in staffing by 5.5 FTEs to meet Council's current and upcoming priorities, that are described in detail in the Executive Summary to this Budget document.

TRANSFERS FOR CAPITAL PROJECT FUNDS

The General Fund helps to fund projects and expenditures identified in the City's Capital Improvement Plan (CIP) that is budgeted in various Special 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 Fund is allocated to help fund identified projects. In the FY 2017-18 proposed CIP, the General Fund contribution is \$2,489,419. This includes a net transfer of \$19,419 of remaining Measure J Funds. The City's Capital Program is very aggressive and is comprised of 33 capital projects that are scheduled to be funded in FY 2017-18.

Additional information on the City's Capital Improvement Program can be found in the FY 2017-2022 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 or General Fund Committed Fund Balances:

- Operating Contingency Reserve of 30% of annual expenditures (\$4,375,176)
- Main Street Bridge Contingency (\$1,500,000)
- Unassigned General Fund Balance (\$3,197,193)

GENERAL FUND (RESTRICTED & UNRESTRICTED BALANCES)

Designations	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Beginning Fund Balance	\$ 9,542,557	\$ 10,739,444	\$ 9,998,035
Total Revenue	16,097,759	15,038,906	16,147,673
Total Expenditures	14,900,872	15,780,315	17,073,339
Ending Fund Balance	10,739,444	9,998,035	9,072,369
Operating Contingency	(3,143,812)	(3,938,676)	(4,375,176)
Assigned for Measure J	(534,419)	(19,419)	-
Assigned for Main Street Bridge Contingencies	(1,500,000)	(1,500,000)	(1,500,000)
Total Designations	(5,178,231)	(5,458,095)	(5,875,176)
Undesignated Fund Balance	5,561,213	4,539,940	3,197,193
Total Operating Expenses	8,781,267	11,186,052	12,640,285
Total Operating Transfers	1,698,105	1,942,868	1,943,635
Ending Fund Balance as % of Total Op. Expenses	102%	76%	62%

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 2017-18 operating contingency reserves, staff included operating transfers in the expenditures figures and set aside nearly \$4.4 million for this purpose.

The Main Street Bridge Contingencies assigned funds remain unchanged from their current level of \$1.5 million. The Measure J balance is expected to be depleted in FY 2017-18, as the remaining Measure J balance will be used in the upcoming year’s CIP program.

The City’s unassigned General Fund Balance is projecting a healthy figure of \$3.2 million, which is in addition to the committed reserves. Altogether, General Fund projected fund balance of \$9.1 million represents 62% of operating General Fund expenditures, which is well above the GFOA recommended guidelines.



**City of Half Moon Bay
FY 2017-18 Budget
General Fund Summary**

	Actual 2015-16	Revised Budget 2016-17	Base 2017-18	Adopted Budget 2017-18
Revenue	16,097,759	\$ 15,038,905	\$ 16,001,743	\$ 16,147,673
Operating Expenditures	(8,781,267)	(11,186,052)	(12,196,482)	(12,640,285)
General Fund Transfers Out- Operating	(1,698,105)	(1,942,868)	(1,932,185)	(1,943,635)
Excess of Operating Revenue Over/(Under) Expenditures	5,618,387	1,909,984	1,873,076	1,563,753
General Fund Transfers Out - Capital (CIP)	(3,068,500)	(2,136,393)	(2,470,000)	(2,470,000)
General Fund Transfers Out- CIP Assigned to Measure J	(1,353,000)	(515,000)	(19,419)	(19,419)
Net Change to General Fund	1,196,887	(741,408)	(616,343)	(925,666)
Beginning Total Fund Balance	9,542,557	10,739,444	9,998,035	9,998,035
Ending Fund Balance	10,739,444	9,998,035	9,381,692	9,072,369
Less: Committed Contingency Reserve	(2,634,380)	(3,355,816)	(3,658,945)	(3,792,086)
Less: Committed Contingency Reserve (2)			(4,238,600)	(4,375,176)
Committed to Measure J	(534,419)	(19,419)	-	-
Committed to Main St Bridge Contingencies	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Unassigned Fund Balance	\$ 6,070,645	\$ 5,122,801	\$ 3,643,092	\$ 3,197,193

Excess Revenue Over/(Under) Expenditures

There is a structural surplus in the FY 2017-18 budget of \$1.56 million, driven primarily to strong economic conditions.

Committed Contingency Reserve

The City's reserve policy requires a reserve of 30% of budgeted annual operating expenditures. The FY 2017-18 budget is in compliance with policy and allocates \$4.4 million as a General Fund contingency reserve.

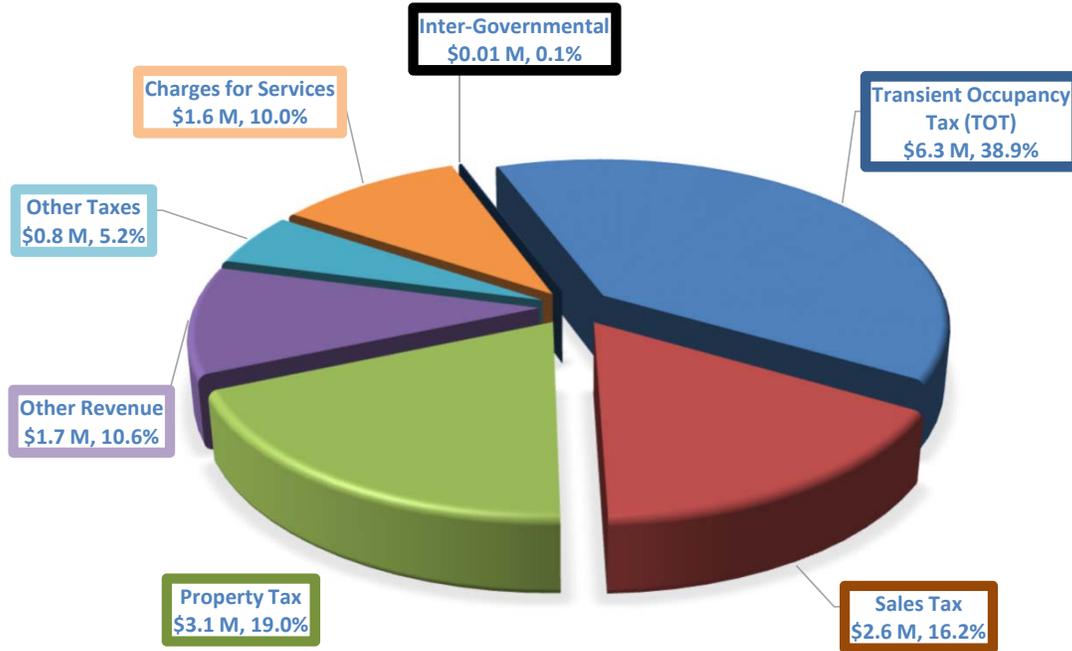
Assigned Reserves for FY 2017-18

The City assigns \$1.5 million for Main Street Bridge contingencies and remaining Measure J Funds. All Measure J funds are expected to be expended at the end of FY 2017-18

**City of Half Moon Bay
FY 2017-18 Budget
General Fund Revenue Detail**

Description	Actual 2015-16	Adopted 2016-17	Revised 2016-17	Adopted 2017-18
Taxes				
Transient Occupancy Taxes	\$5,935,558	\$5,933,000	\$5,933,000	\$6,289,000
Property Taxes	3,123,236	3,042,150	3,244,540	3,062,800
Sales & Use Taxes	4,068,786	2,521,837	2,688,837	2,614,222
Franchise Tax	544,398	525,300	525,300	535,800
Business License Tax	263,826	295,800	295,800	301,700
Total Taxes	13,935,805	12,318,087	12,687,477	12,803,522
Intergovernmental				
Dept of Motor Vehicles Fees (VLF)	56,407	8,160	8,160	8,000
State Reimbursements(POST/SB90)	31,002	3,400	3,400	3,500
Total Intergovernmental	87,410	11,560	11,560	11,500
Charges for Services				
Building Permits	295,499	380,400	380,400	668,895
Engineering & Planning Fees	136,637	145,600	185,600	500,708
Police Services	118,204	152,820	152,820	135,275
Recreation Services	20,000	10,000	10,000	186,000
Other	57,368	59,222	59,222	127,622
Total Charges for Services	627,708	748,042	788,042	1,618,500
Other Revenue				
Other Fees	179,845	134,448	134,448	137,100
Golf Fees	427,383	400,000	400,000	430,000
Interest & Unrealized Gain/(Loss)	26,193	40,000	40,000	26,200
Parking	141,507	132,600	132,600	135,300
County Credit Reimbursements	382,951	555,822	555,822	541,121
Allocation In from Other Funds	288,956	288,956	288,956	444,430
Total Other Revenues	1,446,836	1,551,826	1,551,826	1,714,151
Total General Fund Revenue	\$16,097,759	\$14,629,516	\$15,038,905	\$16,147,673

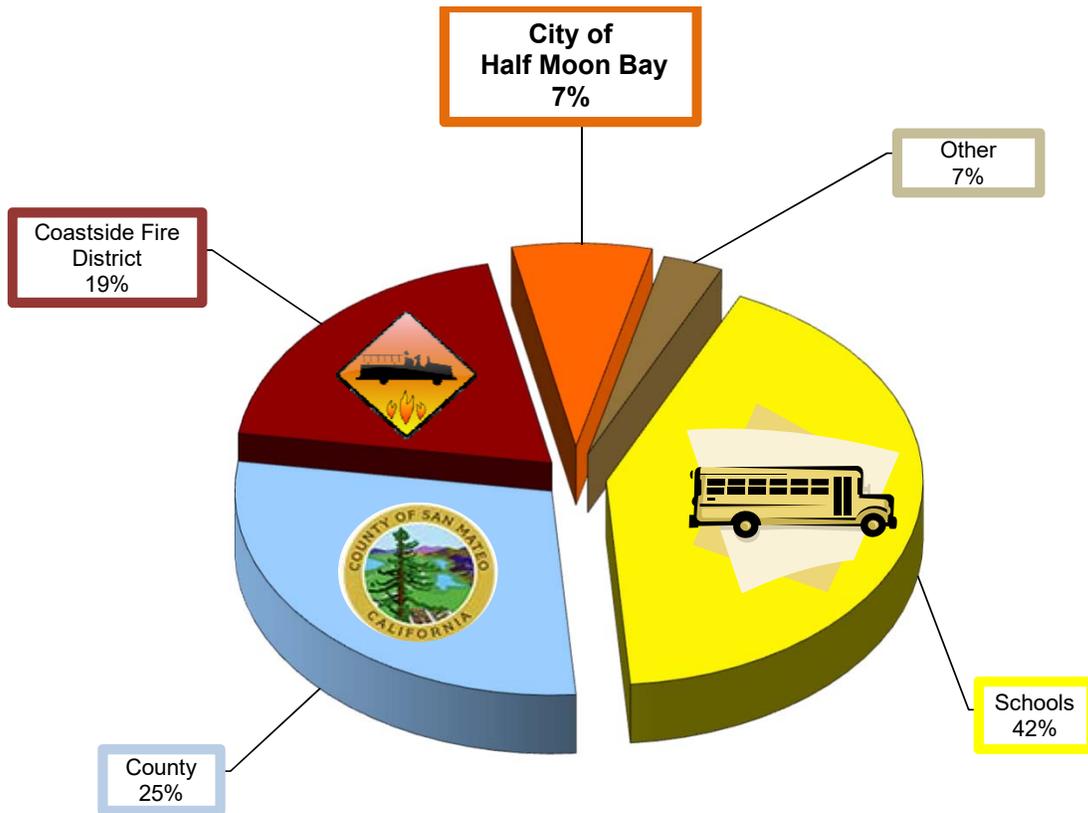
**City of Half Moon Bay
FY 2017-18 Budget
General Fund Revenue**



Transient Occupancy Tax (TOT)	\$6,289,000
Sales Tax	2,614,222
Property Tax	3,062,800
Other Revenue	1,714,151
Other Taxes	837,500
Charges for Services	1,618,500
Inter-Governmental	11,500
Total 2017-18 Budget	<u><u>\$ 16,147,673</u></u>

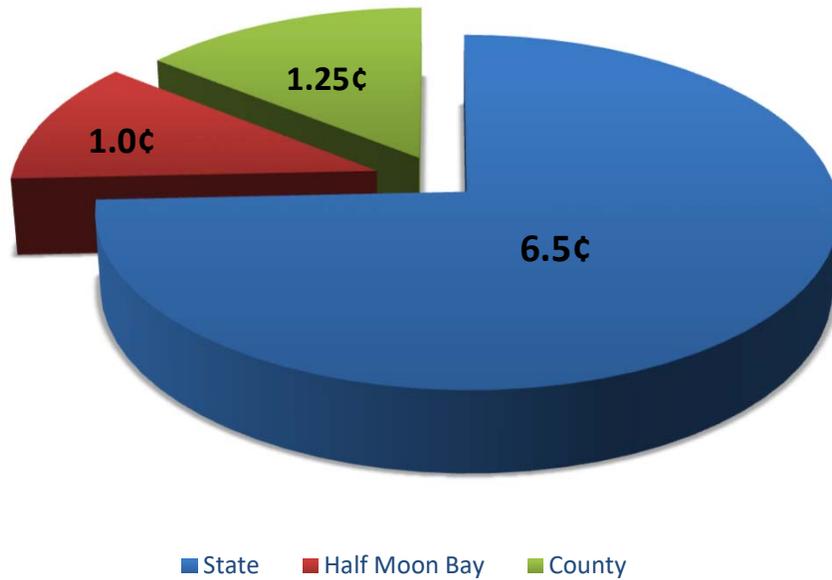
The City of Half Moon Bay's three primary revenue sources are Transient Occupancy Tax (TOT), Property Tax, and Sales Tax, which comprise 75% of total General Fund Revenue.

**City of Half Moon Bay
FY 2017-18 Budget
Property Tax Revenue**



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

**City of Half Moon Bay
FY 2017-18 Budget
Sales Tax Revenue**

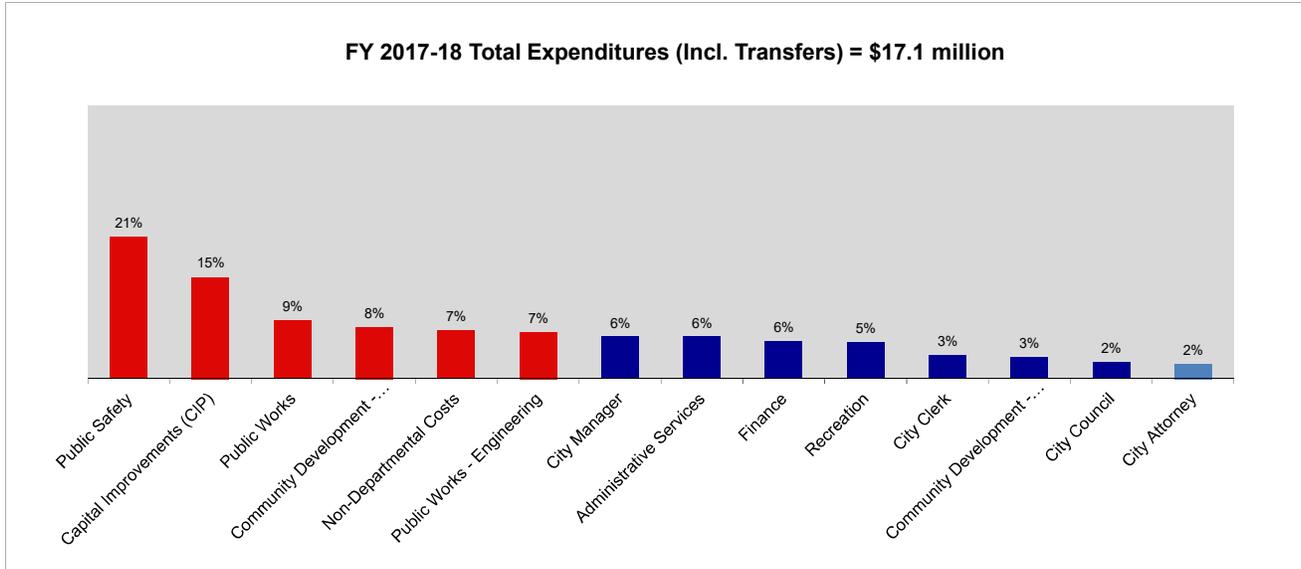


Half Moon Bay Sales Tax is generated primarily from three sectors. Approximately 75% of total Sales Tax is generated from twenty-five businesses.

Food (grocery, restaurants)	48%
General Retail	18%
Transportation (car sales, gas stal	23%
Other	12%
	<u>100%</u>



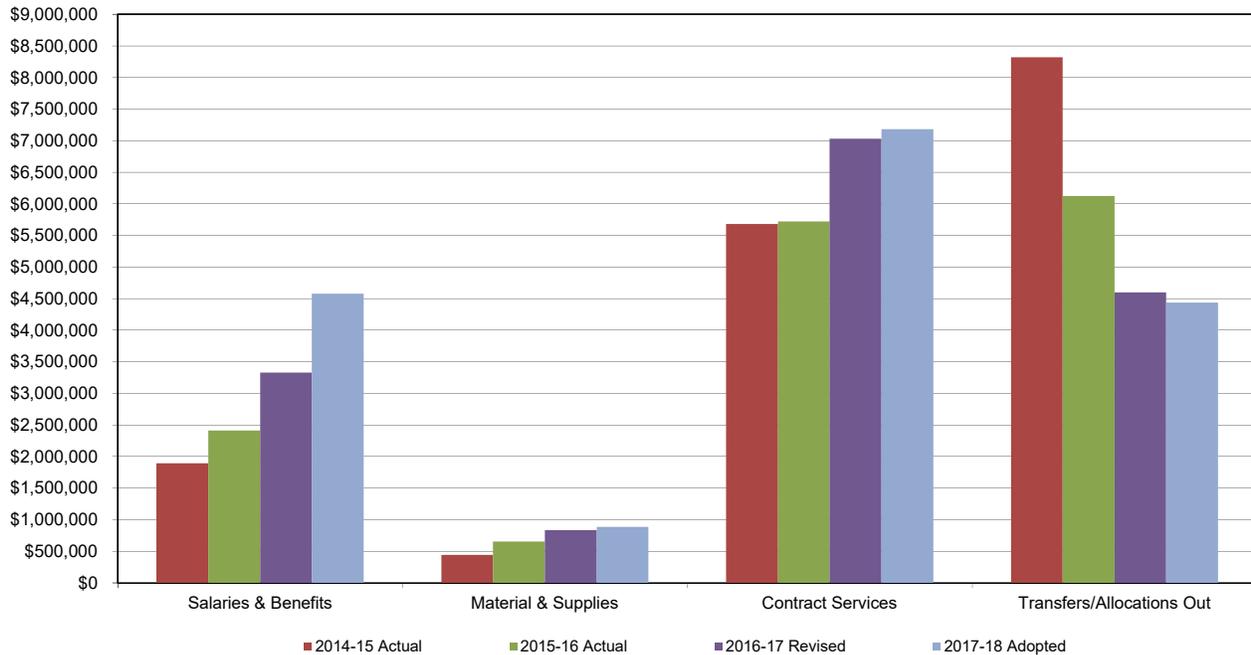
**City of Half Moon Bay
FY 2017-18 Budget
General Fund Expenditures**



Public Safety	\$ 3,535,990
Capital Improvements (CIP)	\$ 2,539,419
Public Works	\$ 1,465,342
Community Development - Planning Services	\$ 1,291,398
Non-Departmental Costs	\$ 1,209,872
Public Works - Engineering	\$ 1,166,878
City Manager	\$ 1,047,375
Administrative Services	\$ 1,047,241
Finance	\$ 940,747
Recreation	\$ 916,763
City Clerk	\$ 589,928
Community Development - Building & Code Enforcement	\$ 542,545
City Council	\$ 408,542
City Attorney	\$ 371,300
Total 2017-18 Budget	<u>\$ 17,073,339</u>

The top six costs (in red) are 70% of the General Fund budget.

**City of Half Moon Bay
FY 2017-18 Budget
General Fund Expenditures Trend - By Type**



Expenditures	2014-15 Actual	2015-16 Actual	2016-17 Revised	2017-18 Adopted	2015-16 vs 2016-17 %	2016-17 vs 2017-18 %
Salaries & Benefits	\$ 1,893,011	\$ 2,410,703	\$ 3,324,683	\$ 4,573,813	37.9%	37.6%
Material & Supplies	442,551	651,451	834,100	886,700	28.0%	6.3%
Contract Services	5,677,391	5,718,997	7,027,269	7,179,772	22.9%	2.2%
Transfers/Allocations Out	8,315,092	6,119,605	4,594,262	4,433,054	-24.9%	-3.5%
Transfer Out To Land Assets	8,917,500					
Total General Fund Exp.	\$ 25,245,545	\$ 14,900,756	\$ 15,780,315	\$ 17,073,339	5.9%	8.2%

* Transfer of Glenree property value is not included in the chart

Salaries and Benefits

The following new positions were added to FY 2017-18 Budget:

- Two Maintenance Workers (I) in the Public Works Department
- Senior Planner in the Planning Division
- Associate Planner in the Planning Division
- Administrative Assistant in the Public Works Department
- Management Analyst in the Recreation Division

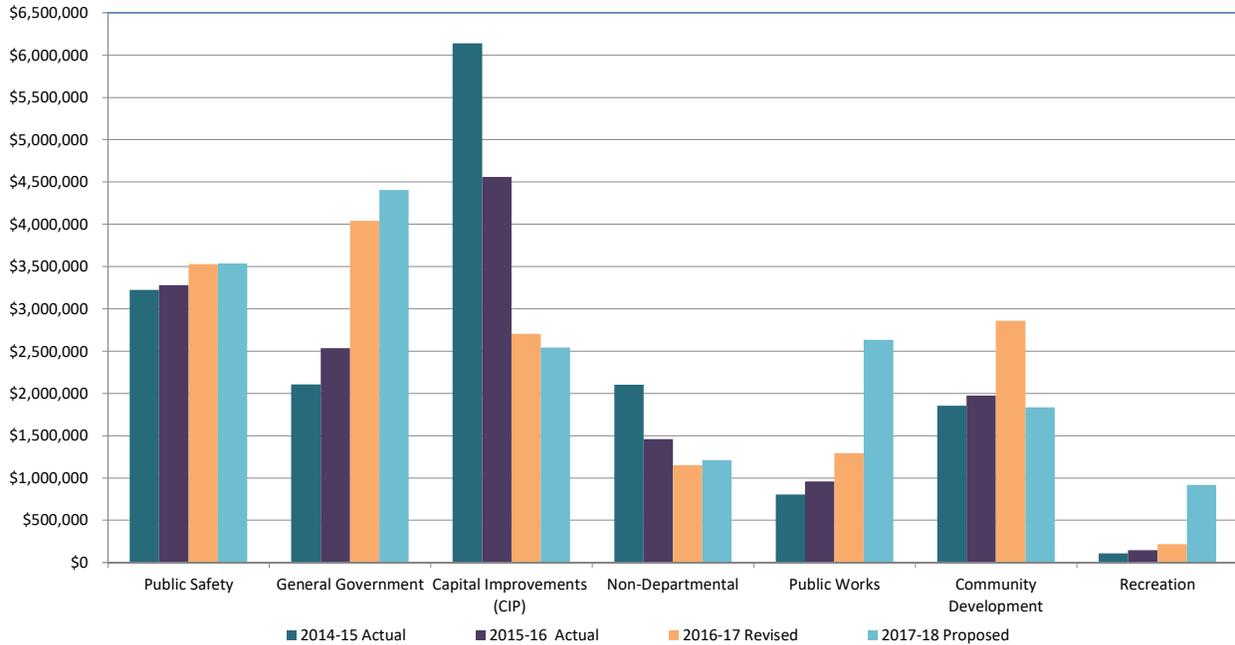
Contract Services

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

Transfers

Transfers include Capital Improvement Program (CIP) funding, debt service, and reserve funding. Transfer of Glenree Land value of \$8.9 million to Fund 79 in FY14-15 is excluded from the chart.

**City of Half Moon Bay
FY 2017-18 Budget
General Fund Expenditures Trend - By Department**



Expenditures	2014-15 Actual	2015-16 Actual	2016-17 Revised	2017-18 Proposed	2015-16 vs 2016-17 %	2016-17 vs 2017-18 %
Public Safety	\$ 3,223,176	\$ 3,278,657	\$ 3,527,165	\$ 3,535,990	7.6%	0.3%
General Government	\$ 2,103,298	\$ 2,534,942	\$ 4,039,730	\$ 4,405,133	59.4%	9.0%
Capital Improvements (CIP)	\$ 6,139,415	\$ 4,556,500	\$ 2,701,393	\$ 2,539,419	-40.7%	-6.0%
Non-Departmental	\$ 2,101,040	\$ 1,458,995	\$ 1,150,145	\$ 1,209,872	-21.2%	5.2%
Public Works	\$ 804,345	\$ 955,450	\$ 1,290,663	\$ 2,632,219	35.1%	103.9%
Community Development	\$ 1,851,035	\$ 1,973,700	\$ 2,856,548	\$ 1,833,943	44.7%	-35.8%
Recreation	\$ 105,736	\$ 142,512	\$ 214,672	\$ 916,763	50.6%	327.1%
Transfer Out To Land Assets	\$ 8,917,500					
Total General Fund Exp.	\$ 25,245,545	\$ 14,900,756	\$ 15,780,315	\$ 17,073,339	5.9%	8.2%

"General Government" above is the total of the following departments: City Council, City Manager, City Attorney, City Clerk, Finance and Admin.
 "Transfer out of Glencree" property value of \$8.9 million is not included in the chart.

Public Works

The City has created a new Public Works Department which will be responsible for Facilities Maintenance and Engineering Services, which were previously under the City Manager and Community Services Departments, respectively. Two Maintenance Worker positions and an Administrative Analyst position were added to the FY 2017-18 budget for this department. Additionally, the Management Analyst currently in the Community Development Department will be transferred to Public Works.

Recreation

The City has brought Recreation Services in-house after previously outsourcing the function. One Management Analyst position was added to the FY 2017-18 budget.

Capital Improvements (CIP)

The increases in FY 2014-15 and FY 2015-16 for Capital Improvements are primarily due to investment in the Library Capital Project.

Community Development - Planning

One Associate Planner position and one Senior Planner position were added to the FY 2017-18 Budget.

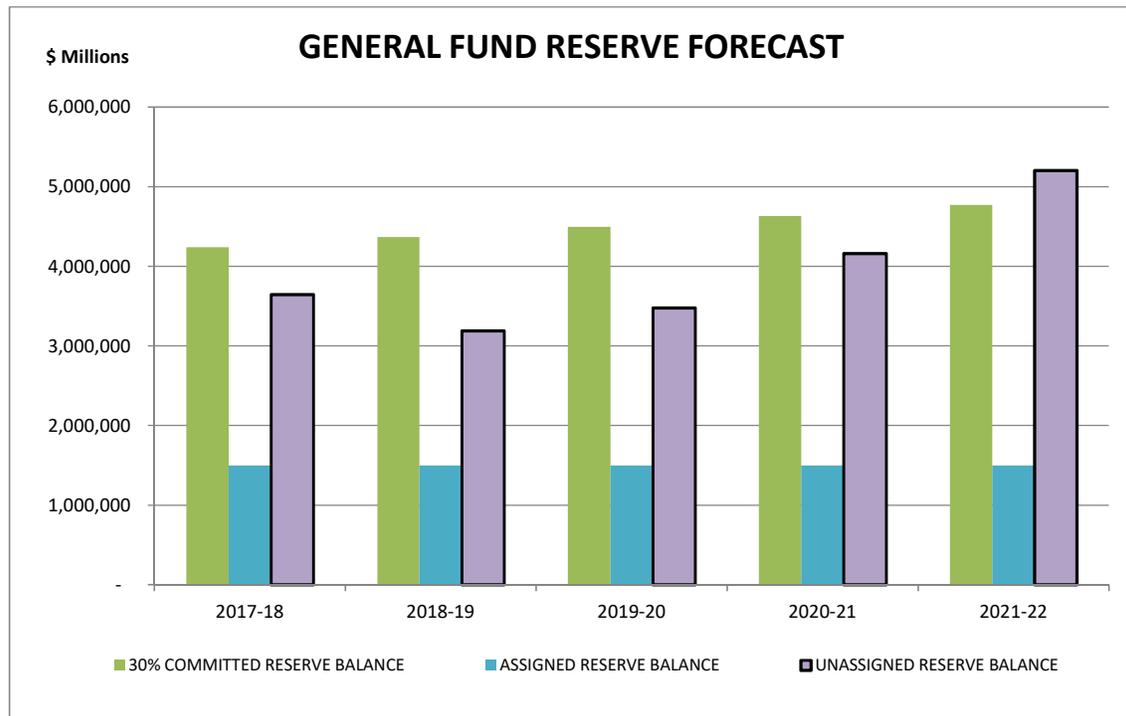
**City of Half Moon Bay
FY 2017-18 to FY 2021-22
General Fund Projections**

	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUES	Forecast	Forecast	Forecast	Forecast	Forecast
Transient Occupancy Tax	\$ 6,289,000	\$ 6,603,450	\$ 6,933,623	\$ 7,280,304	\$ 7,644,319
% Change		5.00%	5.00%	5.00%	5.00%
Property Taxes	\$ 3,062,800	\$ 3,124,056	\$ 3,186,537	\$ 3,250,268	\$ 3,315,273
% Change		2.00%	2.00%	2.00%	2.00%
Sales Taxes	\$ 2,614,222	\$ 2,684,806	\$ 2,757,296	\$ 2,831,743	\$ 2,908,200
% Change		2.70%	2.70%	2.70%	2.70%
Total Other Taxes	\$ 837,500	\$ 854,250	\$ 871,335	\$ 888,762	\$ 906,537
% Change		2.00%	2.00%	2.00%	2.00%
Other Revenue	\$ 3,198,221	\$ 3,262,185	\$ 3,327,429	\$ 3,393,978	\$ 3,461,857
% Change		2.00%	2.00%	2.00%	2.00%
Total General Fund Revenue	\$ 16,001,743	\$ 16,528,748	\$ 17,076,220	\$ 17,645,054	\$ 18,236,186
EXPENDITURES					
Operating	14,128,667	14,552,527	14,989,103	15,438,776	15,901,939
Capital*	2,489,419	2,305,000	1,666,500	1,388,000	1,152,000
	16,618,086	16,857,527	16,655,603	16,826,776	17,053,939
% Change		1.44%	-1.20%	1.03%	1.35%
REVENUE OVER / (UNDER)	(616,343)	(328,780)	420,617	818,278	1,182,247

Transient Occupancy Tax (TOT) has increased by no less than 6% each year since FY 2009-10. The City conservatively assumes 5% 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 2.7% each year based on information provided by the City's external sales tax consultant.



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

	Actual 2014-15	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Revenue				
Taxes	\$13,007,070	13,935,805	12,687,477	12,803,522
Intergovernmental	87,861	87,410	11,560	11,500
Charges for Services	565,942	627,708	788,042	1,618,500
Other Revenue	1,116,776	1,157,880	1,262,870	1,269,721
Total Revenue	<u>\$14,777,650</u>	<u>\$ 15,808,803</u>	<u>\$ 14,749,949</u>	<u>\$ 15,703,243</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 1,893,011	\$ 2,410,703	\$ 3,324,683	\$ 4,573,813
Material & Supplies	442,551	651,451	834,100	886,700
Contract Services	5,677,391	5,718,997	7,027,269	7,179,772
Total Expenditures	<u>\$ 8,012,953</u>	<u>\$ 8,781,267</u>	<u>\$ 11,186,052</u>	<u>\$ 12,640,285</u>
Excess revenue over (under) expenditures	<u>\$ 6,764,697</u>	<u>\$ 7,027,536</u>	<u>\$ 3,563,897</u>	<u>\$ 3,062,958</u>
Other financing sources (uses)				
Transfers in/(out)				
Transfers In	\$ 250,000	\$ 288,956	\$ 288,956	\$ 444,430
Transfers Out	(17,232,593)	(6,119,605)	(4,594,262)	(4,433,054)
Total financing sources (uses)	<u>\$ (16,982,593)</u>	<u>\$ (5,830,649)</u>	<u>\$ (4,305,306)</u>	<u>\$ (3,988,624)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (10,217,896)</u>	<u>\$ 1,196,887</u>	<u>\$ (741,409)</u>	<u>\$ (925,666)</u>
Beginning Net Assets, July 1 ¹	<u>\$ 19,760,453</u>	<u>\$ 9,542,557</u>	<u>\$ 10,739,444</u>	<u>\$ 9,998,034</u>
Ending Net Assets, June 30	<u>\$ 9,542,557</u>	<u>\$ 10,739,444</u>	<u>\$ 9,998,034</u>	<u>\$ 9,072,368</u>





CITY OF HALF MOON BAY

Department Budgets



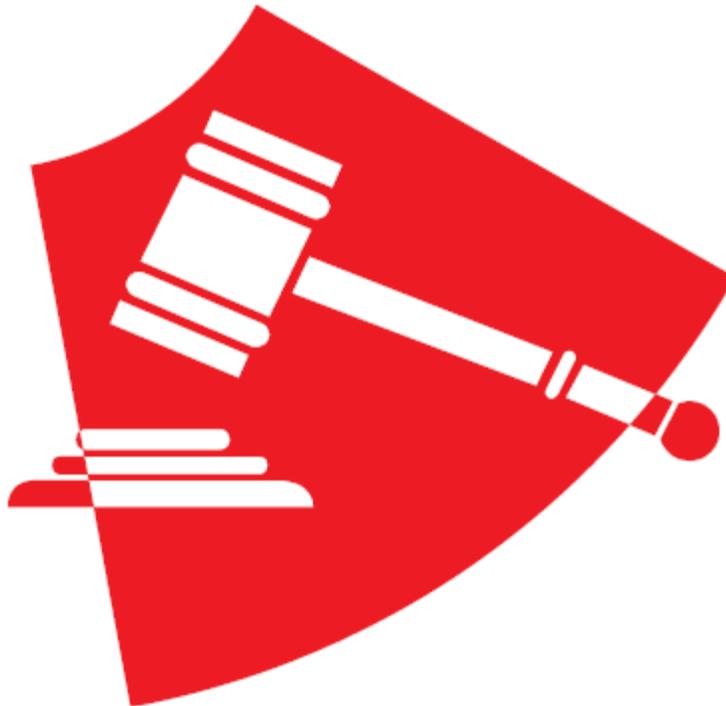


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CITY OF HALF MOON BAY

City Council



City Council



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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.

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.

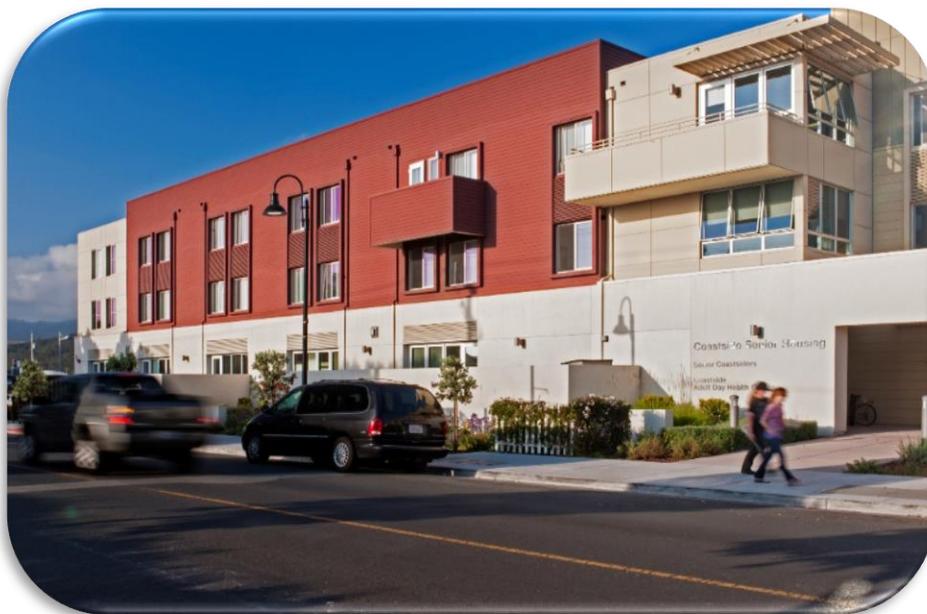
Provided Leadership for Fiscal Year 2016-2017 Accomplishments

- Commenced construction of the City's new 22,000 square foot library.
- Completed construction of the City's new Skate Park.
- Opened the new Seymour Pedestrian Bridge.

- Continued work on updating the City’s General Plan.
- Held a Spanish language Citizens Academy.
- Completed a City Hall Annex and reconfigured the interior of City Hall.
- Completed renovation of the Carter Park Stairs.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

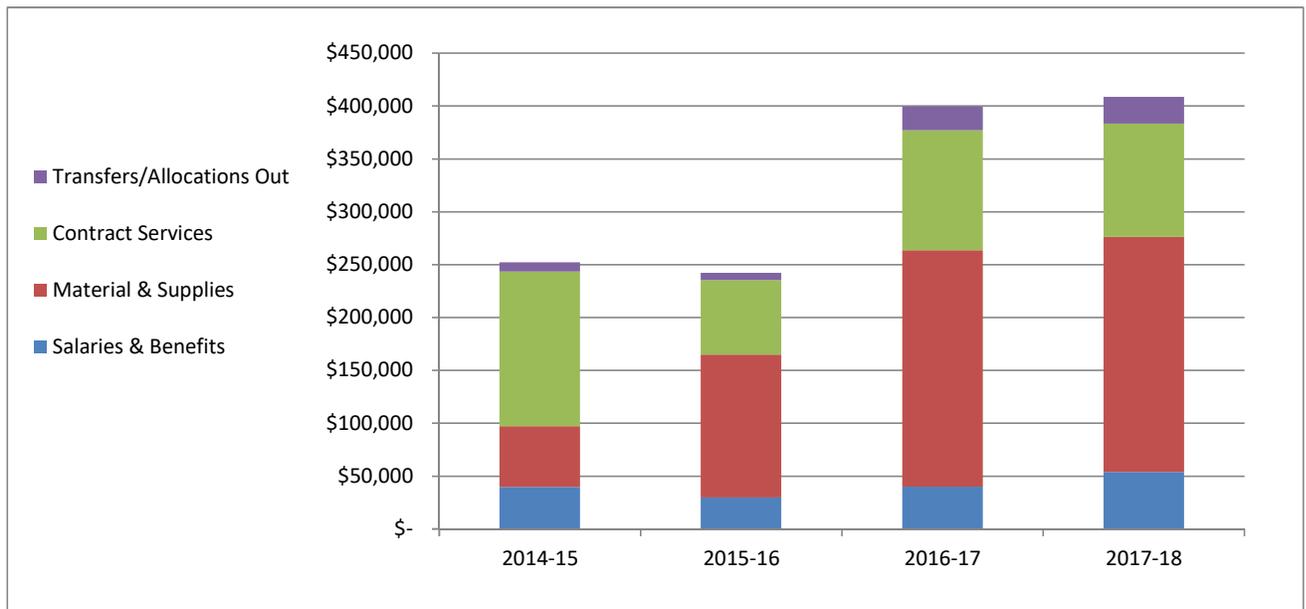
- Develop an affordable housing strategy (Healthy Communities and Public Safety).
- Develop a plan to regulate and tax marijuana cultivation (Healthy Communities and Public Safety, Infrastructure and Environment, Fiscal Sustainability)
- Develop a response to homelessness (Healthy Communities and Public Safety)
- Initiate planning for a new or renovated community-wide park (Healthy Communities and Public Safety, Infrastructure and Environment)
- Expand the Transient Occupancy Tax to other short-term rentals (Fiscal Sustainability)
- Continue work on updating the City’s General Plan (Infrastructure and Environment, Inclusive Governance, Healthy Communities and Public Safety).
- Complete the roll out of a new City website (Inclusive Governance).
- Complete major street resurfacing reconstruction projects (Infrastructure and Environment).
- Continue to work with the Coastside Chamber of Commerce to support and sustain a business environment that contributes to economic prosperity, revenue generation, and improves the economic well-being of the community (Fiscal Sustainability).



City of Half Moon Bay FY 2017-18 Budget

City Council

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 39,653	\$ 29,653	\$ 39,845	\$ 53,950
Material & Supplies	57,409	135,210	223,700	222,100
Contract Services	146,195	70,298	113,500	107,200
Transfers/Allocations Out	8,725	6,978	22,462	25,292
Total	\$ 251,981	\$ 242,140	\$ 399,507	\$ 408,542
Revenue Sources				
General Fund	\$ 251,981	\$ 242,140	\$ 399,507	\$ 408,542
City Council Members	5.00	5.00	5.00	5.00







CITY OF HALF MOON BAY

City Manager



City Manager



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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 and 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 public information, 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 City's Recreation and Human Services Division, which includes a Recreation Coordinator, Management Analyst, and Recreation Leader.

Service Level Changes

Recreation programs and facility rentals have been brought in-house and will be provided by City staff. Public Works maintenance and oversight of the engineering consultant for the Sewer Authority Mid-Coastside (SAM) has been transferred to the Public Works Department.

Budget Highlights / Summary of Changes

The budget now includes funds for in-house Recreation services. The Recreation budget consists of the costs for recreation programming as well as staffing and operational expenses. The revenues associated with delivery of recreation programs include facility rental fees and program registration.

The Department is comprised of the following divisions:

Recreation and Community Services Division

Mission

The mission of the Recreation Division is to develop, implement, and evaluate recreational programs and activities for residents of Half Moon Bay and the Coastside, and to coordinate and supervise recreational uses of City facilities.

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 Coastside. The Recreation Division is also responsible for coordinating, renting, and scheduling City facilities, including Smith Field, the Train Depot, and the Ted Adcock Community Center.

Fiscal Year 2016-2017 Accomplishments

- Guided the City Council in further updating its Strategic Plan and priorities.
- Held multiple study sessions with the City Council on important community interests.
- Held community forums and provided information to assist the immigrant community.
- Expanded translation services for City publications and meetings.
- Obtained financing to build a new public library.
- Completed a Project Labor Agreement for the Library Project.
- Established a City Hall Annex.
- Completed interior renovation of City Hall.
- Oversaw the process to assess, design, and upgrade the City's sewer collection systems.
- Provided assistance and analysis on the Golf Course Recycled Water Project.

- Held the City's first monolingual Spanish Community Academy, Half Moon Bay NET.
- Participated in National Night Out, supporting residents who hosted block parties with a 500% increase (from 2 to 10 block parties) in 2017.
- Hired a Deputy City Manager, Public Works Superintendent and a Recreation Coordinator.
- Created a Recreation and Human Services Division to bring recreation programming back in-house.
- Continued a weekly electronic newsletter (e-news) that is distributed to over 1,000 Coastside residents.
- Enhanced professionalism and efficiency through operational improvements.
- Enhanced customer service and responsiveness through filling a number of key position vacancies.
- Implemented organizational development strategies to achieve high performance.
- Held the City's third annual City Hall Open House during the Night of Lights event.
- Participated in Citywide emergency preparedness trainings.
- Participated on committees with local non-profits to address the City's homeless population.
- Initiated adoption of policies, ordinances, and procedures for implementing the City's Adult Use of Marijuana permitting program.
- Created a Parks and Recreation Commission and bylaws.
- Added Spanish translations to the Activity Guide.
- Increased summer programming to include weeklong camps for youth.
- Hosted Concerts in the Park Summer Concert Series at Mac Dutra Plaza.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

- Continue construction of the new Half Moon Bay Library (Infrastructure and Environment).
- Continue to host Half Moon Bay NET Citizens Academies in both English and Spanish (Inclusive Governance).
- Restructure staff to maximize efficiency and increase performance (Fiscal Sustainability, Inclusive Governance).
- Advance projects that link to the City's Strategic Plan and Council Priorities (Infrastructure and Environment).
- Provide information and awareness and potential policy to address lack of affordable housing (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).
- Manage the Parks and Recreation Commission which will focus on City Council priorities and will update related policies, including the Parks Master Plan (Inclusive Governance, Healthy Communities and Public Safety).

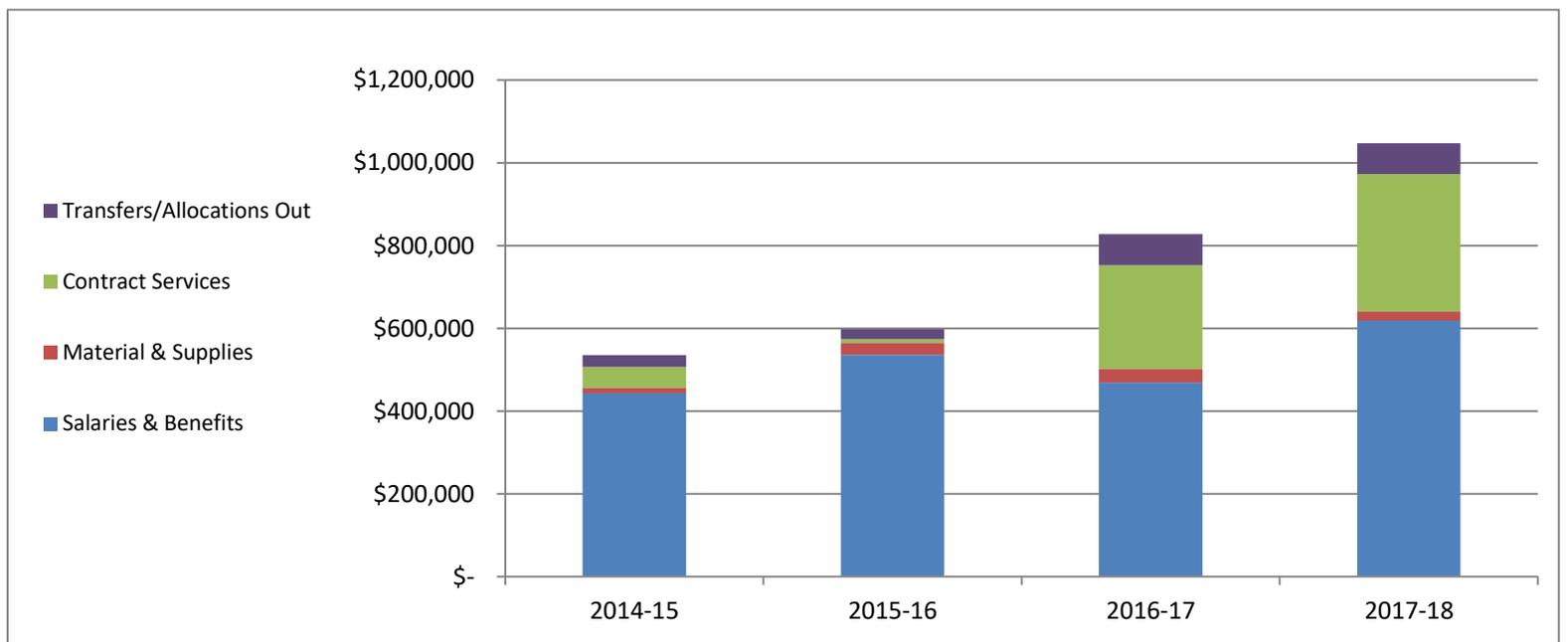
- Collaborate with local elementary schools to offer after-school programs for K-5 students (Healthy Communities and Public Safety).
- Expand and enhance recreation services and partner with established groups to promote programs to a wider range of residents (Healthy Communities and Public Safety, Inclusive Governance).
- 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).
- Improve the Ted Adcock Community Center to increase rental opportunities for residents and services to the community (Infrastructure and Environment; Healthy Communities and Public Safety).



**City of Half Moon Bay
FY 2017-18 Budget**

City Manager (01-12)

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 442,805	\$ 535,760	\$ 468,619	\$ 618,951
Material & Supplies	13,424	28,717	33,500	21,400
Contract Services	50,762	9,652	250,000	332,000
Transfers/Allocations Out	28,606	23,909	75,154	75,024
Total	\$ 535,597	\$ 598,039	\$ 827,273	\$ 1,047,375
Revenue Sources				
General Fund	\$ 535,597	\$ 598,039	\$ 827,273	\$ 1,047,375
Full-Time Equivalent Employees	4.52	3.25	2.75	3.10

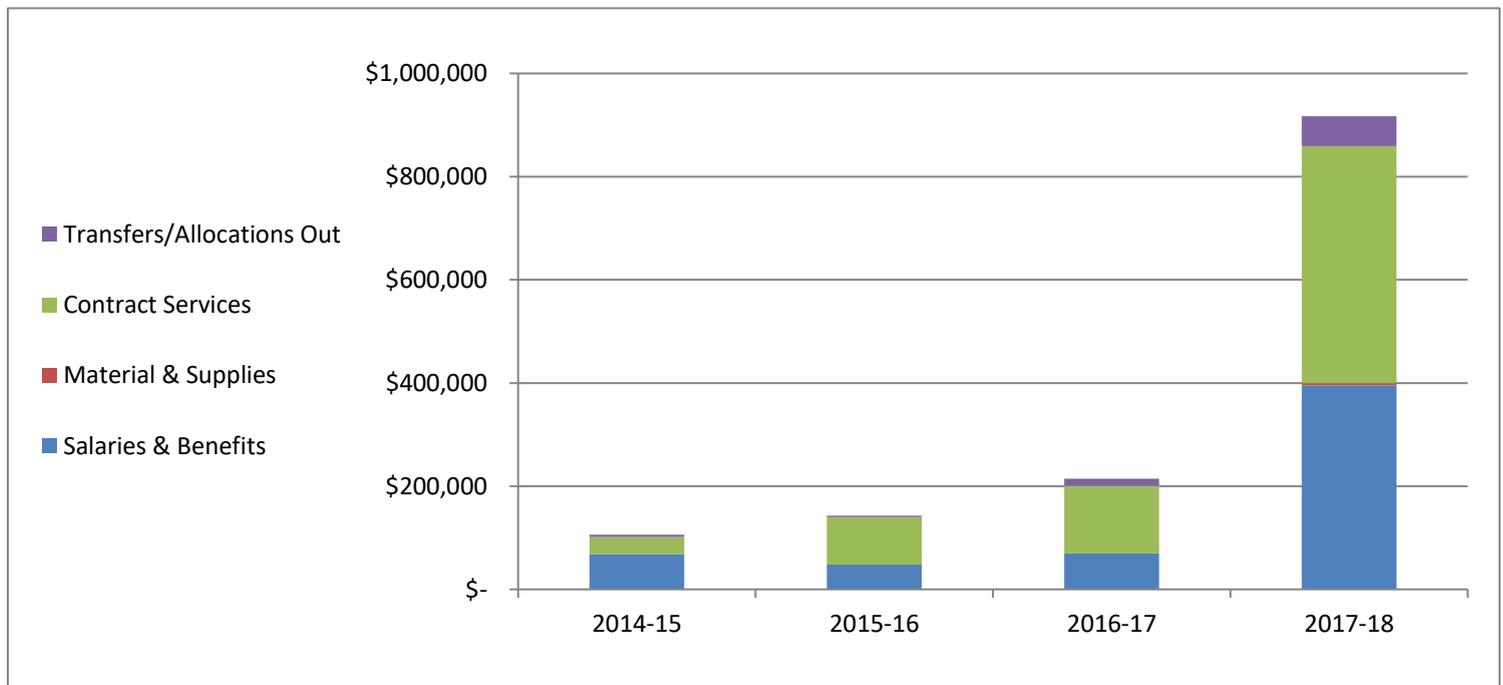




**City of Half Moon Bay
FY 2017-18 Budget**

Recreation Services

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 67,311	\$ 47,816	\$ 69,506	\$ 395,177
Material & Supplies	661	-	-	4,800
Contract Services	33,738	91,744	130,800	459,120
Transfers/Allocations Out	4,025	2,952	14,366	57,665
Total	\$ 105,735	\$ 142,512	\$ 214,672	\$ 916,763
Revenue Sources				
Contract Classes	\$ -	\$ -	\$ 115,000	\$ 115,000
Recreation Other	-	-	-	-
Community Center Facility Fees	(10,000)	10,000	61,000	61,000
Parks Facility Rental	-	-	-	-
SMC - Contribution	10,000	10,000	10,000	10,000
General Fund	105,735	122,512	28,672	730,763
Total Program Sources	\$ 105,735	\$ 142,512	\$ 214,672	\$ 916,763
Full-Time Equivalent Employees	0.40	0.20	2.40	3.50







CITY OF HALF MOON BAY

City Attorney



City Attorney



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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 2017-18, the City Attorney's Office plans to continue its trend of increased on-site availability and accessibility for the City Council, Planning Commission, City committees, staff, and the general public.

Budget Highlights / Summary of Changes

The City Attorney budget consists of costs for litigation, compensation, and operations of the City Attorney, Deputy City Attorney, and support staff. It should be noted that a new legal services agreement with a separate firm will be executed the first quarter of this fiscal year.

Fiscal Year 2016-2017 Accomplishments

- Successfully represented the City in the David Eblovi vs. Jessica Blair, City Clerk litigation regarding the June 7, 2016 Special Municipal Election for Measure F.
- Assisted with implementation of an improved records management system and Public Records Act request processing.
- Obtained a favorable final settlement on the Beachwood Property.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

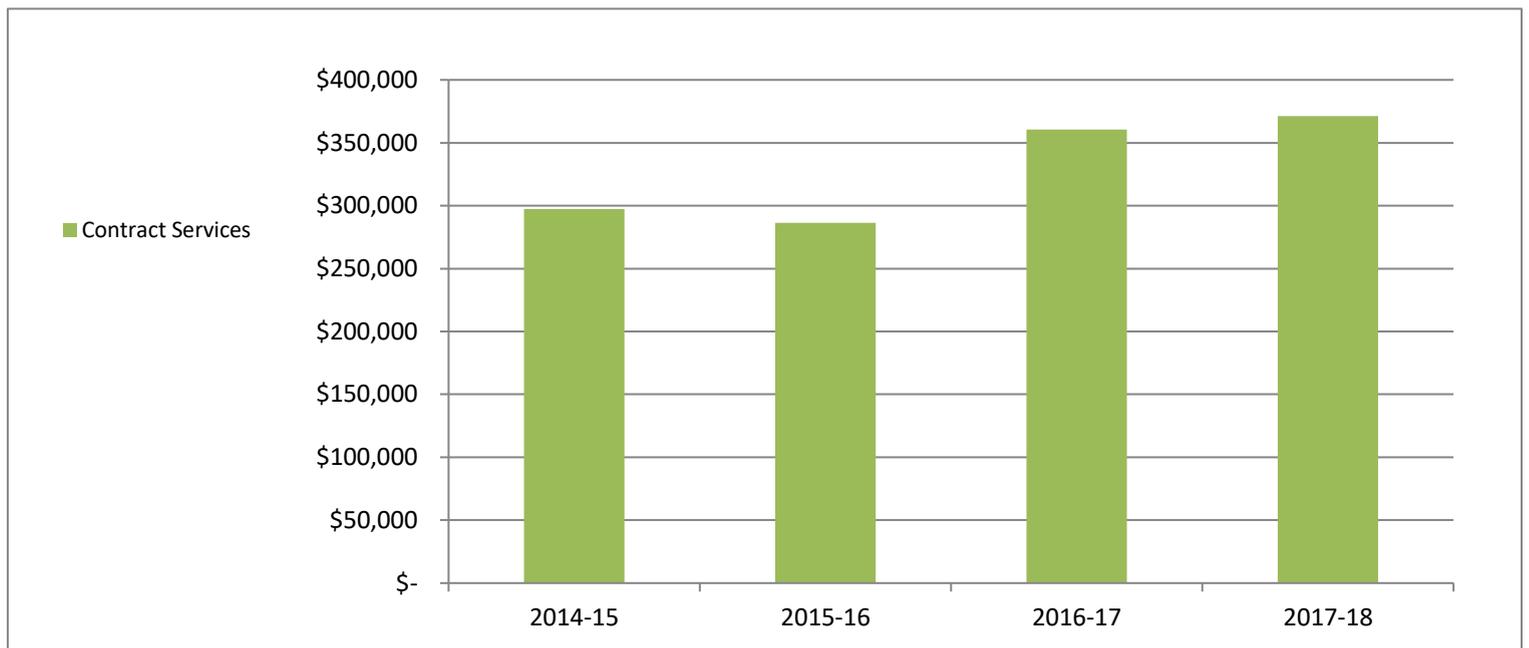
- Continue to implement Council policy directives and ensure projects and directives are legally secure (Inclusive Governance).
- Improve Planning Commission meeting coordination and preparations (Inclusive Governance).
- Continue economic resolution of claims and litigation (Fiscal Sustainability).
- Standardize code enforcement forms and processes (Inclusive Governance).
- Expand public outreach and communication efforts (Inclusive Governance).
- Assist in ensuring compliance with Brown Act requirements (Inclusive Governance).
- Hire new firm to provide legal services, and manage transition effectively (Healthy Communities and Fiscal Sustainability).



**City of Half Moon Bay
FY 2017-18 Budget**

City Attorney

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Contract Services	\$ 297,235	\$ 286,216	\$ 360,500	\$ 371,300
Total	\$ 297,235	\$ 286,216	\$ 360,500	\$ 371,300
Revenue Sources				
General Fund	\$ 297,235	\$ 286,216	\$ 360,500	\$ 371,300
Full-Time Equivalent Employees	-	-	-	-







CITY OF HALF MOON BAY

City Clerk



City Clerk



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City Clerk

Mission

The mission of the City Clerk Department is to promote openness in government. The City Clerk's Office 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 City Clerk Department 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 department 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 Department 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 City Clerk Department 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

- 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 City Clerk Department is staffed by a City Clerk and a Deputy City Clerk.

Service Level Changes

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

Budget Highlights / Summary of Changes

The City Clerk budget consists of costs for compensation and operations of the City Clerk's Office.

Fiscal Year 2016-2017 Accomplishments

- Conducted the November 8, 2016 General Municipal Election for two Councilmember seats and certified the results thereof.
- Conducted biennial review and update of the City's Conflict of Interest Code pursuant to the Political Reform Act.
- Managed the contract for translation services at City Council meetings.
- Managed the City's agenda management software, including making updates as needed, and provided training to staff.
- Negotiated and executed an agreement with NetFile to allow for electronic filing of the annual Statement of Economic Interests.
- Negotiated and executed an agreement with NextRequest to create an online portal for Public Records Act requests.
- 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.
- Managed, reviewed, and obtained adoption of the City's revised Records Retention Schedule.
- Drafted and obtained adoption of the City Council Rules of Procedure and Decorum.
- Completed review of the City's Campaign Contributions Limit.
- Processed an ordinance allowing electronic signatures on documents used and accepted by the City of Half Moon Bay.
- Processed 103 agreements, 6 ordinances, 79 resolutions, 23 City Council agenda packets, 19 City Council special meeting agendas, 11 City Council subcommittee agendas, 29 proclamations, and 79 public records requests.
- In conjunction with the Planning Division, created and filled appointments for the new Bicycle and Pedestrian Advisory Committee.
- In conjunction with the City Manager's Office, created and filled appointments for the new Parks and Recreation Commission.

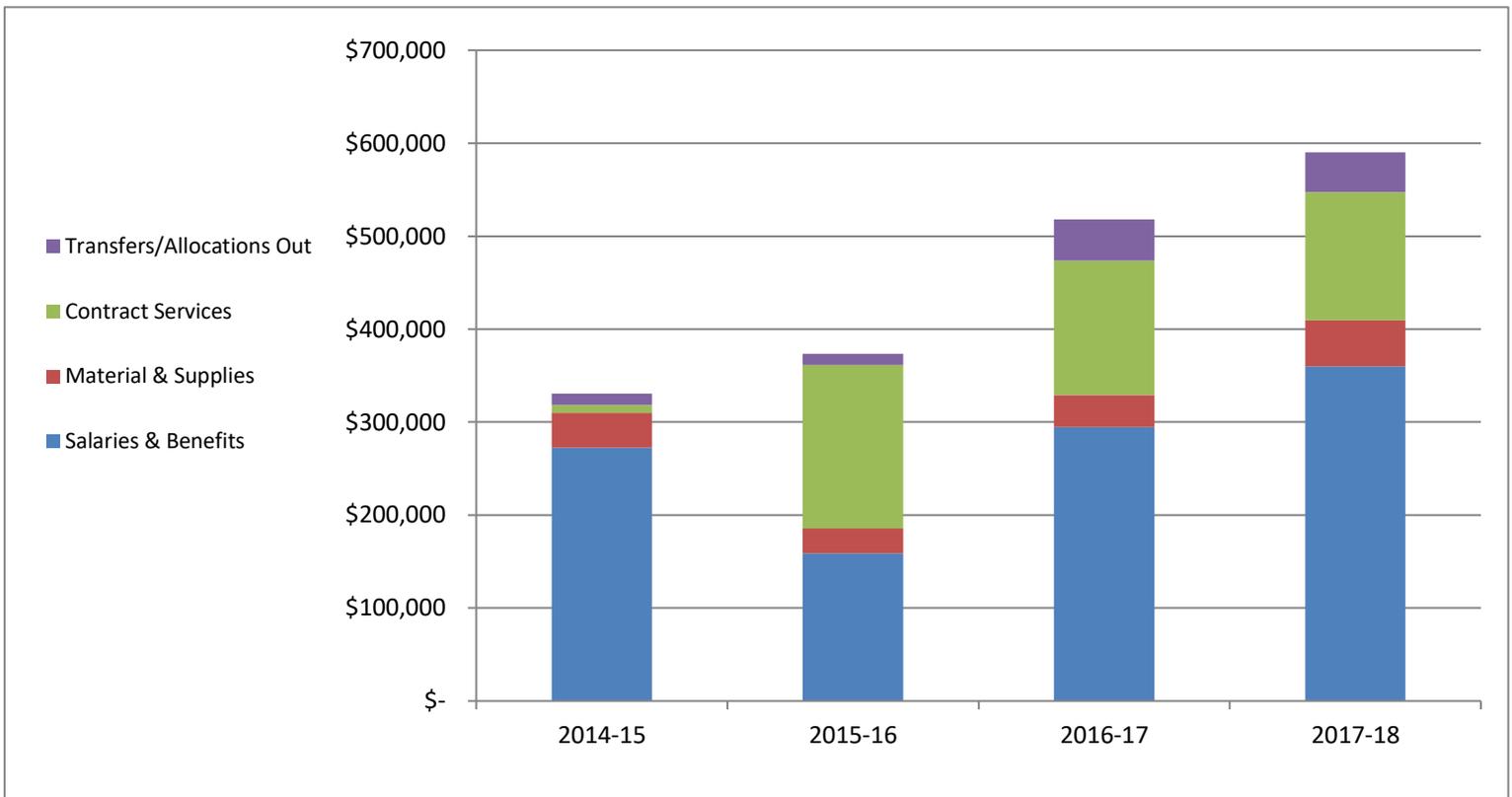
Fiscal Year 2017-2018 Goals / Strategic Plan Elements

- Continue to oversee completion of the citywide, comprehensive Records Management Update project (Inclusive Governance, Infrastructure and Environment).
- Upgrade audio-visual system at City Council meetings (Infrastructure and Environment).
- Complete demographics analysis for compliance with the Voting Rights Act (Inclusive Governance).
- Research and draft any necessary documents for a City of Half Moon Bay Legislative Program (Healthy Communities and Public Safety, Inclusive Governance).

**City of Half Moon Bay
FY 2017-18 Budget**

City Clerk

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 272,276	\$ 158,901	\$ 294,521	\$ 360,133
Material & Supplies	37,811	26,922	34,400	49,300
Contract Services	8,290	175,842	144,800	137,732
Transfers/Allocations Out	12,355	11,635	44,286	42,763
Total	\$ 330,733	\$ 373,300	\$ 518,007	\$ 589,928
Revenue Sources				
General Fund	\$ 330,733	\$ 373,300	\$ 518,007	\$ 589,928
Full-Time Equivalent Employees	2.33	2.00	1.80	1.90







CITY OF HALF MOON BAY

Administrative Services



Administrative Services



Administrative Services

Mission

The mission of the Administrative Services Department is to provide high quality support services to all City departments, staff and community through human resources, information technology, emergency services, and contract administration programs.

Description

The Administrative Services Department provides reliable and current technology resources to staff, members of the City Council, Commissioners, and the community. The Department 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. The Department also negotiates and administers contracts for services provided to the community.

Service Priorities

- Recruit, hire, develop, and retain a diverse and highly-talented professional staff.
- Minimize IT equipment down time and maximize response time. Enhance staff productivity with a secure network, hardware and supporting software.
- Develop, review, and update emergency operations plans.
- Administer personnel policies and procedures, and ensure compliance with related laws and regulations.
- Manage the employee safety plan and Disaster Services Worker program.
- Maintain an effective, visitor-friendly, and informative website that conveys the City's image, mission, and services.
- Manage confidential information when consulting employees and managing personnel records.
- Assist in the planning and implementation of exercises, drills, and emergency services training programs for City employees and/or other related individuals and public entities
- Manage labor negotiations and relations with all bargaining units and unrepresented employees.
- Administer workers' compensation claims and promote policies and procedures to reduce risk.
- Work cohesively with various multi-jurisdictional personnel on area-wide emergency preparedness projects and training programs.
- Maintain IT systems for disaster recovery and business continuity.
- Manage both formal and informal grievances related to employee relations and provisions of the Personnel Policies and Procedures and Memoranda of Understanding.
- Manage classification and compensation plan for employees.

Staffing

The Administrative Services Department allocates a Department Director, a portion of an Administrative Assistant (0.5 FTE, shared with the Finance Department) and two Management Analysts for Contract Management, Emergency Services, Human Resources, and IT oversight.

Service Level Changes

The department budget includes the reclassification of the Administrative Services Manager to Director, and increased staffing hours dedicated to human resources, and information technology consultation hours to raise the level of services required in both human resources and information technology. Staffing levels are unchanged.

Budget Highlights / Summary of Changes

The Administrative Services budget consists of compensation and operating costs for the portions of employee time allocated to its three divisions. Contract expenditures are budgeted for 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:

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.

Contracts Management Division

Mission

The mission of the Contract Management Division is to negotiate and manage contracts that provide essential services to residents, businesses, visitors, and city staff in compliance with local, state and federal regulations.

Description

The Contracts Management Division is responsible for negotiating and managing contracts that impact a variety of departments including public access television, recreation and food services, use of land, outside labor counsel and software licenses that support the IT Division and Finance Department. The Division also collaborates with other departments to ensure contracts are managed effectively and are renewed, renegotiated and processed in a timely manner.

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 negotiations and relations, grievance management, workers' compensation claim management, policy creation and implementation, and employee classification and compensation. The Division manages highly sensitive and confidential employee and agency information to effectively conduct workplace investigations, implement practices to enhance employee performance, manage leaves and claims, and assist management with the implementation of executive decisions. The Division ensures compliance with local, state and federal labor regulations when providing these support services to staff. The Division is also a representative on the San Mateo County Training and Development Consortium and the Liebert Cassidy Whitmore Employment Relations Consortium to develop professional development offerings to local government staff throughout San Mateo County, and the Next Generation Committee to implement strategies to 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.

Fiscal Year 2016-2017 Accomplishments

- Brought recruitment process in house to expedite process and ensure excellent quality control with candidates and hiring managers. Recruited Building Attendant, City Clerk, Deputy City Clerk, Management Analysts (Community Development and Finance Departments), Assistant Engineer, Associate Engineer, Public Works Superintendent, Planning and Development Services Manager, Executive Assistant to the City Manager, Accounting Technician II, Recreation Coordinator and Recreation Leader positions.
- In collaboration with the Community Development Department, adopted the San Mateo County Hazard Mitigation Plan. The approval of this plan ensures continued eligibility for assistance from the Project Grant, Pre-Disaster Mitigation, and Flood Mitigation Assistance programs.
- Collaborated with the Half Moon Bay Chamber of Commerce and the San Mateo County Office of Emergency Services to update the Coastside Emergency Action Program resource list of businesses volunteering to support emergency efforts in the event of a disaster.
- Supported the Operation Silver Dragon emergency response exercise by distributing 400 bags with emergency preparedness information to residents.
- Organized AED / CPR training for City staff for a total of 8 staff members trained in AED/CPR.
- Created or revised the following classifications: Recreation Coordinator, Recreation Leader I-III, Deputy City Manager, Public Works Director, Planning and Development Services Manager, and Building Attendant.
- Successfully negotiated with labor group for limited term Office Assistant positions to support the Office of the City Clerk.
- Established procedures and testing process for bilingual pay and pre-employment medical examination.
- Reinstated use of employment eligibility lists and multi-level recruitments to speed recruitment times and reduce the total time positions are vacant.
- Began the use of limited-term positions to appropriately staff short-term projects.
- Created a disaster recovery plan that enables the City to quickly restore full IT operations at a secure, offsite facility in the event of catastrophic loss of facilities.
- Implemented an IT asset management program and associated protocols.
- Purchased and implemented software and hardware to update and secure the City's network, hardware to strengthen Wi-Fi capacity in City facilities, new desktop hardware and software for individual users, and projectors for City facilities.
- Coordinated the City Hall remodel and City Hall Annex creation projects, including temporarily relocating employees to the Emergency Operations Center and providing technology needs for all three locations.
- Installed key card system to better secure City Hall and the City Hall Annex facilities.

- Enhanced IT services to the Corporation Yard by incorporating their computer system to be part of City's network, repairing their video security system and installing Wi-Fi in the facility.
- Outfitted Departments and City Council with mobile computers and supporting software.
- Implemented Via presentation casting system to enable staff to broadcast presentations directly to computers and mobile devices.
- Converted ISDN Centrex phone system to a VOIP phone system for all City facilities.
- Installed standing desks and implemented a bicycle share program to enhance employee health.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

- Revise City of Half Moon Bay Personnel Policies and Procedures (Inclusive Governance).
- Reduce employee recruitment timeframes to more efficiently recruit and orient new employees (Inclusive Governance).
- Launch and maintain the City's new website (Infrastructure and Environment, Inclusive Governance).
- Coordinate and plan training exercises with partnering agencies to help increase awareness in fire safety and flood preparedness (Infrastructure and Environment, Healthy Communities and Public Safety).
- Establish employee classification procedure and create new classifications as needed (Inclusive Governance).
- Collaborate with City departments and the Office of Emergency Services to develop a plan to manage potential winter floods. (Infrastructure and Environment, Healthy Communities and Public Safety).
- Install new file server and establish new file structure to better support users (Infrastructure and Environment).
- Negotiate new labor agreements and personnel policies and procedures with represented employee groups (Inclusive Governance, Fiscal Sustainability).
- Develop and maintain a master roster of CERT trained members on the coast (Healthy Communities and Public Safety, Inclusive Governance).
- Train City staff on ICS 100 / 700 emergency management systems (Healthy Communities and Public Safety).
- Simulate a full shut down disaster recovery to test effectiveness of existing recovery services (Infrastructure and Environment).
- Update all emergency operations plans, including the Hazard Mitigation Plan to maintain compliance with the Disaster Mitigation Act of 2000. (Healthy Communities and Public Safety).
- Communicate to CERT team members on a monthly basis on available emergency preparedness training and exercise opportunities (Healthy Communities and Public Safety, Inclusive Governance).
- Implement methods to encrypt information accessed through the City's remote user access program (Infrastructure and Environment).

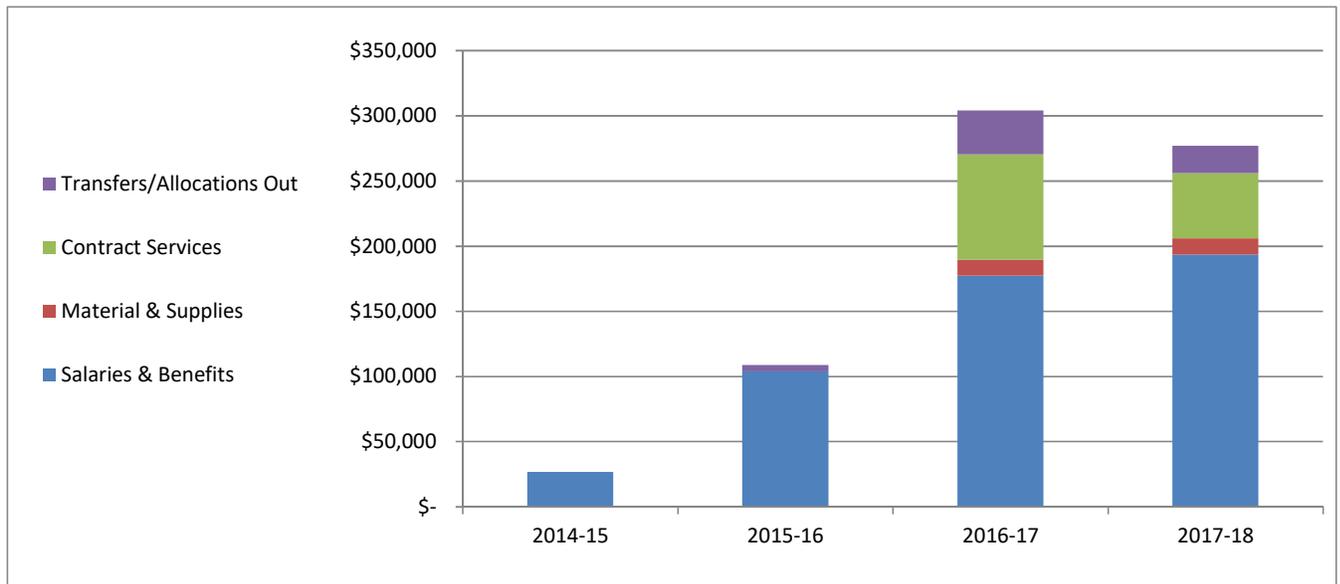
- Organize and inventory Emergency Trailers currently located at the Corporation Yard and Half Moon Bay Airport (Healthy Communities and Public Safety).
- Explore options for redundant internet to back up phone and web-based software in the event of an outage (Infrastructure and Environment).
- Implement the new Calopps recruitment program (Inclusive Governance).
- Revise employee evaluation procedure to ensure compliance with Personnel Policies and Procedures (Inclusive Governance).
- Create an employee onboarding process to effectively educate and orient new staff (Inclusive Governance).



**City of Half Moon Bay
FY 2017-18 Budget**

Administrative Services (01-18)

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 27,010	\$ 104,055	\$ 177,387	\$ 193,636
Material & Supplies	-	-	12,200	12,400
Contract Services	-	-	81,000	50,000
Transfers/Allocations Out	-	4,923	33,655	21,155
Total	\$ 27,010	\$ 108,978	\$ 304,242	\$ 277,191
Revenue Sources				
General Fund	\$ 27,010	\$ 108,978	\$ 304,242	\$ 277,191
Full-Time Equivalent Employees *	0.50	2.60	3.20	1.40



* Beginning in FY 2017-18, the City is presenting the divisions of the Administrative Services Department separately. The full time equivalent breakdown for prior years is not available.

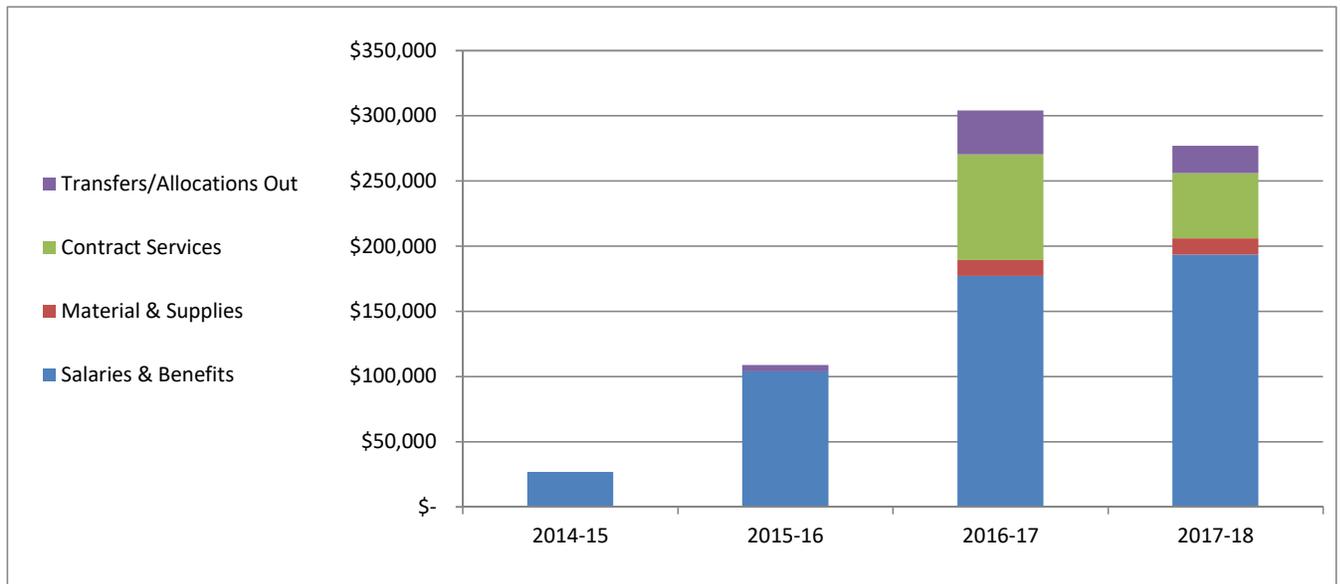


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**City of Half Moon Bay
FY 2017-18 Budget**

Human Resources (01-17)

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 60,396	\$ 171,314	\$ 131,160	\$ 205,201
Material & Supplies	16,023	34,323	66,000	83,600
Contract Services	23,057	44,846	85,000	81,000
Transfers/Allocations Out	11,903	9,943	27,087	23,935
Total	\$ 111,378	\$ 260,426	\$ 309,247	\$ 393,736
Revenue Sources				
General Fund	\$ 111,378	\$ 260,426	\$ 309,247	\$ 393,736
Full-Time Equivalent Employees *				1.20



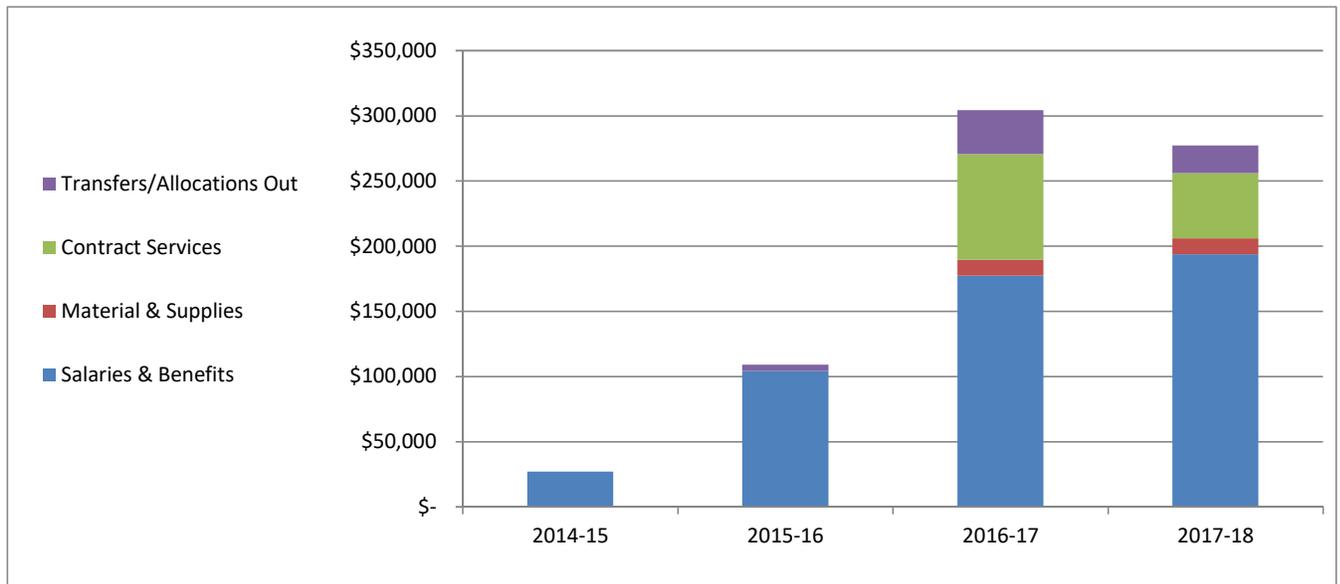
* Beginning in FY 2017-18, the City is presenting the divisions of the Administrative Services Department separately. The full time equivalent breakdown for prior years is not available.



**City of Half Moon Bay
FY 2017-18 Budget**

Information Technology (01-19)

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ -	\$ -	\$ 82,921	\$ 46,382
Material & Supplies	-	-	5,100	5,200
Contract Services	-	-	30,000	142,800
Transfers/Allocations Out	-	-	9,958	12,357
Total	\$ -	\$ -	\$ 127,979	\$ 206,740
Revenue Sources				
General Fund	\$ -	\$ -	\$ 127,979	\$ 206,740
Full-Time Equivalent Employees *				0.20



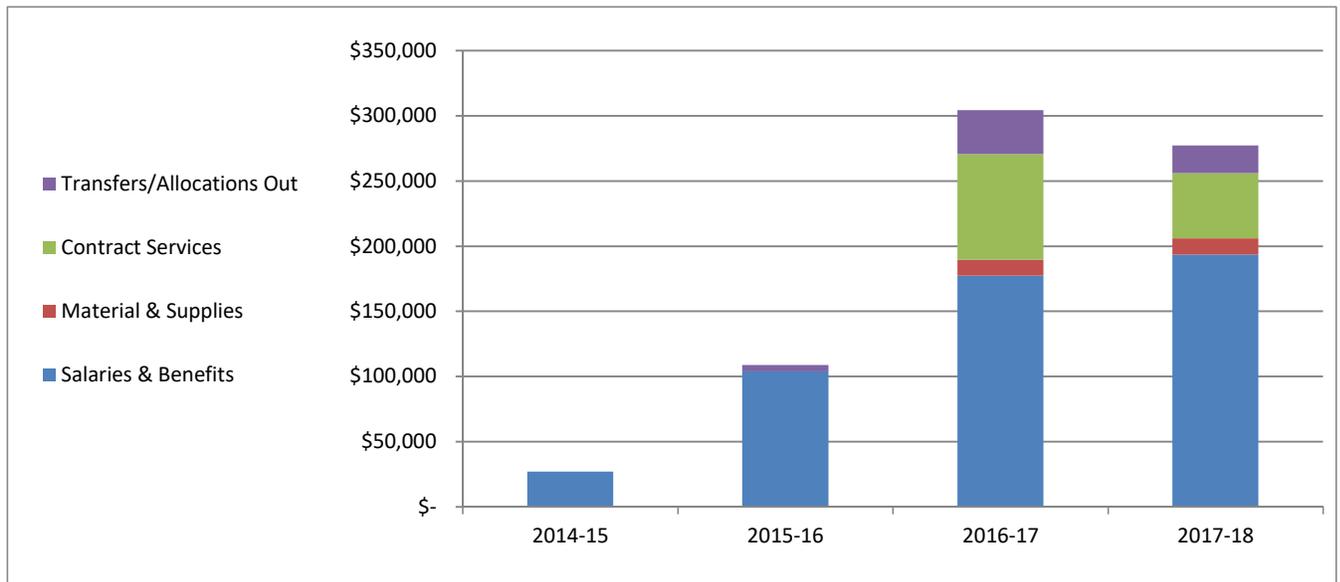
* Beginning in FY 2017-18, the City is presenting the divisions of the Administrative Services Department separately. The full time equivalent breakdown for prior years is not available.



**City of Half Moon Bay
FY 2017-18 Budget**

Emergency Services (01-42)

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ -	\$ 44,065	\$ 54,740	\$ 66,766
Material & Supplies	34	4,240	8,100	8,300
Contract Services	-	49,322	160,900	83,300
Transfers/Allocations Out	-	5,057	20,296	11,208
Total	\$ 34	\$ 102,684	\$ 244,036	\$ 169,574
Revenue Sources				
General Fund	\$ 34	\$ 102,684	\$ 244,036	\$ 169,574
Full-Time Equivalent Employees *				0.40



* Beginning in FY 2017-18, the City is presenting the divisions of the Administrative Services Department separately. The full time equivalent breakdown for prior years is not available.





CITY OF HALF MOON BAY

Finance



Finance Department



Finance

Mission

The mission of the Finance Department is to maintain accurate financial 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 of the City's organization, including: timely and accurate implementation of financial services that effectively protect and maximize the use of City resources for the good of the community, implementation and enforcement of financial policies consistent with federal, state, and local mandates, as well as industry best practices.

Service Priorities

- Undertake financial planning and oversee preparation of the annual budget.
- Manage cash assets including banking, cashiering, disbursements, and revenue management.
- Perform accounts payable, receivable, and payroll functions.
- Ensure internal controls through accountability, financial reporting, and annual audits.
- 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 executive staff.

Staffing

The Department is comprised of a Finance Director, a portion of an Administrative Assistant (0.5 FTE, shared with the Administrative Services Department), Senior Accountant, Senior Management Analyst, and two Accounting Technician positions.

Service Level Changes

The existing Senior Accountant position has been reclassified to Finance Manager for the FY 2017-2018 budget. This change will align responsibilities of existing staff with actual duties, and assist the department in strengthening the efficiency and organizational structure, while also improving the quality of service to other city departments and the public at large.

Budget Highlights / Summary of Changes

The budget now includes additional funds in salary and benefits to account for the reclass of Senior Accountant to Finance Manager.

Fiscal Year 2016-2017 Accomplishments

- Implemented the modified zero-base budget methodology and redesigned the City's Operating and Capital Budget formats.
- Received two Budget Excellence Awards from the California Society of Municipal Finance Officers and Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the FY 16-17 Operating and Capital Budget documents, representing compliance with the highest principles of excellence in financial management, state, and nationally recognized guidelines to produce informative and transparent budget documents.
- Successfully completed interim and final financial audits, prepared the City's Comprehensive Annual Financial Report (CAFR), and received a clean audit opinion and management letter from the independent auditors.
- Received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), as a result of continued improvements to internal control.
- Prepared the Budget In-Brief document, and the City's first Popular Annual Financial Report (PAFR) designed to be readily accessible and easily understandable to the general public without a background in public finance.
- Processed 103 journal entries, 1,489 vendor checks, 708 payroll checks, over 3,400 invoices, and 1,259 business license applications.
- Consolidated the City's credit card system, transitioned from Bank of America to Wells Fargo banking, developed the credit card use policy, conducted staff training, and collected acknowledgement statements from affected employees to comply with best practices standards.
- Completed a seamless transition of the City's business license administration function to HdL companies and successfully processed annual renewal.
- Implemented full-service Transient Occupancy Tax (TOT) management services program with HdL for all hotel establishments within city limits.
- Expanded the boundaries of the City's Hotel Business Improvement District to include 10 establishments in the unincorporated areas of San Mateo County.
- Completed the City's User Fee Study and update the City's Master Fee Schedules.
- Completed and filed mandated State Controller's reports and other financial reports in a timely manner.
- Conducted internal training on the City's purchasing policy and contract / purchase order procedures.
- Initiated the Sewer Rate Study, assessed data, and worked with the consultant to produce the preliminary results for future policy decisions and rate increases.
- Created an irrevocable trust with the Public Agencies Retirement Services (PARS) to plan to manage the City's unfunded pension liability obligations.
- Launched implementation of the OpenGov financial platform.

- Initiated a public hearing and ordinance revision to authorize the use of electronic signatures on City documents and allow the City's participation in leading digital transaction management programs like DocuSign.
- Prepared an RFP for consulting services, selected a project manager, and completed needs assessments for the Enterprise Resource Planning (ERP) project. Issued an RFP and received three proposals for the system solution that offer financial, HRMS and land management services, consistent with the City's needs.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

- 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).
- Complete implementation of the OpenGov financial platform to ensure transparency and accountability of financial reporting (Inclusive Governance).
- Complete implementation of DocuSign cloud software platform to allow the City to securely manage approvals of contracts, purchase orders, and other workflows that may require digital / electronic signature (Infrastructure and Environment, Fiscal Sustainability, Inclusive Governance).
- Support the City's Records Management project led by City Clerk's Department by timely scanning and uploading the FY 16-17 financial documents to Laserfiche (Fiscal Sustainability, Inclusive Governance).
- Complete bi-annual actuarial valuation study for other-post employment benefits (OPEB).
- Complete audit of the City's employee payroll and benefits records to comply with records management requirements and regulations (Fiscal Sustainability).
- Continue to train employees and consultants on the City's purchasing requirements, contract and purchase order procedures, and other financial matters.
- Continue to work with HdL to expand the full-service TOT management services program to include short-term vacation rental properties within city limits (Fiscal Sustainability).
- Begin the process to implement workflow enhancements related to:
 - A new financial management system;
 - Improvements to cash management and portfolio investments;
 - Streamlined disbursements processes;
 - Enhanced reporting; and
 - Updated financial policies and procedures (Fiscal Sustainability, Inclusive Governance).
- Select a vendor, negotiate a contract, and initiate implementation of a new Enterprise Resource Planning System (Infrastructure and Environment, Fiscal Sustainability, Inclusive Governance).

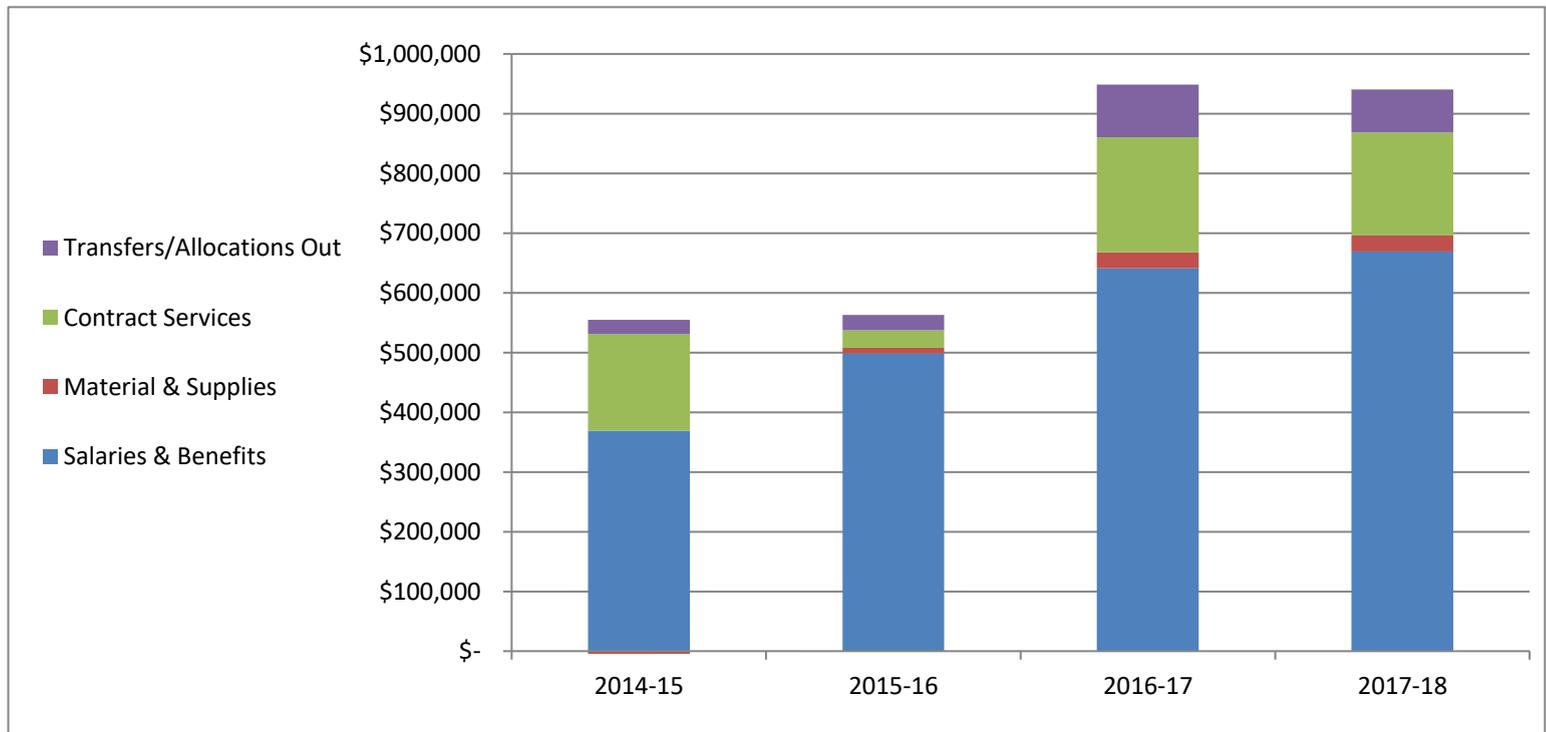


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**City of Half Moon Bay
FY 2017-18 Budget**

Finance

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 369,010	\$ 498,854	\$ 641,060	\$ 668,988
Material & Supplies	(5,826)	8,857	26,900	27,500
Contract Services	162,355	29,735	192,590	172,380
Transfers/Allocations Out	23,762	25,713	88,388	71,879
Total	\$ 549,301	\$ 563,160	\$ 948,938	\$ 940,747
Revenue Sources				
Business License Tax	\$ 251,634	\$ 263,826	\$ 295,800	\$ 301,700
General Fund	297,667	299,333	653,138	639,047
Full-Time Equivalent Employees	4.55	4.00	4.65	4.60





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CITY OF HALF MOON BAY

Risk Management



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, and ensures compliance with the City's risk management operational best practices as enforced by the Association of Bay Area Governments (ABAG) Pooled Liability Network (PLAN), 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 and any settlements resulting from claims against the City.

The City is a member of the ABAG PLAN, a public agency insurance pool sponsored by ABAG, which is comprised of 28 greater Bay Area municipalities. The Finance Director is a member of the ABAG PLAN 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. The Administrative Services Director is a member of the Cities Group Board of Directors.

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 Program is currently supported by a portion of the Finance Director and a Management Analyst. The Workers Compensation

Program is supported by a portion of the Administrative Services Director and a Management Analyst.

Service Level Changes

There are no service level changes to the Risk Management Program for FY 2017-18.

Budget Highlights / Summary of Changes

The Risk Management Program is budgeted in the Internal Service Fund and will now be allocated back to all City programs and budget units. The Program will continue to receive direct full-time equivalent allocation of 1.15 FTE in the FY 2017-18 budget.

Fiscal Year 2016-2017 Accomplishments

- Worked closely with an ABAG PLAN consultant to review the City's operational best practices scorecard, reached 79 percent compliance in Risk Management Framework, and identified risk management goals and objectives for the upcoming year.
- Completed an internal audit and organization of risk management records and developed a management system for electronic and paper records of claims, insurance certificates and memorandum of coverages, financial reports, etc.
- In partnership with the ABAG PLAN and York Risk Services, set up and maintained the City's online access to claim management software.
- Established the City's Subrogation and Liability Recovery Program and recovered nearly \$3,856 in City costs for damaged property.
- Assisted the Community Development Department with the citywide sidewalk assessment and repair project.
- Developed policy options and received the City Council's approval for the proposed citywide sidewalk active maintenance program compliant with risk management best practices and state law.
- Launched a citywide street tree assessment in preparation for development of the City's urban tree management plan and policy statement.
- 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.
- In partnership with the ABAG PLAN, the City received \$10,090 in risk management grants.
- Ensured the City's compliance with State-mandated safety trainings, and provided ongoing training opportunities for City employees in areas of ergonomics, job hazard prevention, driver safety, contract selection and risk transfer, recreation risk management, and other aspects of general liability matters, sponsored by The Cities Group and ABAG PLAN.
- Developed a Vehicle Use Policy and enrolled City employees and officials in the DMV Pull Notice Program to comply with vehicle operations best practices and state requirements.

- Worked closely with The Cities Group to ensure that injured employees receive quality care, and ensured the possession and proper enforcement of required safety policies and an Injury and Illness Prevention Program.
- Continued quarterly cross-departmental Safety Committee meetings to review hazardous conditions within City departments and implementation of action plans for safe ways to complete work duties.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

- Support the City Council's Strategic Plan 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).
- Provide citywide training for employees and supervisors on the City's Risk Management Program and workers compensation and risk management procedures (Fiscal Sustainability, Inclusive Governance, Healthy Communities and Public Safety).
- Complete a citywide street tree assessment and develop the City's urban forest management plan (Infrastructure and Environment).
- Implement new risk management and safety policies and procedures and ensure the City's compliance with risk management best practices framework and eligibility for risk management grants (Inclusive Governance, Fiscal Sustainability).
- Develop a citywide ADA Transition Plan to comply with the Americans with Disabilities Act and assure that City facilities, programs, and services are accessible to disabled citizens and employees.
- Process and handle general liability and workers compensation claims in a timely manner, so that claim expenses and legal costs can be minimized (Fiscal Sustainability).
- 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).
- Comply with OSHA standards, regulations, and requirements to prevent work-related injuries and illnesses (Healthy Communities and Public Safety).
- Develop a risk management webpage to educate and advise the public on the City's Risk Management Program and residents' responsibilities regarding sewer, facility rental, sidewalks, tree maintenance, etc. (Inclusive Governance).
- Continue to identify and reduce risks to the City (Healthy Communities and Public Safety, Fiscal Sustainability).

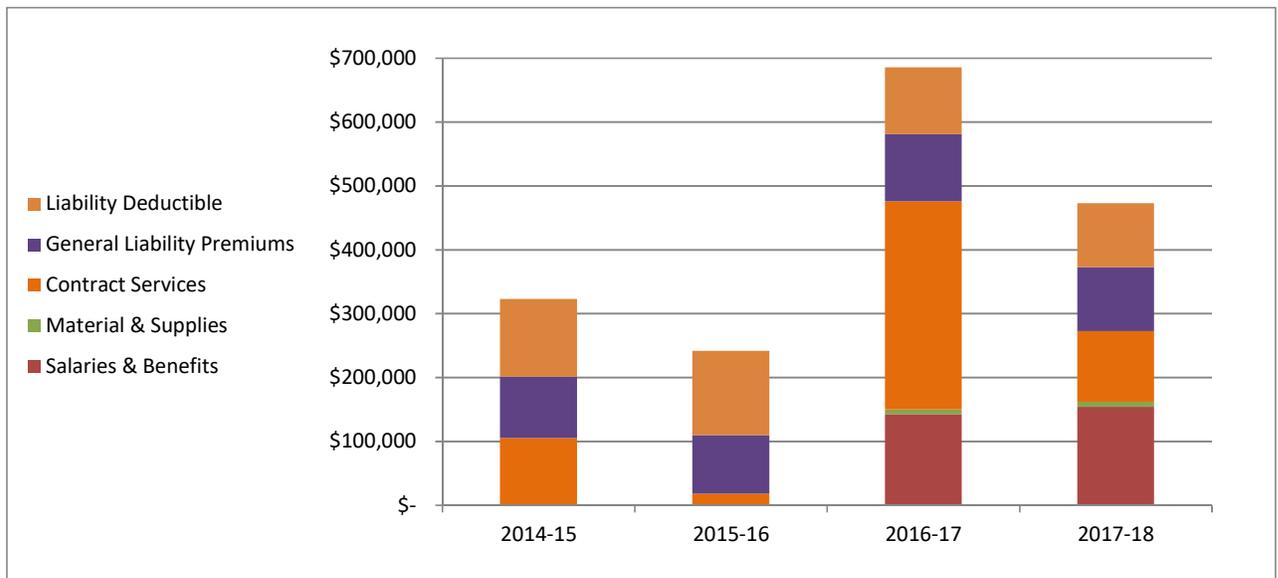




**City of Half Moon Bay
FY 2017-18 Budget**

Risk Management - General Liability

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ -	\$ -	\$ 143,030	\$ 154,469
Material & Supplies	-	-	7,500	7,700
Contract Services	105,380	18,204	325,500	110,800
General Liability Premiums	96,246	91,901	105,000	100,000
Liability Deductible	121,773	131,656	105,000	100,000
Transfers/Allocations Out	-	-	-	-
Total	\$ 323,399	\$ 241,761	\$ 686,030	\$ 472,969
Revenue Sources				
Various Funds	409,913	408,500	686,030	472,969
Full-Time Equivalent Employees	0.00	0.00	0.80	0.85



* The Risk Management- General Liability program accounts for activities related to general liability claims against the City and insurance premiums in the FY 2017-2018 Budget. The program operates on a full cost reimbursement basis from other departments.

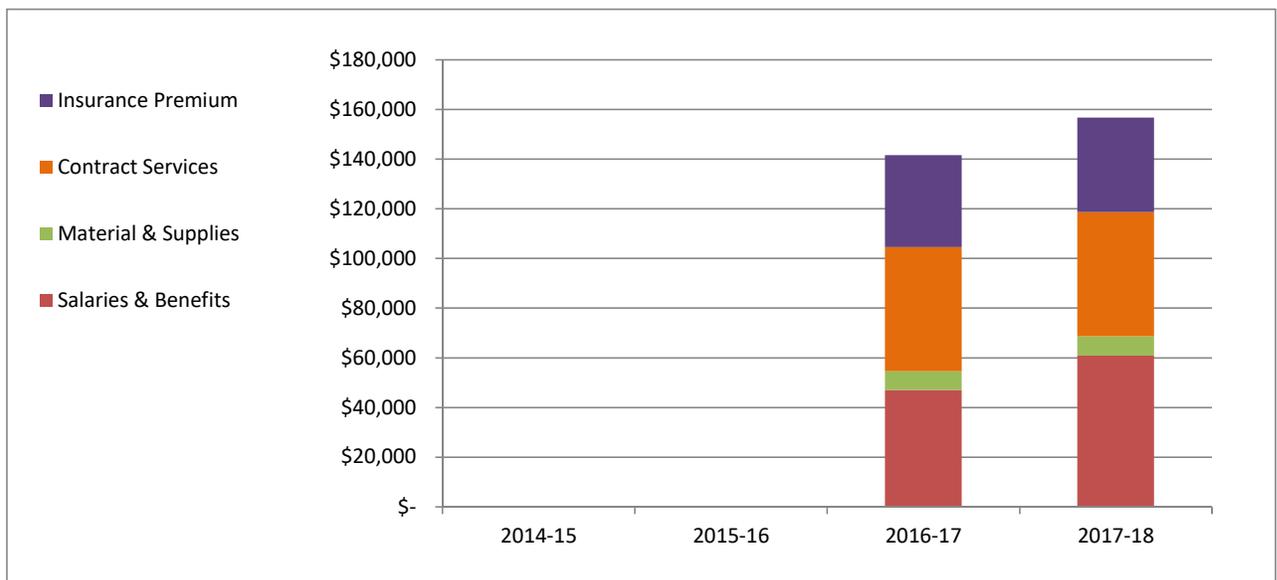


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**City of Half Moon Bay
FY 2017-18 Budget**

Risk Management - Workers' Compensation

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ -	\$ -	\$ 47,140	\$ 61,030
Material & Supplies	-	-	7,500	7,700
Contract Services	-	-	50,000	50,000
Insurance Premium	-	-	36,965	38,074
Total	\$ -	\$ -	\$ 141,605	\$ 156,804
Revenue Sources				
Various Funds	\$ -	\$ -	\$ 141,605	\$ 156,804
Full-Time Equivalent Employees	0.00	0.00	0.30	0.30



* 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.





CITY OF HALF MOON BAY

Public Safety



Public Safety



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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.

Service Level Changes

There are no service level changes to Public Safety for FY 2017-18.

Budget Highlights / Summary of Changes

The Law Enforcement budget includes a cost of living adjustment. 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.

Fiscal Year 2016-2017 Accomplishments

- Held sixth Annual Youth Summit at Cunha Middle School targeted to 8th graders.
- Provided incident command and public safety for community events:
 - Pumpkin Festival
 - Night of Lights
 - Half Moon Bay Triathlon
 - 4th of July Parade
 - Chamarita Parade
- Implemented the new deputy positions with an emphasis on downtown community policing.
- Utilized School Resource Deputies and Sheriff's Activities League (SAL) 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, a Spanish-speaking Community Academy at Our Lady of the Pillar with 35 community members graduating.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

- Continue to make community policing a priority with the implementation of the new deputy sheriff positions (Healthy Communities and Public Safety).
- Continue to work with the City regarding 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 to patrol downtown and coastal trails (Healthy Communities and Public Safety).
- Continue traffic safety by utilizing the Sheriff's Office Motorcycle Unit (Healthy Communities and Public Safety).



**City of Half Moon Bay
FY 2017-18 Budget**

Public Safety

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 52,659	\$ 35,262	\$ -	\$ -
Material & Supplies	10,187	10,768	11,700	11,900
Contract Services	2,748,618	2,783,361	3,354,698	3,370,709
Animal Control	135,249	132,771	134,381	126,204
Transfers/Allocations Out	276,463	316,494	26,386	27,177
Total	\$ 3,223,176	\$ 3,278,657	\$ 3,527,165	\$ 3,535,990
Revenue Sources				
Police Fees	\$ 167,015	\$ 172,284	\$ 176,520	\$ 138,775
¹ County Credit Reimbursements	361,951	382,951	555,822	541,121
General Fund	2,694,210	2,723,422	2,794,823	2,856,094
Full-Time Equivalent Employees	-	-	-	-

¹ The credit amount paid in FY 2017-2018 by the San Mateo County Sheriff's Office toward annual pension cost is \$541,121.

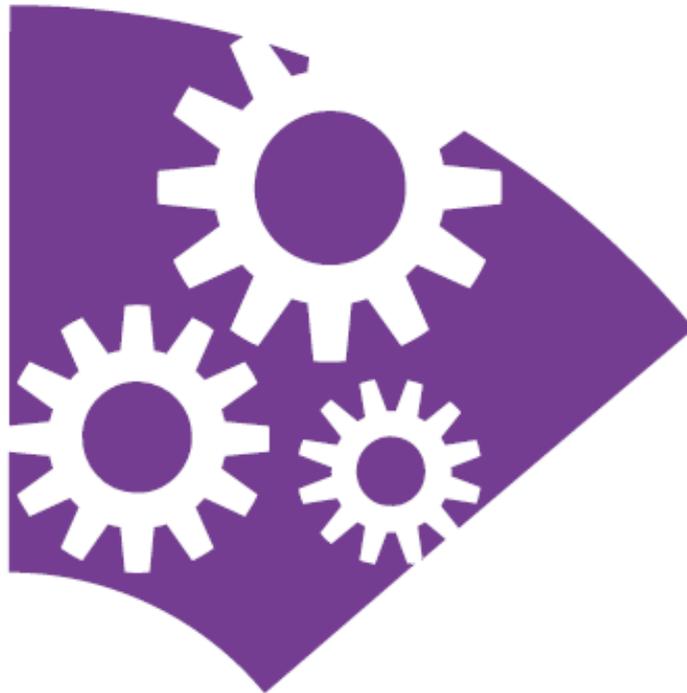






CITY OF HALF MOON BAY

Public Works



Public Works



Public Works Department

Mission

The mission of the Public Works Department is to protect public health, safety, and welfare, and enhance the community through engineering, capital projects, sustainability, solid waste, and infrastructure and facilities maintenance programs.

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 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 will also serve as liaison to the Sewer Authority Mid-Coastside (SAM) and the City Council representatives to the SAM Board of Directors.

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.
- Incorporate green infrastructure, watershed management, and habitat enhancement / protection into capital infrastructure planning and design efforts.
- Identify and implement sustainability programs as directed by the City Council.
- Maintain City compliance with CalRecycle.
- Monitor and manage the City's new 10-year solid waste franchise agreement.

Staffing

The Public Works Department consists of a Director, the City Engineer, one Public Works Superintendent, one Management Analyst, one Associate Engineer, one Assistant Engineer, one Administrative Assistant, two Maintenance Worker II positions, two Maintenance Worker I positions, one part time sewer engineer, and contract engineers for development review and capital projects.

Service Level Changes

This is a new department formed through reorganization of the former Community Development Department and merger of the Public Works-Facilities Maintenance Division from the City Manager's Office.

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.

The Department is comprised of the following divisions:

Administration

Mission

The mission of the Administration Division is to provide support to the Engineering Division, the Capital Projects Division, the Infrastructure and Facilities Maintenance Division, and the Sustainability and Solid Waste Division, and ensure each are fulfilling their respective duties to protect public health, safety, welfare, and improve the quality of life of residents and visitors alike.

Description

The Division serves as the departmental liaison to the City Manager, City Council, SAM, and the Community Development Department. 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 franchisee. The Division will collaborate with Community Development in future updates of the City's Greenhouse Gas inventory and in preparation of the Climate Action Plan. The Division is also responsible for oversight of public outreach efforts including coordination of CIP and managing Public Works information on the website. The Director serves as principal liaison to the City's representatives on SAM, with the SAM General Manager, and other staff of SAM member agencies. 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.

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 approval annually 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.

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, parks, trails, buildings and grounds, and sewage and drainage systems. The Division is also responsible for managing the Traffic Safety Committee and related traffic safety regulations.

Infrastructure and Facilities Maintenance Division

Mission

The mission of the Infrastructure and Facilities Maintenance Division is to proactively maintain and enhance City infrastructure and facilities 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, and parks, as well as City-owned and operated buildings to enhance and protect the health, safety, and welfare of residents and visitors alike.

Fiscal Year 2016-2017 Accomplishments

The Department was formed in conjunction with the FY 17-18 City Operating Budget; and therefore, has no previous accomplishments. Engineering and Capital Improvement related accomplishments can be found for FY 16-17 under the Community Development Department page.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

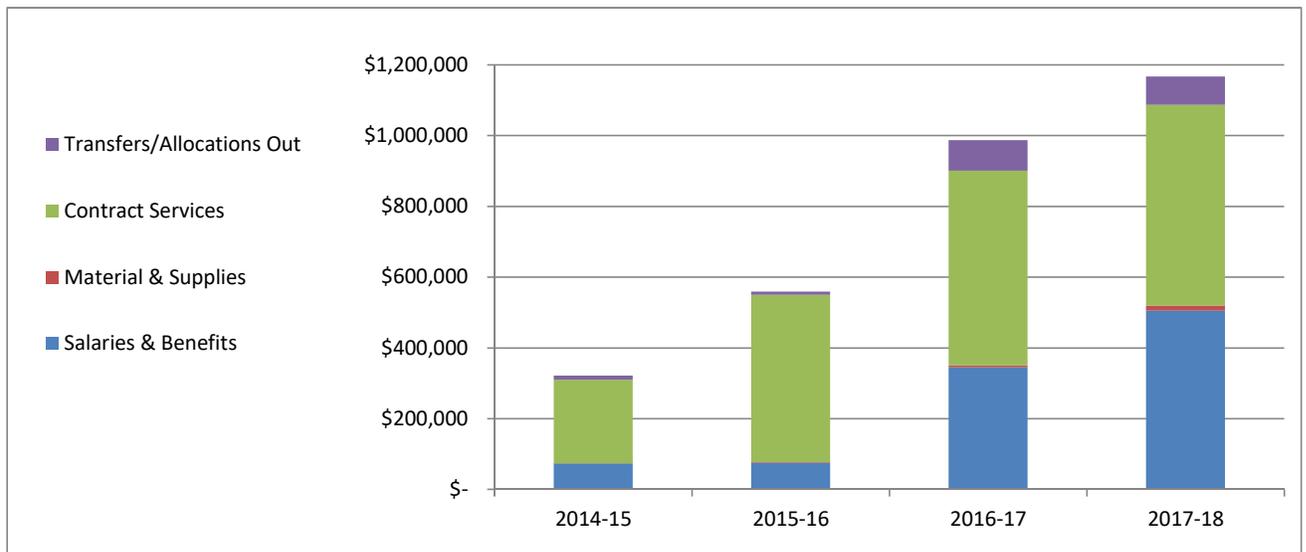
- Maintain storm water conveyance ditches annually in conformance with the State Streambed Alteration Permit (Infrastructure and Environment).
- Coordinate and collaborate with Coastside emergency preparedness efforts (Healthy Communities and Public Safety, Infrastructure and Environment).
- Collaborate on the preparation of ADA Transition Plan and prioritization of implementation (Infrastructure and Environment).
- Initiate discussions with the City Council and Main Street business / property owners on potential improvements, enhancements, and funding options for Main Street (Fiscal Sustainability, Healthy Communities and Public Safety).
- Annually 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 17-18 (Fiscal Sustainability, Healthy Communities and Public Safety, Infrastructure and Environment, Inclusive Governance).
- Develop a preventive maintenance schedule 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).
- Negotiate new solid waste franchise agreement and ensure transition to new service by December 31, 2017 (Fiscal Sustainability, Healthy Communities and Public Safety).
- Evaluate and propose sustainability programs for inclusion by the City Council in FY 18-19 (Healthy Communities and Public Safety).
- Complete pump station replacements at Pelican Point and Ocean Colony (Infrastructure and Environment).



**City of Half Moon Bay
FY 2017-18 Budget**

Public Works - Engineering

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 73,065	\$ 74,970	\$ 344,793	\$ 505,034
Material & Supplies	29	1,435	5,000	14,500
Contract Services	236,952	473,303	551,000	567,500
Transfers/Allocations Out	11,149	9,294	86,225	79,844
Total	\$ 321,195	\$ 559,002	\$ 987,018	\$ 1,166,878
Revenue Sources				
Engineering Fees	\$ 40,713	\$ 155,475	\$ 116,280	\$ 118,600
AB 939 Recycling Funding	92,515	37,970	80,000	191,945
General Fund	187,968	365,558	790,738	856,333
Full-Time Equivalent Employees	0.60	2.85	2.50	3.40

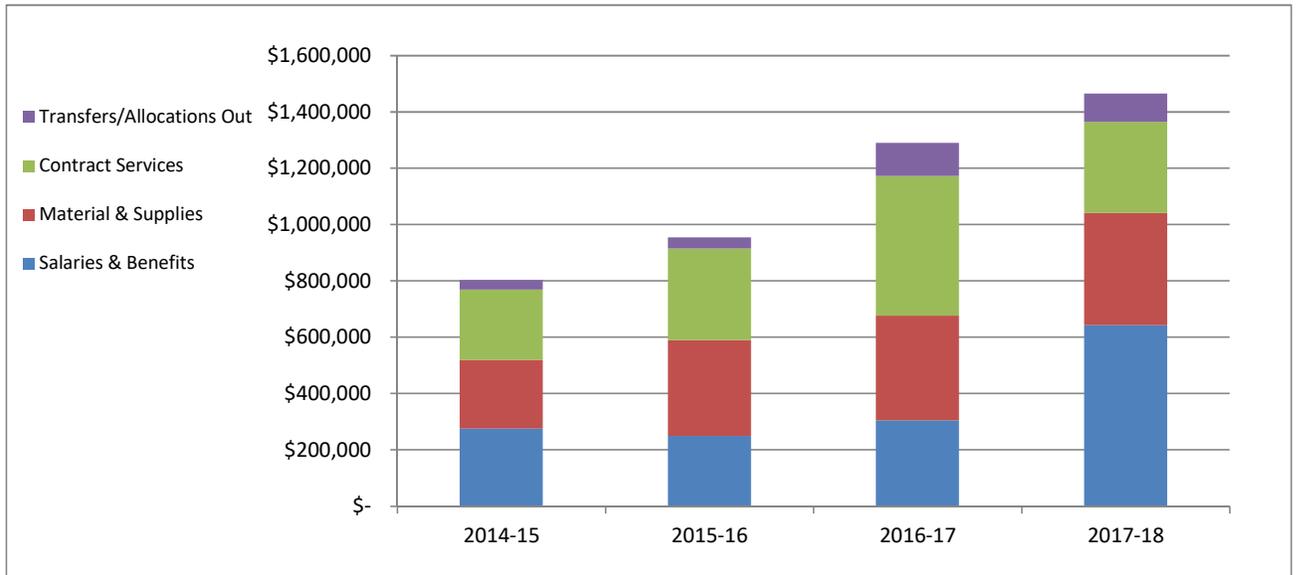




**City of Half Moon Bay
FY 2017-18 Budget**

Public Works - Facilities Maintenance

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 276,265	\$ 249,876	\$ 305,473	\$ 643,123
Material & Supplies	243,615	340,745	371,800	399,200
Contract Services	249,723	324,692	496,000	322,800
Transfers/Allocations Out	34,742	40,137	117,389	100,219
Total	\$ 804,345	\$ 955,450	\$ 1,290,663	\$ 1,465,342
Revenue Sources				
General Fund	\$ 804,345	\$ 955,450	\$ 1,290,663	\$ 1,465,342
Full-Time Equivalent Employees	3.13	2.30	3.15	5.60







CITY OF HALF MOON BAY

Community Development



Community Development Department



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Community Development Department

Mission

The mission of the Community Development Department is to protect public health, safety, and welfare, and enhance the community through long range planning, capital improvements, development entitlement review, economic development, and code enforcement programs.

Description

The Community Development Department coordinates and manages the City's development-related functions such as long-range planning, development review, entitlement and permit processing, building inspection services, housing, and code compliance / enforcement. 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 functions as the disabled access coordinator, ensuring safe and reasonable access for all citizens under the Americans with Disabilities Act (ADA) and California Title 24.

The Department provides staff support to the City Council, Planning Commission, 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).

Service Priorities

- Protect and enhance the public health, safety, and welfare of community members as well as coastal resources.
- 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 the community.

Staffing

The department consists of a Director, Planning and Development Services Manager, Administrative Assistant, Permit Technician, Contract Building Inspector, Part-Time Contract Building Official, Part-Time Contract Code Enforcement Officer, Senior Planner, Associate Planner, Contract Associate Planner, and one Part-Time Contract Planning Analyst.

Service Level Changes

The budget includes a reclass of a part time (.5 FTE) Senior Management Analyst to a full-time Senior Planner and the change of a part-time contract Principal Planner to a full-time Associate Planner.

Budget Highlights / Summary of Changes

The budget consists of personnel-related costs and contract services to cover staffing and related services. The M-Group portion of the contract services budget is less than prior years due to the transition of the Planning Manager position in-house during FY 2016-17. Additional funding is requested for biological consultant services to address identified needs.

The department consists of the following divisions:

Building Division

Mission

The mission of the Building Division is to protect public health and safety through the issuance of required building and engineering 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 provides responsive services including same-day inspections and issuance of over-the-counter permits for ministerial matters. Division staff spends 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 residents by ensuring residences, businesses, and other uses are developed and operated in accordance with the requirements of the Local Coastal Program, Zoning Ordinance, General Plan, California Environmental Quality Act (CEQA), 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-related issues 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 Public Works Department and the Bicycle and Pedestrian Advisory Committee (BPAC).

Fiscal Year 2016-2017 Accomplishments

- Supported the General Plan and Local Coastal Program Update project, including completion of all first public draft elements.
- Secured a \$1.2 million grant for the Poplar Complete Streets Project.
- Completed the assessment of Poplar Coastal Trail erosion.
- Initiated assessment of Seymour Ditch erosion and remediation options.
- Supported the Engineering and Capital Projects Division, Building Division, and Planning Division.
- Hired an in-house Planning Manager, Assistant Engineer, and Associate Engineer.
- Hired a contract traffic / transportation engineer.
- Negotiated a modified contract with CSG Consultants, Inc.
- Managed the M-Group contract for planning services.
- Completed negotiation of a one-year extension with Allied Waste / Republic Services for solid waste services.
- Prepared and released a Request for Proposals for Solid Waste Services.
- Applied for and obtained new funding for the Main Street Bridge Rehabilitation Project.
- Supported the implementation of the 2016-2017 Capital Improvement Program (CIP), including the commencement of construction on the new library, coordination of construction of the new Skate Park, and completion of the new Seymour Pedestrian Bridge.
- Received full reimbursement from the California Department of State Parks for the Pilarcitos Creek Pedestrian Bridge.
- Held annual Earth Day celebrations in conjunction with Allied Waste / Republic Services.
- Secured a new \$85,000 grant for Local Coastal Program related work.

Fiscal Year 2017-2018 Goals / Strategic Plan Elements

- Maintain the City's Small Business Resource Guide and assist with business license questions (Fiscal Sustainability, Inclusive Governance)
- Continue General Plan and Local Coastal Program Updates (Infrastructure and Environment).

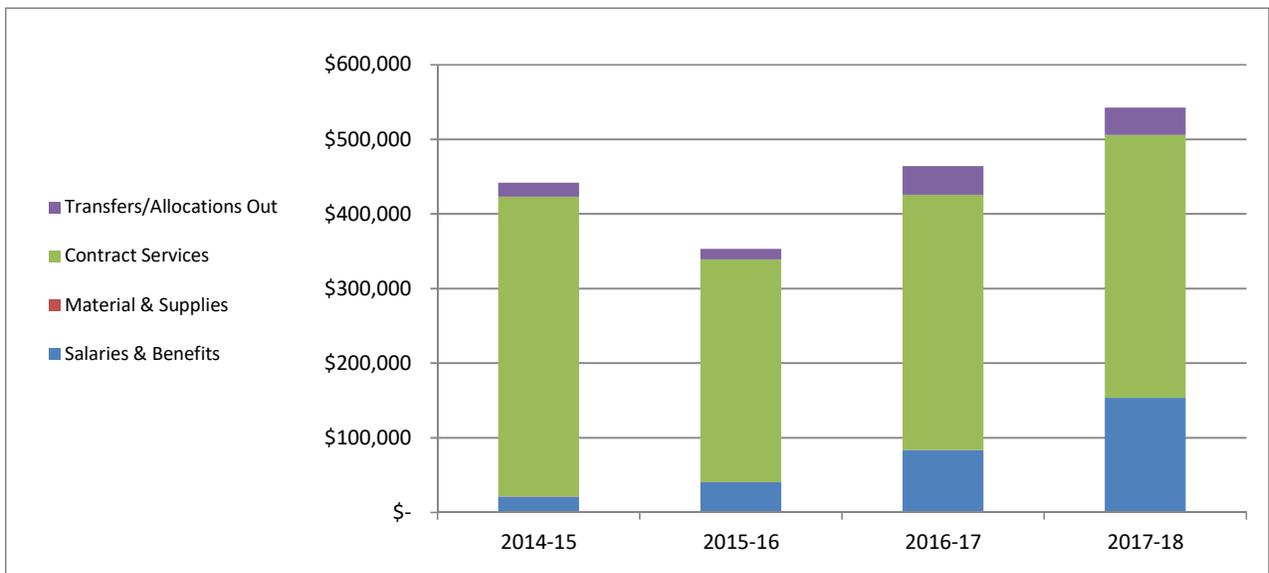
- Initiate assessment of permit software for development-related services (Inclusive Governance).
- Implement work plan, bylaws, study sessions and other procedural improvements for the Planning Commission (Inclusive Governance).
- Prepare to establish a new GIS system utilizing the new mapping data layers developed as part of the Local Coastal Land Use and General Plan updates process (Healthy Communities and Public Safety, Infrastructure and Environment).
- Assist Public Works in the annual review of the City's Five-Year CIP document and ensure Planning Commission review of the FY 2018-19 list of capital projects for General Plan consistency (Healthy Communities and Public Safety, Infrastructure and Environment).
- Implement projects included in the FY 2017-18 Capital Budget including the Parks Master Plan and Bicycle and Pedestrian Master Plan (Healthy Communities and Public Safety, Infrastructure and Environment).
- Manage the City's General Plan Update process, including the integration of "Healthy Community" concepts (Healthy Communities and Public Safety, Infrastructure and Environment).
- Establish an affordable housing oversight function to effectively implement the City's Housing Element and seek opportunities to produce new and protect existing affordable dwelling units (Healthy Communities and Public Safety, Infrastructure and Environment).



**City of Half Moon Bay
FY 2017-18 Budget**

Community Development - Building and Code Enforcement

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 21,133	\$ 40,575	\$ 83,676	\$ 153,501
Material & Supplies	220	63	-	-
Contract Services	401,889	298,505	342,200	352,500
Transfers/Allocations Out	18,660	14,294	38,152	36,545
Total	\$ 441,902	\$ 353,437	\$ 464,028	\$ 542,545
Revenue Sources				
Building Permits	\$ 320,638	\$ 295,499	\$ 380,400	\$ 668,895
General Fund	121,264	57,938	83,628	(126,350)
Full-Time Equivalent Employees	0.30	0.40	0.65	0.90

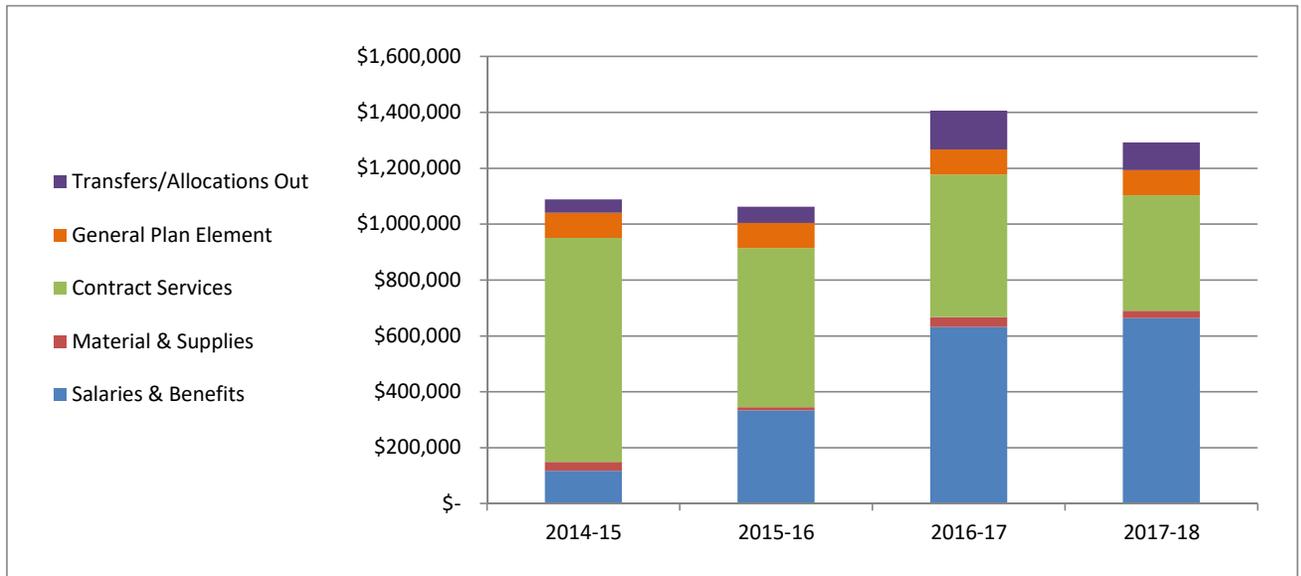




**City of Half Moon Bay
FY 2017-18 Budget**

Community Development - Planning Services

	Audited Actual 2014-15	Audited Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Expenditures				
Salaries & Benefits	\$ 116,604	\$ 332,531	\$ 630,980	\$ 662,972
Material & Supplies	32,213	11,808	35,700	26,500
Contract Services	801,783	569,222	509,900	413,227
General Plan Element	90,000	90,000	90,000	90,000
Transfers/Allocations Out	47,338	57,699	138,922	98,698
Total	\$ 1,087,938	\$ 1,061,260	\$ 1,405,502	\$ 1,291,398
Revenue Sources				
Planning/Zoning Fees + Grants	\$ 66,188	\$ 99,586	\$ 105,600	\$ 307,763
General Fund	1,021,750	961,674	1,299,902	983,635
Full-Time Equivalent Employees	1.09	2.90	4.05	4.25







CITY OF HALF MOON BAY

Special Revenue and Capital Funds





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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 legally or contractually restricted as to their use in most instances. In some cases, these funds pay for specialized services in the operating budget.



An exception is the Capital General Fund (Fund 25) that is fully funded by transfers from the General Fund (Fund 01) and these proceeds can be used for any governmental purpose or project. The Capital General Fund proceeds are unrestricted.

In most cases these funds cover Capital Improvement Program projects for infrastructure improvements and maintenance. The capital improvement projects that are funded in FY 2017-18 are detailed in a separate Five Year Capital Improvement Program budget document.

STORM DRAIN MAINTENANCE & OPERATIONS (FUND 07)

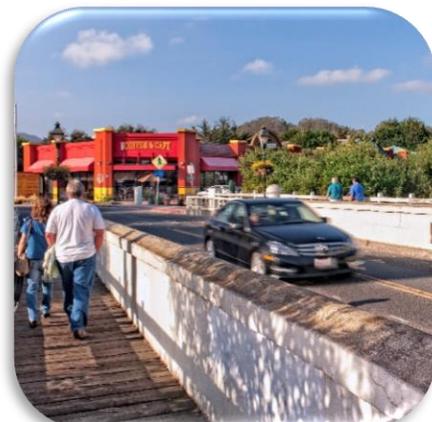
The Storm Drain Operating Fund (Fund 7) is a restricted fund that provides for the maintenance of the existing storm drain system. The storm drain system includes existing collectors, culverts, ditches, and streams. This fund is primarily supported by transfers from the General Fund.

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 funding for a project that is a large, multi-year project to construct a new bridge in downtown Half Moon Bay. Contributions to the Main Street Bridge Fund (Fund 09) come from the Gas Tax, Federal and SMCTA grants and contributions from the General Fund.



Goals and Objectives

- Ensure Main Street Bridge is constructed to meet safety standards and incorporates aesthetic and functional features that will serve the community and its visitors.
- 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 mainly for streets and road maintenance and minor improvements.

Goals and Objectives

- Maintain City streets and roads including gutters and sidewalks in accordance with the City's Pavement Management Program.
- Give priority to the safety of the public who use the City's streets, roads, and sidewalks.

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 are funded by grants and other special revenues.

Goals and Objectives

- Maximize use of Federal, State, County and local government agency grants.
- Implement programs that are defined to meet needs for improved infrastructure.



MEASURE A FUND (Fund 12)



The Measure A Fund is a restricted fund. Measure A was originally approved by the San Mateo County voters to levy a ½% 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. These funds are restricted for use in maintenance and improvement of City streets and roads.

Goals and Objectives

- Maintain City streets and roads, including gutters and sidewalks, in accordance with the City's Pavement Management Program.
- Give priority to the safety of the public who use the City's streets, roads, and sidewalks.

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 developments in Half Moon Bay. These funds are used by the City to reduce traffic congestion and provide for safety and street improvements such as signals, lighting, and signage within the City.



Goals and Objectives:

- Maximize utilization of Federal, State, County and local governmental agency grants.
- Recover costs associated with development.
- Implement programs that are defined to meet needs for improved infrastructure.

STORM DRAIN IMPROVEMENTS (Fund 14)



The Storm Drain Improvements Fund is a restricted fund. It is used to account for all proceeds from storm drain improvement fees which are assessed on new or remodeled construction and are used for drainage improvements.

Goals and Objectives

- Recover storm drain mitigating costs associated with developments.
- Maximize utilization 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. The County contributes to the annual maintenance costs of the library in recognition that it serves residents of the unincorporated Coastside area near Half Moon Bay. The City provides additional fiscal support. Maintenance is provided by Public Works staff or through contract resources.



Goals and Objectives

- Provide facilities maintenance for the library.
- Assess and meet long-term library facility needs for the library facility.

LIBRARY CAPITAL (Fund 16)



The Library Capital Fund is a restricted fund. The Library Capital Fund includes revenue, grants, and other contributions that will be used to build a new library for Half Moon Bay.

Goals and Objectives

- Provide funding for the new library for Half Moon Bay.
- Receive grant funds, funding from the County, and donations for the new library.
- Provide funding for ongoing improvements and refreshes of the 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, development and capital improvements of the City's parks and trails.

Goals and Objectives

- Assess and develop improvement plans for infrastructure needs on City park and trail projects.
- Maximize utilization of Federal, State, County, and local governmental agency grants.
- Recover park mitigation costs associated with developments.



AFFORDABLE HOUSING FUND (Fund 19)

The Affordable Housing Fund is a restricted fund. The City receives funds for Affordable Housing from new developments. These funds are used for the development of affordable housing programs in Half Moon Bay.

Goals and Objectives

- Develop a plan to institute affordable housing programs.
- Provide affordable housing programs that meet statutory requirements and the needs of the community.



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 2016-17 is the COPS grant.

Goals and Objectives

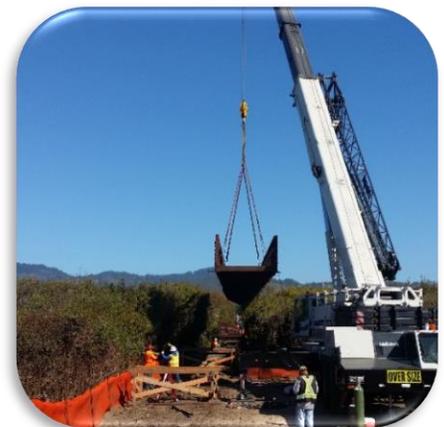
- Maximize utilization of grants from Federal, State, County, and local governmental agencies.
- Continue to seek funding from the Association of Bay Area Governments (ABAG) for training, equipment, and risk management needs.

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 fund general Capital Improvement Program projects, including construction, 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 Funds is an unrestricted fund. These funds are received from various contractual agreements that are on-time in nature and not otherwise specifically dedicated. The City plans to use this revenue for various public facility projects that are needed and as the City Council directs.

Goals and Objectives

- Implement programs that meet the need for improved infrastructure.
- Maximize utilization 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 Beechwood 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 Beechwood 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 2017-17 Budget

Goals and Objectives

- Accounts for land assets owned by the City.
- 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 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 859	\$ 567	\$ 600	\$ 600
Miscellaneous	4	-	-	-
Total Revenue	<u>\$ 864</u>	<u>\$ 567</u>	<u>\$ 600</u>	<u>\$ 600</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 54,084	\$ 66,741	\$ -	\$ -
Contract Services	29,551	18,753	49,646	51,200
Total Operation & Maintenance	<u>\$ 83,635</u>	<u>\$ 85,494</u>	<u>\$ 49,646</u>	<u>\$ 51,200</u>
Total Expenditures	<u>\$ 83,635</u>	<u>\$ 85,494</u>	<u>\$ 49,646</u>	<u>\$ 51,200</u>
Excess revenue over (under) expenditures	<u>\$ (82,772)</u>	<u>\$ (84,928)</u>	<u>\$ (49,046)</u>	<u>\$ (50,600)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 120,000	\$ 125,000	\$ 50,000	\$ 50,000
Vehicle / Equipment / Risk	(4,025)	(3,782)	-	-
Total financing sources (uses)	<u>\$ 115,975</u>	<u>\$ 121,218</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 33,203</u>	<u>\$ 36,290</u>	<u>\$ 954</u>	<u>\$ (600)</u>
Beginning Fund Balance, July 1	<u>\$ 79,962</u>	<u>\$ 113,165</u>	<u>\$ 149,456</u>	<u>\$ 150,410</u>
Ending Fund Balance, June 30	<u><u>\$ 113,165</u></u>	<u><u>\$ 149,456</u></u>	<u><u>\$ 150,410</u></u>	<u><u>\$ 149,810</u></u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 3,336	\$ 3,685	\$ 3,400	\$ 3,700
Grants	206,192	(23,567)	100,000	1,200,000
Unrealized Gain/(Loss) on Investment	12	-	-	-
Total Revenue	<u>\$ 209,540</u>	<u>\$ (19,882)</u>	<u>\$ 103,400</u>	<u>\$ 1,203,700</u>
Capital Projects				
Main Street Bridge	\$ 81,509	\$ 93,185	\$ 175,000	\$ 1,200,000
Total Capital Projects	<u>\$ 81,509</u>	<u>\$ 93,185</u>	<u>\$ 175,000</u>	<u>\$ 1,200,000</u>
Total Expenditures	<u>\$ 81,509</u>	<u>\$ 93,185</u>	<u>\$ 175,000</u>	<u>\$ 1,200,000</u>
Excess revenue over (under) expenditures	<u>\$ 128,030</u>	<u>\$ (113,067)</u>	<u>\$ (71,600)</u>	<u>\$ 3,700</u>
Other financing sources (uses)				
Transfers in/(out)				
From Gas Tax Fund (10)	\$ -	\$ -	\$ 40,000	\$ -
From Traffic in Lieu (13)	25,000	100,000	-	-
Total financing sources (uses)	<u>\$ 25,000</u>	<u>\$ 100,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 153,030</u>	<u>\$ (13,067)</u>	<u>\$ (31,600)</u>	<u>\$ 3,700</u>
Beginning Fund Balance, July 1	<u>\$ 467,311</u>	<u>\$ 620,341</u>	<u>\$ 607,275</u>	<u>\$ 575,675</u>
Ending Fund Balance, June 30	<u>\$ 620,341</u>	<u>\$ 607,275</u>	<u>\$ 575,675</u>	<u>\$ 579,375</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 1,301	\$ 2,729	\$ 2,100	\$ 2,700
Gas Tax	390,195	272,736	372,439	379,900
Total Revenue	<u>\$ 391,497</u>	<u>\$ 275,465</u>	<u>\$ 374,539</u>	<u>\$ 382,600</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 69,267	\$ 98,128	\$ -	\$ -
Material & Supplies	79,797	78,226	78,500	80,100
Contract Services	10,204	9,578	19,610	20,200
Total Operation & Maintenance	<u>\$ 159,268</u>	<u>\$ 185,932</u>	<u>\$ 98,110</u>	<u>\$ 100,300</u>
Total Expenditures	<u>\$ 159,268</u>	<u>\$ 185,932</u>	<u>\$ 98,110</u>	<u>\$ 100,300</u>
Excess revenue over (under) expenditures	<u>\$ 232,229</u>	<u>\$ 89,532</u>	<u>\$ 276,429</u>	<u>\$ 282,300</u>
Other financing sources (uses)				
Transfers in/(out)				
To General Fund (01)	\$ -	\$ -	\$ -	\$ -
To Main Street Bridge Fund (9)	(25,000)	-	-	-
To Streets & Roads Fund (11)	(225,000)	(296,252)	(326,252)	(202,302)
Vehicle / Equipment / Risk	(7,608)	(6,062)	(8,143)	(6,619)
Total financing sources (uses)	<u>\$ (257,608)</u>	<u>\$ (302,314)</u>	<u>\$ (334,395)</u>	<u>\$ (208,921)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (25,379)</u>	<u>\$ (212,782)</u>	<u>\$ (57,967)</u>	<u>\$ 73,379</u>
Beginning Fund Balance, July 1	<u>\$ 347,434</u>	<u>\$ 322,055</u>	<u>\$ 109,273</u>	<u>\$ 51,306</u>
Ending Fund Balance, June 30	<u>\$ 322,055</u>	<u>\$ 109,273</u>	<u>\$ 51,306</u>	<u>\$ 124,685</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 24,102	\$ 24,574	\$ 20,600	\$ 24,600
Grants	465,223	(247,500)	210,000	9,568,000
Measure M	80,057	78,447	75,000	75,000
Unrealized Gain/(Loss) on Investment	121	-	-	-
Other Fees	-	-	375,000	-
Miscellaneous	-	1,000	-	-
Total Revenue	<u>\$ 569,503</u>	<u>\$ (143,479)</u>	<u>\$ 680,600</u>	<u>\$ 9,667,600</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ -	\$ -	\$ 116,205	\$ 184,318
Material & Supplies	207	3,927	-	-
Contract Services	57,450	15,916	75,396	77,700
Total Operation & Maintenance	<u>\$ 57,658</u>	<u>\$ 19,843</u>	<u>\$ 191,601</u>	<u>\$ 262,018</u>
Capital Projects	\$ 1,794,993	\$ 655,285	\$ 635,000	\$ 10,885,000
Total Expenditures	<u>\$ 1,852,651</u>	<u>\$ 675,128</u>	<u>\$ 826,601</u>	<u>\$ 11,147,018</u>
Excess revenue over (under) expenditures	<u>\$ (1,283,147)</u>	<u>\$ (818,607)</u>	<u>\$ (146,001)</u>	<u>\$ (1,479,418)</u>
Other financing sources (uses)				
Transfers in				
Contribution from General Fund (01)	\$ 1,100,000	\$ 1,535,000	\$ 66,500	\$ -
From Gas Tax Fund (10)	225,000	-	240,000	390,000
From Measure A Fund (12)	220,000	-	-	-
Measure J (01)	625,000	-	20,000	(34,905)
From-Traffic Mitigation Fund (13)	445,000	-	-	-
From Park Lieu Fund (17)	150,000	-	-	-
Transfers (out)				
Vehicle/Equipment/Risk	(3,366)	(2,671)	(19,549)	(20,999)
Capital General Fund (25)	-	-	(288,600)	-
Total financing sources (uses)	<u>\$ 2,761,634</u>	<u>\$ 1,532,329</u>	<u>\$ 18,351</u>	<u>\$ 334,096</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 1,478,487</u>	<u>\$ 713,722</u>	<u>\$ (127,650)</u>	<u>\$ (1,145,323)</u>
Beginning Fund Balance, July 1	<u>\$ 2,436,581</u>	<u>\$ 3,915,068</u>	<u>\$ 4,628,790</u>	<u>\$ 4,501,140</u>
Ending Fund Balance June 30	<u>\$ 3,915,068</u>	<u>\$ 4,628,790</u>	<u>\$ 4,501,140</u>	<u>\$ 3,355,818</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 948	\$ 2,117	\$ 1,500	\$ 2,100
Measure A	254,332	248,676	263,160	268,400
Unrealized Gain/(Loss) on Investment	2	-	-	-
Total Revenue	<u>\$ 255,281</u>	<u>\$ 250,794</u>	<u>\$ 264,660</u>	<u>\$ 270,500</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 77,891	\$ 109,920	\$ 34,307	\$ 67,090
Material & Supplies	-	-	2,000	2,000
Total Operation & Maintenance	<u>\$ 77,891</u>	<u>\$ 109,920</u>	<u>\$ 36,307</u>	<u>\$ 69,090</u>
Total Expenditures	<u>\$ 77,891</u>	<u>\$ 109,920</u>	<u>\$ 36,307</u>	<u>\$ 69,090</u>
Excess revenue over (under) expenditures	<u>\$ 177,390</u>	<u>\$ 140,874</u>	<u>\$ 228,353</u>	<u>\$ 201,410</u>
Other financing sources (uses)				
Transfers in/(out)				
Vehicle/Equipment/Risk	\$ (3,915)	\$ (2,873)	\$ (4,576)	\$ (5,754)
To Streets & Roads Fund (11)	(220,000)	(220,000)	(240,000)	(200,000)
Total financing sources (uses)	<u>\$ (223,915)</u>	<u>\$ (222,873)</u>	<u>\$ (244,576)</u>	<u>\$ (205,754)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (46,525)</u>	<u>\$ (81,999)</u>	<u>\$ (16,223)</u>	<u>\$ (4,344)</u>
Beginning Fund Balance, July 1	<u>\$ 278,823</u>	<u>\$ 232,298</u>	<u>\$ 150,299</u>	<u>\$ 134,076</u>
Ending Fund Balance, June 30	<u>\$ 232,298</u>	<u>\$ 150,299</u>	<u>\$ 134,076</u>	<u>\$ 129,732</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 1,164	\$ 2,445	\$ 1,600	\$ 2,400
Traffic Mitigation Impact Fees	192,597	218,108	176,970	89,000
Unrealized Gain/(Loss) on Investment	4	-	-	-
Total Revenue	<u>\$ 193,766</u>	<u>\$ 220,553</u>	<u>\$ 178,570</u>	<u>\$ 91,400</u>
Expenditures				
Operation & Maintenance				
Contract Services	\$ 23,451	\$ 30,903	\$ 24,155	\$ 24,900
Traffic Signal Coordination	\$ -	\$ 45,730	\$ -	\$ -
Kelly/SR 1 Intersection Improvement	\$ -	\$ 612	\$ 250,000	\$ -
Total Operation & Maintenance	<u>\$ 23,451</u>	<u>\$ 77,245</u>	<u>\$ 274,155</u>	<u>\$ 24,900</u>
Total Expenditures	<u>\$ 23,451</u>	<u>\$ 77,245</u>	<u>\$ 274,155</u>	<u>\$ 24,900</u>
Excess revenue over (under) expenditures	<u>\$ 170,315</u>	<u>\$ 143,308</u>	<u>\$ (95,585)</u>	<u>\$ 66,500</u>
Other financing sources (uses)				
Contribution from Measure A	\$ -	\$ -	\$ 220,000	\$ -
Transfers Out	(445,000)	-	-	-
Total financing sources (uses)	<u>\$ (445,000)</u>	<u>\$ -</u>	<u>\$ 220,000</u>	<u>\$ -</u>
Excess Revenue and other sources over (under) expenditures and other uses	<u>\$ (274,685)</u>	<u>\$ 143,308</u>	<u>\$ 124,415</u>	<u>\$ 66,500</u>
Beginning Fund Balance, July 1	<u>\$ 512,357</u>	<u>\$ 237,672</u>	<u>\$ 380,980</u>	<u>\$ 505,395</u>
Ending Fund Balance, June 30	<u>\$ 237,672</u>	<u>\$ 380,980</u>	<u>\$ 505,395</u>	<u>\$ 571,895</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 3,380	\$ 3,604	\$ 3,300	\$ 3,600
Storm Drain Fees	7,319	5,817	7,140	20,000
Grants	23,143	-	500,000	625,000
Unrealized Gain/(Loss) on Investment	14	-	-	-
Total Revenue	<u>\$ 33,855</u>	<u>\$ 9,420</u>	<u>\$ 510,440</u>	<u>\$ 648,600</u>
Expenditures				
Capital Projects	\$ 93,385	\$ 232,643	\$ 1,010,200	\$ 850,000
Total Capital Projects	<u>\$ 93,385</u>	<u>\$ 232,643</u>	<u>\$ 1,010,200</u>	<u>\$ 850,000</u>
Salaries & Benefits	-	-	124,207	35,444
Contract Services	-	-	10,300	10,600
Total Expenditures	<u>\$ 93,385</u>	<u>\$ 232,643</u>	<u>\$ 1,144,707</u>	<u>\$ 896,044</u>
Excess revenue over (under) expenditures	<u>\$ (59,529)</u>	<u>\$ (223,222)</u>	<u>\$ (634,267)</u>	<u>\$ (247,444)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 109,400	\$ 200,000	\$ 462,700	\$ 535,000
Vehicle/Equipment/Risk	-	-	(14,515)	(3,161)
Total financing sources (uses)	<u>\$ 109,400</u>	<u>\$ 200,000</u>	<u>\$ 448,185</u>	<u>\$ 531,839</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 49,871</u>	<u>\$ (23,222)</u>	<u>\$ (186,082)</u>	<u>\$ 284,395</u>
Beginning Fund Balance, July 1	<u>\$ 528,783</u>	<u>\$ 578,654</u>	<u>\$ 555,431</u>	<u>\$ 369,349</u>
Ending Fund Balance, June 30	<u>\$ 578,654</u>	<u>\$ 555,431</u>	<u>\$ 369,349</u>	<u>\$ 653,744</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 522	\$ 669	\$ 600	\$ 700
County Contribution	40,758	41,980	-	-
Unrealized Gain/(Loss) on Investment	2	-	-	-
Miscellaneous	-	99	-	-
Total Revenue	<u>\$ 41,282</u>	<u>\$ 42,748</u>	<u>\$ 600</u>	<u>\$ 700</u>
Expenditures				
Operation & Maintenance				
Material & Supplies	\$ 34,884	\$ 37,350	\$ 35,800	\$ 36,600
Contract Services	1,401	6,419	5,200	5,400
Total Operation & Maintenance	<u>\$ 36,284</u>	<u>\$ 43,769</u>	<u>\$ 41,000</u>	<u>\$ 42,000</u>
Total Expenditures	<u>\$ 36,284</u>	<u>\$ 43,769</u>	<u>\$ 41,000</u>	<u>\$ 42,000</u>
Excess of revenue over (under) expenditures	<u>\$ 4,998</u>	<u>\$ (1,021)</u>	<u>\$ (40,400)</u>	<u>\$ (41,300)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Contribution from General Fund-Measur	-	-	-	-
Total financing sources (uses)	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 14,998</u>	<u>\$ 8,979</u>	<u>\$ (30,400)</u>	<u>\$ (31,300)</u>
Beginning Fund Balance, July 1	<u>\$ 102,137</u>	<u>\$ 117,135</u>	<u>\$ 126,114</u>	<u>\$ 95,714</u>
Ending Fund Balance, June 30	<u>\$ 117,135</u>	<u>\$ 126,114</u>	<u>\$ 95,714</u>	<u>\$ 64,414</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ -	\$ 32,242	\$ 22,000	\$ 32,200
Grants	-	6,000,000	3,381,900	4,158,755
Loans	-	-	3,000,000	2,926,855
Total Revenue	<u>\$ -</u>	<u>\$ 6,032,242</u>	<u>\$ 6,403,900</u>	<u>\$ 7,117,810</u>
Expenditures				
Operation & Maintenance				
Material & Supplies	\$ -	\$ 101	\$ -	\$ -
Contract Services	-	2,226	22,000	22,700
Total Operation & Maintenance	<u>\$ -</u>	<u>\$ 2,327</u>	<u>\$ 22,000</u>	<u>\$ 22,700</u>
Capital Project				
Mac Dutra Restroom Roof	\$ 36,671	\$ -	\$ -	\$ -
Library	-	1,479,399	11,676,900	11,529,310
Total Capital Projects	<u>\$ 36,671</u>	<u>\$ 1,479,399</u>	<u>\$ 11,676,900</u>	<u>\$ 11,529,310</u>
Total Expenditures	<u>\$ 36,671</u>	<u>\$ 1,481,726</u>	<u>\$ 11,698,900</u>	<u>\$ 11,552,010</u>
Excess of revenue over (under) expenditures	<u>\$ (36,671)</u>	<u>\$ 4,550,515</u>	<u>\$ (5,295,000)</u>	<u>\$ (4,434,200)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 3,667,000	\$ 2,333,000	\$ -	\$ -
Total financing sources (uses)	<u>\$ 3,667,000</u>	<u>\$ 2,333,000</u>	<u>\$ -</u>	<u>\$ -</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 3,630,329</u>	<u>\$ 6,883,515</u>	<u>\$ (5,295,000)</u>	<u>\$ (4,434,200)</u>
Beginning Fund Balance, July 1	<u>\$ -</u>	<u>\$ 3,630,329</u>	<u>\$ 10,513,844</u>	<u>\$ 5,218,844</u>
Ending Fund Balance, June 30	<u>\$ 3,630,329</u>	<u>\$ 10,513,844</u>	<u>\$ 5,218,844</u>	<u>\$ 784,644</u>

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

	Actual 2014-15	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Revenue				
Interest	\$ 4,305	\$ 790	\$ 2,500	\$ 800
Park Impact & Developers' Fees	104,780	106,014	377,200	238,000
Grants	104,169	1,293,157	-	-
Unrealized Gain/(Loss) on Investment	32	-	-	-
Miscellaneous	116,060	10,000	-	-
Total Revenue	<u>\$ 329,346</u>	<u>\$ 1,409,961</u>	<u>\$ 379,700</u>	<u>\$ 238,800</u>
Expenditures				
Capital Projects:	\$ 698,013	\$ 1,601,905	\$ 1,132,000	\$ 870,000
Total Capital Projects	<u>\$ 698,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Salaries & Benefits	-	-	25,109	24,809
Contract Services	-	-	-	-
Total Expenditures	<u>\$ 698,013</u>	<u>\$ 1,601,905</u>	<u>\$ 1,157,109</u>	<u>\$ 894,809</u>
Excess revenue over (under) expenditures	<u>\$ (368,666)</u>	<u>\$ (191,944)</u>	<u>\$ (777,409)</u>	<u>\$ (656,009)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 523,000	\$ (45,000)	\$ 212,890	\$ 425,000
Measure J	170,000	90,000	670,000	116,324
Transfer to other fund	-	-	-	(95,000)
Vehicle/Equipment/Risk	-	-	(781)	(616)
Fund 11-Streets and Roads	(150,000)	-	-	-
Total financing sources (uses)	<u>\$ 543,000</u>	<u>\$ 45,000</u>	<u>\$ 882,109</u>	<u>\$ 445,708</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 174,334</u>	<u>\$ (146,944)</u>	<u>\$ 104,700</u>	<u>\$ (210,302)</u>
Beginning Fund Balance, July 1	<u>\$ 379,321</u>	<u>\$ 553,655</u>	<u>\$ 406,711</u>	<u>\$ 511,411</u>
Ending Fund Balance, June 30	<u>\$ 553,655</u>	<u>\$ 406,711</u>	<u>\$ 511,411</u>	<u>\$ 301,109</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Development Fee	\$ 327,264	\$ 392,717	\$ 350,000	\$ -
Interest	7,333	11,146	8,300	11,100
Unrealized Gain/(Loss) on Investment	30	-	-	-
Total Revenue	<u>\$ 334,627</u>	<u>\$ 403,862</u>	<u>\$ 358,300</u>	<u>\$ 11,100</u>
Expenditures				
Salaries & Benefits	\$ -	\$ -	\$ -	\$ 16,682
Contract Services	-	-	60,000	135,000
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 151,682</u>
Excess of revenue over (under) expenditures	<u>\$ 334,627</u>	<u>\$ 403,862</u>	<u>\$ 298,300</u>	<u>\$ (140,582)</u>
Beginning Fund Balance, July 1	<u>\$ 1,057,256</u>	<u>\$ 1,391,883</u>	<u>\$ 1,795,746</u>	<u>\$ 2,094,046</u>
Ending Fund Balance, June 30	<u>\$ 1,391,883</u>	<u>\$ 1,795,746</u>	<u>\$ 2,094,046</u>	<u>\$ 1,953,464</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 1,080	\$ 1,692	\$ 1,300	\$ 1,700
COPS Grants - State Grants	104,306	125,052	100,000	102,000
Unrealized Gain/(Loss) on Investment	-	225	-	-
Total Revenue	<u>\$ 105,390</u>	<u>\$ 126,969</u>	<u>\$ 101,300</u>	<u>\$ 103,700</u>
Expenditures				
COPS Program - State Grants:				
SMC - SLESF Technology	\$ 32,273	\$ 15,373	\$ -	\$ -
Material & Supplies	315	-	-	-
Contract Services	900	132,935	100,000	103,000
Total Expenditures	<u>\$ 33,488</u>	<u>\$ 148,308</u>	<u>\$ 100,000</u>	<u>\$ 103,000</u>
Excess of revenue over (under) expenditures	<u>\$ 71,903</u>	<u>\$ (21,339)</u>	<u>\$ 1,300</u>	<u>\$ 700</u>
Beginning Fund Balance, July 1	<u>\$ 143,065</u>	<u>\$ 214,968</u>	<u>\$ 193,628</u>	<u>\$ 194,928</u>
Ending Fund Balance, June 30	<u><u>\$ 214,968</u></u>	<u><u>\$ 193,628</u></u>	<u><u>\$ 194,928</u></u>	<u><u>\$ 195,628</u></u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Grants	\$ -	\$ -	\$ 45,000	\$ 1,132,436
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 1,132,436</u>
Expenditures				
Capital Projects	\$ -	\$ -	\$ 1,854,485	\$ 1,929,647
Total Capital Projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,854,485</u>	<u>\$ 1,929,647</u>
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,854,485</u>	<u>\$ 1,929,647</u>
Excess revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,809,485)</u>	<u>\$ (797,211)</u>
Other financing sources (uses)				
Transfers In	\$ -	\$ -	\$ 2,148,403	\$ 768,000
Transfers Out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (34,905)</u>
Total financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,148,403</u>	<u>\$ 733,095</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,918</u>	<u>\$ (64,116)</u>
Beginning Fund Balance, July 1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,918</u>
Ending Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 338,918</u></u>	<u><u>\$ 274,802</u></u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 6,717	\$ 3,540	\$ 2,800	\$ 3,500
Park Impact & Developers' Fees	525	630	-	-
Grants	500,000	108,300	-	-
Unrealized Gain/(Loss) on Investment	27	-	-	-
Miscellaneous	5,371	-	-	-
Total Revenue	<u>\$ 512,640</u>	<u>\$ 112,470</u>	<u>\$ 2,800</u>	<u>\$ 3,500</u>
Expenditures				
Capital Projects	\$ 88,887	\$ 325,693	\$ 429,500	\$ 755,000
Salaries & Benefits	-	-	25,109	-
Contract Services	3,457	250	25,100	25,900
Total Capital Projects	<u>\$ 92,344</u>	<u>\$ 325,943</u>	<u>\$ 479,709</u>	<u>\$ 780,900</u>
Contract Services	\$ -	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 92,344</u>	<u>\$ 325,943</u>	<u>\$ 479,709</u>	<u>\$ 780,900</u>
Excess revenue over (under) expenditures	<u>\$ 420,295</u>	<u>\$ (213,474)</u>	<u>\$ (476,909)</u>	<u>\$ (777,400)</u>
Other financing sources (uses)				
Operating transfers in	\$ 317,000	\$ 428,500	\$ 219,500	\$ 755,000
Operating transfers out	\$ (667,000)	\$ -	\$ (300,781)	\$ (150,000)
Total financing sources (uses)	<u>\$ (350,000)</u>	<u>\$ 428,500</u>	<u>\$ (81,281)</u>	<u>\$ 605,000</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 70,295</u>	<u>\$ 215,026</u>	<u>\$ (558,190)</u>	<u>\$ (172,400)</u>
Beginning Fund Balance, July 1	<u>\$ 467,896</u>	<u>\$ 538,191</u>	<u>\$ 753,218</u>	<u>\$ 195,027</u>
Ending Fund Balance, June 30	<u>\$ 538,191</u>	<u>\$ 753,218</u>	<u>\$ 195,027</u>	<u>\$ 22,627</u>

**City of Half Moon Bay
Land Assets Fund (79)
Statement of Revenue, Expenditures and Changes in Fund Balance**

	Actual 2014-15	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Revenue				
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures				
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Excess revenue over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses)				
Transfers in/(out)				
Transfers In	\$ 26,823,920	\$ -	\$ -	\$ -
Total financing sources (uses)	\$ 26,823,920			
Excess revenue and other sources over (under) expenditures and other uses	\$ 26,823,920	\$ -	\$ -	\$ -
Beginning Fund Balance, July 1	\$ -	\$ 26,823,920	\$ 26,823,920	\$ 26,823,920
Ending Fund Balance, June 30	<u>\$ 26,823,920</u>	<u>\$ 26,823,920</u>	<u>\$ 26,823,920</u>	<u>\$ 26,823,920</u>

Note 1: Land Fund 79 created as part of Amended FY 2014-15 Budget and includes transfer of the land assets from funds 77 and 78 for the full value of the Beechwood land of \$17,906,420

Note 2: Assessed value of Glenree property is transferred from General Fund



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CITY OF HALF MOON BAY

Debt Service Funds





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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 are 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 range 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 and an agreement with the Bond Trustee to retire the Judgment Obligation Bonds early (the 2009A Bonds were retired on 8/1/2014 and the 2009B Bonds will be retired on 8/1/2019).

The retirement of the 2009A Series Bonds during the 2014-15 fiscal year resulted in a reduction in



debt service expenses in the General Fund of over \$425,000 per year. The balance of the Judgment Obligation Bond expenses in the General Fund will end August 1, 2019.



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

The computations shown above 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 for the 2017-18 fiscal year is \$102,496,582 based on a total assessed valuation of \$2,733,242,180. As of June 30, 2017, the City's applicable long-term debt balance of \$10,915,000 is approximately 10.6% of the legal debt limit.



City of Half Moon Bay
Debt Service Fund - Judgment Obligation Bond - Series A (77)
Statement of Revenue, Expenditures and Changes in Fund Balance

	Actual 2014-15	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Revenue				
Interest	\$ 690	\$ -	\$ -	\$ -
Investment Income/(Loss)	980	-	-	-
Misc Revenue - Insurance Proceeds <i>Note 1</i>	-	-	-	-
Sale of Bonds	-	-	-	-
Total Revenue	<u>\$ 1,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Debt Service				
Principal and Interest	\$ 4,655,000	\$ -	\$ -	\$ -
Debt Service- Interest	109,533	-	-	-
To Fiscal Agent	6,000	-	-	-
Total Expenditures	<u>\$ 4,770,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess revenue over (under) expenditures	<u>\$ (4,768,863)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 1,656,210	\$ -	\$ -	\$ -
Trsfr from from Judgement Obligation Bon	\$ -	\$ -	\$ -	\$ -
Trsfr to Land Asset Fund 79	(5,232,651)	-	-	-
Total financing sources (uses)	<u>\$ (3,576,441)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (8,345,304)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Beginning Fund Balance, July 1	<u>\$ 8,339,859</u>	<u>\$ (5,445)</u>	<u>\$ -</u>	<u>\$ (5,445)</u>
Ending Fund Balance, June 30	<u><u>\$ (5,445)</u></u>	<u><u>\$ (5,445)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,445)</u></u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 252,231	\$ 252,785	\$ 504,200	\$ 252,800
Federal Interest Subsidy	-	-	-	-
Investment Income/(Loss)	438,419	403,800	2,000	2,000
Misc Revenue-Insurance Proceeds <i>Note 1</i>	-	-	-	-
Sale of Bonds	-	-	-	-
Total Revenue	<u>\$ 690,650</u>	<u>\$ 656,585</u>	<u>\$ 506,200</u>	<u>\$ 254,800</u>
Expenditures				
Debt Service- Interest	\$ 937,704	\$ 937,704	\$ 937,704	\$ 937,704
Sinking Fund	-	-	-	-
Judgment Settlement	-	-	-	-
To Fiscal Agent	-	-	2,825	2,900
Total Expenditures	<u>\$ 937,704</u>	<u>\$ 937,704</u>	<u>\$ 940,529</u>	<u>\$ 940,604</u>
Excess revenue over (under) expenditures	<u>\$ (247,054)</u>	<u>\$ (281,119)</u>	<u>\$ (434,329)</u>	<u>\$ (685,804)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 583,231	\$ 690,198	\$ 690,198	\$ 690,198
Transfer out - Fund 77	(769,232)	-	-	-
Trsfr to Land Asset Fund 79	(12,673,769)	-	-	-
Total financing sources (uses)	<u>\$ (12,859,770)</u>	<u>\$ 690,198</u>	<u>\$ 690,198</u>	<u>\$ 690,198</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (13,106,824)</u>	<u>\$ 409,079</u>	<u>\$ 255,869</u>	<u>\$ 4,394</u>
Beginning Fund Balance, July 1	<u>\$ 23,934,869</u>	<u>\$ 10,828,045</u>	<u>\$ 11,237,124</u>	<u>\$ 11,492,993</u>
Ending Fund Balance, June 30	<u>\$ 10,828,045</u>	<u>\$ 11,237,124</u>	<u>\$ 11,492,993</u>	<u>\$ 11,497,387</u>

Note 1: Insurance proceeds totaling \$13.15 million were received in the Insurance Company of the West matter. This amount was prorated between the Series A (Fund 77) and Series B (Fund 78) funds.

Note 2: Fund Balance includes the Cabrillo Highway property land.

See Debt Service Schedule for payment schedule.



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 liability claims against the City. The risk management program goal is to reduce insurance-related costs whenever possible, maintain appropriate levels of coverage, and build contingent loss reserves.

The City is a member of the ABAG PLAN Liability Risk Management Pool sponsored by the Association of Bay Area Governments (ABAG). 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.

In FY 2016-17, this fund was expanded to account for premiums and staff costs associated with managing the City's workers' compensation liability. The allocation methodology for this fund passes on all risk management expenses to the funds and departments that incur the liabilities. The fund will maintain a reserve balance to mitigate potential future claims.

Goals

- 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 driven by market factors and actuarial changes. 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 current and future pension cost and contribution rates.



Goals

- Build reserves that can be used to mitigate 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 2014-15	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Revenue				
Service Charges	\$ -	\$ -	\$ -	\$ -
Interest	3,518	3,961	3,500	4,000
Unrealized Gain/(Loss) on Investment	15	-	-	-
Capital Development Impact Fees	1,130	839	449	-
Total Revenue	<u>\$ 4,663</u>	<u>\$ 4,800</u>	<u>\$ 3,949</u>	<u>\$ 4,000</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 14,341	\$ 16,181	\$ 15,239	\$ -
Material & Supplies	19,835	28,412	18,400	43,800
Contract Services	-	-	-	-
Depreciation	21,761	25,424	26,900	28,600
Total Operation & Maintenance	<u>\$ 55,937</u>	<u>\$ 70,018</u>	<u>\$ 60,539</u>	<u>\$ 72,400</u>
Capital Purchases				
PW - Public Works Vehicles Capitalization	\$ (1)	\$ 80,902	\$ -	\$ -
Total Capital Purchases	<u>\$ (1)</u>	<u>\$ 2,337</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 55,937</u>	<u>\$ 72,355</u>	<u>\$ 60,539</u>	<u>\$ 72,400</u>
Excess revenue over (under) expenditures	<u>\$ (51,274)</u>	<u>\$ (67,555)</u>	<u>\$ (56,590)</u>	<u>\$ (68,400)</u>
Other financing sources (uses)				
Transfers in/(out)				
To Risk Management Fund (63)	\$ -	\$ -	\$ (521)	\$ -
Total financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (521)</u>	<u>\$ -</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (51,274)</u>	<u>\$ (67,555)</u>	<u>\$ (57,111)</u>	<u>\$ (68,400)</u>
Beginning Net Assets, July 1	<u>\$ 798,875</u>	<u>\$ 747,601</u>	<u>\$ 680,046</u>	<u>\$ 622,935</u>
Ending Net Assets, June 30	<u>\$ 747,601</u>	<u>\$ 680,046</u>	<u>\$ 622,935</u>	<u>\$ 554,535</u>

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

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Service Charges	\$ -	\$ -	\$ -	\$ -
Interest	4,246	2,959	3,700	3,000
Miscellaneous	20	-	-	-
Total Revenue	<u>\$ 4,266</u>	<u>\$ 2,959</u>	<u>\$ 3,700</u>	<u>\$ 3,000</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 62,821	\$ 70,854	\$ -	\$ -
Material & Supplies	90,439	94,931	107,100	110,100
Depreciation	52,460	40,809	49,837	40,000
Total Operation & Maintenance	<u>\$ 205,719</u>	<u>\$ 206,594</u>	<u>\$ 156,937</u>	<u>\$ 150,100</u>
Capital Purchases				
Computer Hardware & Software	\$ 34,079	\$ 18,106	\$ -	\$ -
GIS Map Update	-	26,750	-	-
Translation Equip	(19,631)	293	-	-
New Accounting System	-	2,580	-	-
City Hall Annex	-	-	50,000	-
City Website Redesign	-	200	-	-
Total Capital Purchases	<u>\$ 14,448</u>	<u>\$ 47,929</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 220,167</u>	<u>\$ 254,523</u>	<u>\$ 206,937</u>	<u>\$ 150,100</u>
Excess revenue over (under) expenditures	<u>\$ (215,901)</u>	<u>\$ (251,564)</u>	<u>\$ (203,237)</u>	<u>\$ (147,100)</u>
Other financing sources (uses)				
Transfers in/(out)	\$ 415,000	\$ 560,000	\$ (296,063)	\$ 197,100
Total financing sources (uses)	<u>\$ 415,000</u>	<u>\$ 560,000</u>	<u>\$ (296,063)</u>	<u>\$ 197,100</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 199,099</u>	<u>\$ 308,436</u>	<u>\$ (499,300)</u>	<u>\$ 50,000</u>
Beginning Net Assets, July 1	<u>\$ 632,264</u>	<u>\$ 831,363</u>	<u>\$ 1,139,799</u>	<u>\$ 640,499</u>
Ending Net Assets, June 30	<u>\$ 831,363</u>	<u>\$ 1,139,799</u>	<u>\$ 640,499</u>	<u>\$ 690,499</u>

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

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Service Charges	\$ -	\$ -	\$ -	\$ -
Interest	9,871	11,111	9,500	11,100
Grants	-	22,954	-	-
Miscellaneous	41	-	-	-
Total Revenue	<u>\$ 9,912</u>	<u>\$ 34,064</u>	<u>\$ 9,500</u>	<u>\$ 11,100</u>
Expenditures				
Operation & Maintenance				
ABAG Plan Risk Management Pool				
Salaries & Benefits	\$ -	\$ -	\$ 190,169	\$ 215,499
General Liability Premiums	96,246	91,901	105,000	100,000
Insurance Premium	-	-	36,965	38,074
Liability Deductible	121,773	131,656	105,000	100,000
Material & Supplies	-	-	15,000	15,400
Contract Services	105,380	18,204	375,500	160,800
Total Operation & Maintenance	<u>\$ 323,398</u>	<u>\$ 241,761</u>	<u>\$ 827,634</u>	<u>\$ 629,773</u>
Total Expenditures	<u>\$ 323,398</u>	<u>\$ 241,761</u>	<u>\$ 827,634</u>	<u>\$ 629,773</u>
Excess revenue over (under) expenditures	<u>\$ (313,486)</u>	<u>\$ (207,696)</u>	<u>\$ (818,134)</u>	<u>\$ (618,673)</u>
Other financing sources (uses)				
Transfers in	\$ 400,000	\$ 400,000	\$ 827,634	\$ 629,773
Total financing sources (uses)	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 827,634</u>	<u>\$ 629,773</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 86,514</u>	<u>\$ 192,304</u>	<u>\$ 9,500</u>	<u>\$ 11,100</u>
Beginning Net Assets, July 1	<u>\$ 1,252,166</u>	<u>\$ 1,338,680</u>	<u>\$ 1,530,984</u>	<u>\$ 1,540,484</u>
Ending Net Assets, June 30	<u>\$ 1,338,680</u>	<u>\$ 1,530,984</u>	<u>\$ 1,540,484</u>	<u>\$ 1,551,584</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.

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

	Actual 2014-15	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Revenues	\$ 6,075	\$ 4,887	\$ 4,200	\$ 4,900
Total Revenues	<u>\$ 6,075</u>	<u>\$ 4,887</u>	<u>\$ 4,200</u>	<u>\$ 4,900</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits				
Public Employees Retirement	\$ 190,343	\$ 328,408	\$ 409,947	\$ 509,674
Total Operation & Maintenance	<u>\$ 190,343</u>	<u>\$ 328,408</u>	<u>\$ 409,947</u>	<u>\$ 509,674</u>
Total Expenditures	<u>\$ 190,343</u>	<u>\$ 328,408</u>	<u>\$ 409,947</u>	<u>\$ 509,674</u>
Excess revenue over (under) expenditures	<u>\$ (184,268)</u>	<u>\$ (323,521)</u>	<u>\$ (405,747)</u>	<u>\$ (504,774)</u>
Other financing sources (uses)				
Transfers in/(out)				
Contribution from General Fund	\$ 166,924	\$ 328,408	\$ 409,947	\$ 509,674
Total financing sources (uses)	<u>\$ 166,924</u>	<u>\$ 328,408</u>	<u>\$ 409,947</u>	<u>\$ 509,674</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ (17,344)</u>	<u>\$ 4,887</u>	<u>\$ 4,200</u>	<u>\$ 4,900</u>
Beginning Net Assets, July 1	<u>\$ 1,027,709</u>	<u>\$ 1,010,365</u>	<u>\$ 1,015,252</u>	<u>\$ 1,019,452</u>
Ending Net Assets, June 30	<u>\$ 1,010,365</u>	<u>\$ 1,015,252</u>	<u>\$ 1,019,452</u>	<u>\$ 1,024,352</u>

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



CITY OF HALF MOON BAY

Enterprise Funds





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Enterprise Funds

Enterprise Funds are used to account for services that are financed and operated in a manner similar to private business enterprise. The intent of the City is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges.

SEWER OPERATING (Fund 05)

The Sewer Operating Fund is a restricted fund. 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 Sewer Authority Mid-Coastside (SAM).
2. Maintenance of the sewage collection system by SAM.
3. Maintenance, rehabilitation, and repair of the wastewater collection system not provided by SAM.
4. The Sewer Operating Fund is funded by sewer user charges, which are based on four winter month water usage.



Goals and Objectives

- Protect the health and welfare of the community by ensuring the continuous uninterrupted operation of 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 and transmission of the wastewater system.
- Continue to repair and improve damaged or substandard sections of the sanitary sewer 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.





SEWER CAPITAL (Fund 06)

The Sewer Capital Fund is a restricted fund. The Sewer Capital Fund provides resources for Capital Improvement Program projects that include testing, evaluation, maintenance and repairs of the City's sanitary sewer collection network.

Sewer Capital Fund expenditures are funded by sewer usage charges.

Goals and Objectives

- Replace sewer collection lines that have infiltration or damage, and ensure integrity of the sewer collection system.
- Conduct an annual review of the capital needs and sewer rates to ensure adequate resources are available to fund requirements.

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. Another rate study is scheduled to be completed during the 2017-18 fiscal year.

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. Because a significant portion of Net Assets is the City's investment in the Sewer Mid-Coastside Authority (SAM) JPA, 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**

	Actual 2014-15	Actual 2015-16	Revised Budget 2016-17	Adopted Budget 2017-18
Revenue				
Sewer Service Charges	\$ 3,150,129	\$ 2,802,125	\$ 2,510,759	\$ 2,510,759
Interest	13,554	19,922	14,900	19,900
Unrealized Gain/(Loss) on Investment	-	-	-	-
Miscellaneous	(22)	-	-	-
Total Revenue	<u>\$ 3,163,661</u>	<u>\$ 2,822,047</u>	<u>\$ 2,525,659</u>	<u>\$ 2,530,659</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 88,407	\$ 149,259	\$ 214,929	\$ 268,219
Material & Supplies	17,046	18,317	18,938	19,600
Contract Services	26,559	14,477	248,800	392,600
SAM Authority	2,002,956	2,336,275	2,507,904	2,583,100
Other	65,264	23,267	76,300	75,000
Total Expenditures	<u>\$ 2,200,232</u>	<u>\$ 2,541,595</u>	<u>\$ 3,066,871</u>	<u>\$ 3,338,519</u>
Excess revenue over (under) expenditures	<u>\$ 963,429</u>	<u>\$ 280,452</u>	<u>\$ (541,212)</u>	<u>\$ (807,860)</u>
Other financing sources (uses)				
Transfers in/(out)				
Equipment / Risk	\$ (92,527)	\$ (90,113)	\$ (239,496)	\$ (55,959)
Administrative Fee (to General Fund)	(250,000)	(196,002)	(196,001)	(420,668)
Total financing sources (uses)	<u>\$ (342,527)</u>	<u>\$ (286,115)</u>	<u>\$ (435,497)</u>	<u>\$ (476,627)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 620,902</u>	<u>\$ (5,663)</u>	<u>\$ (976,709)</u>	<u>\$ (1,284,487)</u>
Beginning Net Assets, July 1	<u>\$ 2,312,690</u>	<u>\$ 2,933,592</u>	<u>\$ 2,927,930</u>	<u>\$ 1,951,221</u>
Ending Net Assets, June 30	<u>\$ 2,933,592</u>	<u>\$ 2,927,930</u>	<u>\$ 1,951,221</u>	<u>\$ 666,733</u>

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

	<u>Actual 2014-15</u>	<u>Actual 2015-16</u>	<u>Revised Budget 2016-17</u>	<u>Adopted Budget 2017-18</u>
Revenue				
Interest	\$ 49,973	\$ 73,166	\$ 57,300	\$ 73,200
Sewer Rate Charges	1,954,692	1,879,393	1,791,800	1,819,000
Grants	-	-	-	-
Unrealized Gain/(Loss) on Investment	193	-	-	-
Miscellaneous	680	34,397	-	-
Closeout of Sewer Assessment District	-	-	-	-
Total Revenue	<u>\$ 2,005,538</u>	<u>\$ 1,986,956</u>	<u>\$ 1,849,100</u>	<u>\$ 1,892,200</u>
Expenditures				
Operation & Maintenance				
Salaries & Benefits	\$ 182,491	\$ 44,634	\$ -	\$ -
Loss on investment in SAM	1,310,729	-	1,000,000	175,000
Depreciation	99,520	99,520	100,000	100,000
Total Operation & Maintenance	<u>\$ 1,592,740</u>	<u>\$ 144,154</u>	<u>\$ 1,100,000</u>	<u>\$ 275,000</u>
Capital Projects				
Total Capital Projects	<u>146,875</u>	<u>257,263</u>	<u>1,010,000</u>	<u>3,862,500</u>
Total Capital Projects	<u>\$ 146,875</u>	<u>\$ 257,263</u>	<u>\$ 1,010,000</u>	<u>\$ 3,862,500</u>
Total Expenditures	<u>\$ 1,739,615</u>	<u>\$ 401,417</u>	<u>\$ 2,110,000</u>	<u>\$ 4,137,500</u>
Excess revenue over (under) expenditures	<u>\$ 265,923</u>	<u>\$ 1,585,540</u>	<u>\$ (260,900)</u>	<u>\$ (2,245,300)</u>
Other financing sources (uses)				
Transfers in/(out)				
Transfers Out	\$ -	\$ (106,703)	(46,700)	(11,460)
Transfer to Equipment	\$ -	\$ -	-	-
Total financing sources (uses)	<u>\$ -</u>	<u>\$ (106,703)</u>	<u>\$ (46,700)</u>	<u>\$ (11,460)</u>
Excess revenue and other sources over (under) expenditures and other uses	<u>\$ 265,923</u>	<u>\$ 1,478,837</u>	<u>\$ (307,600)</u>	<u>\$ (2,256,760)</u>
Beginning Net Assets, July 1 ¹	<u>\$ 19,834,521</u>	<u>\$ 20,100,444</u>	<u>\$ 21,579,281</u>	<u>\$ 21,271,681</u>
Ending Net Assets, June 30	<u>\$ 20,100,444</u>	<u>\$ 21,579,281</u>	<u>\$ 21,271,681</u>	<u>\$ 19,014,921</u>

¹ Net position at beginning of FY 2014-15 was adjusted due to the implementation of the provisions



CITY OF HALF MOON BAY

Capital Improvement Program





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Capital Improvement Program

A Capital Improvement Program (CIP) is a financial planning and prioritization tool that identifies projects, assigns costs and recommends schedules for design and construction of capital improvements over a five (5) year horizon.

Capital improvements are projects which involve the purchase, improvement or construction of major fixed assets and equipment which are typically large in size, expensive, non-recurring and relatively permanent. The City capital improvement needs are a result of an aging infrastructure, significant deferred maintenance and desired construction on new and existing facilities.

The CIP identifies capital improvement programs and projects that are needed to satisfy the long-term needs, obligations and goals of the community. The current CIP has been developed in conjunction with the City Council strategic objectives to provide the long-term investment needed for the City of Half Moon Bay to serve the community's future needs.

The City's CIP program is composed of two parts:

- 1) the five (5) year capital improvement plan; and
- 2) the single year funding authorizations, referred to as the Capital Budget.

Projects are funded according to the availability of funds and the project's priority.

Drainage Improvements are investments in the City's storm drain system and are essential to protect homes, businesses, public facilities and infrastructure. Major storm drain projects for FY 2017-18 include the implementation of the Storm Drain Master Plan and repair of erosion at the Seymour Ditch.

Economic Development projects include the General Plan and Local Coastal Program Update and the addition of additional Vehicle Charging Stations. These projects aim to enhance and expand the City's local economy.

Operational Improvements include major capital investments to enhance the internal operational efficiencies of the City. These projects will help the City staff to perform more efficiently and be responsive to citizens' requests in a timely manner.



These projects include the selection and implementation of new Enterprise Resource Planning software and programs for permit tracking and asset management.

Parks Improvements are critical to augment the health and livability of Half Moon Bay through the development and maintenance of the City's parks. Parks projects included in the 5-year CIP include new play structures for a number of City Parks, and improvements to Smith Field.



The **Public Facilities and Building Improvements** category includes the Library project, which is the largest infrastructure project in the City's history. Other projects include renovations to allow greater Americans with Disabilities Act (ADA) accessibility in City buildings and programs to manage the City's sidewalks and trees.

The City's **Sewer** infrastructure, which includes neighborhood sewer pipelines, larger interceptor pipelines, and lift stations, requires ongoing repair as components reach the end of their service lives. The City's Sewer CIP includes substantial programs to maintain, repair and replace sewer infrastructure.

Street Improvements include projects related to crosswalks, pavement, highway safety and rehabilitation of the Main Street Bridge. Proper funding of these capital programs helps the City to achieve long-term cost savings and reduce future liabilities.

The City is tasked with completing numerous **Trail Improvements**, as the City's trails are characteristically important to residents and visitors alike. The City's planned trail improvements efforts in FY 2017-18 focus on expansion of various pedestrian and bike paths including Ocean Colony and Poplar Beach and Costal Trails.



**ONE-YEAR CAPITAL IMPROVEMENT PROGRAM
FY 2017-18 ADOPTED CAPITAL BUDGET**

Description	Fund	Project No.	FY 2017-18
DRAINAGE IMPROVEMENTS			
Storm Drain Master Plan Implementation	14	563	\$ 340,000
Seymour Ditch Erosion Repair (Temporary and Permanent)	14	592	\$ 510,000
Arroyo de en Medio Erosion Repair - Mirada Road	14	579	\$ -
Total Drainage Improvements			\$ 850,000
ECONOMIC DEVELOPMENT			
General Plan and Local Coastal Program Update	25	564	90,000
Electric Vehicle Charging Station(s)	25	537	\$ 54,211
Total Economic Development			\$ 144,211
OPERATIONAL IMPROVEMENTS			
Financial Software - Enterprise Resource Planning	25	555	\$ 200,000
Permit System and Asset Management Software	25	599	\$ 150,000
Total Operational Improvements			\$ 350,000
PARKS			
Parks Master Plan	17	583	\$ -
Total Parks			\$ -
PUBLIC FACILITIES AND BUILDINGS			
Emergency Response Program	48	604	\$ 250,000
ADA Transition Plan and Implementation Program	25	601	\$ 150,000
Sidewalk Replacement and Repair Program	25	562	\$ 200,000
Urban Forest Management Program	25	598	\$ 100,000
Library Replacement - Phase 2 Construction	16	545	\$ 11,529,310
Correas Street Underground Utility District	25	587	\$ 1,000,436
Street Lighting on Correas, Church, and Purissima	25	587	\$ 85,000
Facilities Maintenance Assessment	48	605	\$ 75,000
City Parking Lots Reconstruction	48	603	\$ 280,000
Annual Community Enhancement Project	25	600	\$ 50,000
Total Public Facilities and Buildings			\$ 13,719,746
SEWER			
Sewer Maintenance Program	06	506	\$ 562,500
Sewer Main Repair Program	06	516	\$ 800,000
Pump Station and Force Main Repair and Replacement Program	06	507	\$ 2,500,000
Total Sewer			\$ 3,862,500
STREET IMPROVEMENTS			
Crosswalks and ADA Retrofit Program	11	572	\$ 250,000
Pavement Management and Traffic Safety Program	11	514	\$ 836,000
Main Street Pavement Repair Project	11	576	\$ 50,000
Highway 1 Safety - North	11	538	\$ 5,690,000
Highway 1 Safety - South	11	523	\$ 2,410,000
Main Street Bridge Project	09	759	\$ 1,200,000
Poplar Complete Street Project	11	593	\$ 1,649,000
Total Street Improvements			\$ 12,085,000
TRAILS			
Ocean Colony Trail Repair	17	582	\$ 110,000
Bike and Pedestrian Master Plan	17	580	\$ -
Highway 1 Bicycle/Pedestrian Trail Extension	17	595	\$ 300,000
Poplar Beach and Coastal Trail Gateway Improvement and Rehabilitation	17	596	\$ 220,000
Vertical Access at Poplar Beach	17	597	\$ 90,000
Total Trails			\$ 720,000
TOTAL FY 2017-18			\$ 31,731,457



**City of Half Moon Bay
Capital Improvement Program
Summary through FY 2021-22**

EXPENDITURES								
PROJECT CATEGORIES	Prior Years	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	TOTAL ALL FY
DRAINAGE IMPROVEMENTS	170,000	1,010,100	850,000	1,000,000	900,000	1,150,000	6,254,250	\$ 11,334,350
ECONOMIC DEVELOPMENT	669,586	628,600	144,211	100,000	264,000	-	172,000	\$ 1,978,397
OPERATIONAL IMPROVEMENTS	-	250,000	350,000	200,000	-	-	-	\$ 800,000
PARKS IMPROVEMENTS	-	287,000	-	650,000	332,000	30,000	-	\$ 1,299,000
PUBLIC FACILITIES	1,539,400	12,261,900	13,719,746	1,335,000	1,775,000	858,000	675,000	\$ 32,164,046
SEWER IMPROVEMENTS	1,180,000	1,010,000	3,862,500	3,142,500	3,092,500	3,222,500	3,322,500	\$ 18,832,500
STREET IMPROVEMENTS	1,608,909	1,690,000	12,085,000	8,882,000	2,185,000	240,000	1,383,000	\$ 28,073,909
TRAILS IMPROVEMENTS	-	180,000	720,000	2,082,500	1,147,500	2,220,000	950,000	\$ 7,300,000
T O T A L	\$ 1,608,909	\$ 17,317,600	\$ 31,731,457	\$ 17,392,000	\$ 9,696,000	\$ 7,720,500	\$ 12,756,750	\$ 101,782,202

REVENUES								
FUNDING SOURCES	Prior Years	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	TOTAL ALL FY
Measure A	150,000	220,000	200,000	-	440,000	220,000	-	\$ 1,230,000
Measure J	1,025,000	-	199,324	-	-	-	-	\$ 1,224,324
Measure M	75,000	-	75,000	-	75,000	75,000	79,000	\$ 379,000
Gas Tax	250,000	280,000	190,000	70,000	105,000	205,000	65,000	\$ 1,165,000
Sewer Fund	1,180,000	1,010,000	3,862,500	3,142,500	3,092,500	3,222,500	3,322,500	\$ 18,832,500
Joint Powers Authority	-	-	1,100,000	-	-	-	-	\$ 1,100,000
County Contribution	6,000,000	3,000,000	2,926,855	-	-	-	-	\$ 11,926,855
County Loan	-	3,000,000	2,926,855	-	-	-	-	\$ 5,926,855
Park In Lieu Fee	-	-	58,676	290,000	307,000	30,000	-	\$ 685,676
San Mateo County Contribution	-	-	625,000	105,000	-	-	-	\$ 730,000
Grant - Measure A	375,000	860,000	5,650,000	-	-	-	-	\$ 6,885,000
Grant - State	-	-	12,000	780,000	1,262,500	1,315,000	6,454,250	\$ 9,823,750
Grant - Federal	182,592	100,000	2,393,000	7,737,500	1,762,500	1,000,000	-	\$ 13,175,592
Grant - Coastal Commission	75,000	40,000	45,000	-	-	-	-	\$ 160,000
Grant - SMCTA	-	-	-	500,000	160,000	400,000	320,000	\$ 1,380,000
Assessment District	-	-	-	1,000,000	-	-	-	\$ 1,000,000
Developer Funds	-	-	2,350,000	-	-	-	-	\$ 2,350,000
Donations	10,000	-	-	-	-	-	-	\$ 10,000
Friends of the Library	-	-	131,900	-	-	-	-	\$ 131,900
Fund Reserves	1,200,000	217,000	907,317	887,000	700,000	315,000	-	\$ 4,226,317
General Fund	7,597,397	1,145,100	2,320,000	2,215,000	1,716,500	1,438,000	1,202,000	\$ 17,633,997
PG&E Rule 20A Reimbursement	-	130,000	197,212	-	-	-	-	\$ 327,212
AT&T/Comcast Rule 32A Reimbursement	-	-	803,224	-	-	-	-	\$ 803,224
Property Owner Contribution	-	-	375,000	75,000	75,000	75,000	75,000	\$ 675,000
T O T A L	\$ 18,119,989	\$ 10,002,100	\$ 27,348,863	\$ 16,802,000	\$ 9,696,000	\$ 8,295,500	\$ 11,517,750	\$ 101,782,202

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

Description	Fund	Project	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Total
DRAINAGE IMPROVEMENTS								
Storm Drain Master Plan Implementation	14	563	340,000	150,000	150,000	150,000	150,000	940,000
Seymour Ditch Erosion Repair (Temporary and Permanent)	14	592	510,000	850,000	-	-	-	1,360,000
Arroyo de en Medio Erosion Repair - Mirada Road	14	579	-	-	-	-	-	-
Kehoe Ditch Implementation - Pilarcitos to Frontage Road	14	534	-	-	750,000	1,000,000	6,104,250	7,854,250
Total Drainage Improvements			850,000	1,000,000	900,000	1,150,000	6,254,250	10,154,250

ECONOMIC DEVELOPMENT								
General Plan and Local Coastal Program Update	25	564	90,000	-	-	-	-	90,000
Electric Vehicle Charging Station(s)	25	537	54,211	-	-	-	-	54,211
Wayfinding and Entry Signs (Phase 2)	25	559	-	100,000	-	-	-	100,000
Downtown Gateway Arch - North	25	534	-	-	264,000	-	-	264,000
Downtown WiFi Assessment	25	TBD	-	-	-	-	22,000	22,000
Downtown Core Area Master Plan	25	TBD	-	-	-	-	150,000	150,000
Total Economic Development			144,211	100,000	264,000	-	172,000	680,211

OPERATIONAL IMPROVEMENTS								
Financial Software - Enterprise Resource Planning	25	555	200,000	50,000	-	-	-	250,000
Permit System and Asset Management Software	25	599	150,000	-	-	-	-	150,000
GIS Software	25	586	-	150,000	-	-	-	150,000
Total Operational Improvements			350,000	200,000	-	-	-	550,000

PUBLIC FACILITIES AND BUILDINGS								
Emergency Response Program	48	604	250,000	250,000	250,000	250,000	250,000	1,250,000
ADA Transition Plan and Implementation Program	25	601	150,000	100,000	100,000	75,000	75,000	500,000
Sidewalk Replacement and Repair Program	25	562	200,000	200,000	200,000	200,000	200,000	1,000,000
Urban Forest Management Program	25	598	100,000	100,000	100,000	100,000	100,000	500,000
Library Replacement - Phase 2 Construction	16	545	11,529,310	-	-	-	-	11,529,310
Correas Street Underground Utility District	25	587	1,000,436	-	-	-	-	1,000,436
Street Lighting on Correas, Church, and Purissima	25	587	85,000	-	-	-	-	85,000
Facilities Maintenance Assessment	48	605	75,000	-	-	-	-	75,000
City Parking Lots Reconstruction	48	603	280,000	-	-	-	-	280,000
Annual Community Enhancement Project	25	600	50,000	50,000	50,000	50,000	50,000	250,000
Beacon Flag Pole	48	TBD	-	75,000	-	-	-	75,000
Parking Lot Expansion for Library	16	545	-	400,000	-	-	-	400,000
Restoration and Watershed Protection of City Parcel	48	TBD	-	160,000	825,000	-	-	985,000
Ted Adcock Community Center Remodel	48	TBD	-	-	250,000	-	-	250,000
Re-roofs of City Facilities (Excluding Ted Adcock)	48	TBD	-	-	-	183,000	-	183,000
Total Public Facilities and Buildings			13,719,746	1,335,000	1,775,000	858,000	675,000	18,362,746

SEWER								
Sewer Maintenance Program	06	506	562,500	562,500	562,500	562,500	562,500	2,812,500
Sewer Main Repair Program	06	516	800,000	2,430,000	2,430,000	2,560,000	2,660,000	10,880,000
Pump Station and Force Main Repair and Replacement Program	06	507	2,500,000	150,000	100,000	100,000	100,000	2,950,000
Total Sewer			3,862,500	3,142,500	3,092,500	3,222,500	3,322,500	16,642,500

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CONT.)

Description	Fund	Project	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Total
PARKS								
Parks Master Plan	17	583	-	-	-	-	-	-
Smith Field Water Service Replacement	17	TBD	-	250,000	-	-	-	250,000
Smith Field Tot Lot and T-Ball Play Area	17	584	-	180,000	-	-	-	180,000
Community Garden	17	581	-	220,000	-	-	-	220,000
Smith Field Irrigation Retrofit	17	TBD	-	-	135,000	-	-	135,000
Play Structure Replacement - Ocean View Park	17	TBD	-	-	44,000	-	-	44,000
Permanent Restrooms - Ocean View Park	17	TBD	-	-	120,000	-	-	120,000
Park Play Structure Replacement - Frenchmen's Creek	17	TBD	-	-	33,000	-	-	33,000
Play Structure Replacement - Kehoe Park	17	TBD	-	-	-	30,000	-	30,000
Total Parks			-	650,000	332,000	30,000	-	1,012,000

STREET IMPROVEMENTS								
Crosswalks and ADA Retrofit Program	11	572	250,000	70,000	65,000	65,000	65,000	515,000
Pavement Management and Traffic Safety Program	11	514	836,000	1,472,000	750,000	175,000	1,318,000	4,551,000
Main Street Pavement Repair Project	11	576	50,000	-	-	-	-	50,000
Highway 1 Safety - North	11	538	5,690,000	-	-	-	-	5,690,000
Highway 1 Safety - South	11	523	2,410,000	-	-	-	-	2,410,000
Main Street Bridge Project	09	759	1,200,000	7,300,000	-	-	-	8,500,000
Poplar Complete Street Project	11	593	1,649,000	-	-	-	-	1,649,000
Highway 1/Kelly Avenue Intersection Improvement Project	13	571	-	40,000	1,370,000	-	-	1,410,000
Total Street Improvements			12,085,000	8,882,000	2,185,000	240,000	1,383,000	24,775,000

TRAILS								
Ocean Colony Trail Repair	17	582	110,000	55,000	-	-	-	165,000
Bike and Pedestrian Master Plan	17	580	-	-	-	-	-	0
Highway 1 Bicycle/Pedestrian Trail Extension	17	595	300,000	1,537,500	762,500	-	-	2,600,000
Poplar Beach and Coastal Trail Gateway Improvement and Rehabilitation	17	596	220,000	140,000	110,000	-	-	470,000
Vertical Access at Poplar Beach	17	597	90,000	350,000	-	-	-	440,000
Stair Replacement at Cañada Verde	17	TBD	-	-	75,000	530,000	-	605,000
Poplar Beach Coastal Trail - Relocation and Erosion Mitigation	17	TBD	-	-	200,000	1,500,000	400,000	2,100,000
Poplar Beach Coastal Trail - Relocation and Erosion Mitigation	17	TBD	-	-	-	190,000	550,000	740,000
Total Trails			720,000	2,082,500	1,147,500	2,220,000	950,000	7,120,000

TOTAL FY ALLOCATIONS			31,731,457	17,392,000	9,696,000	7,720,500	12,756,750	79,296,707
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**City of Half Moon Bay
Capital Improvement Program
Fund Summary**

	FY 2015-16 Actual	FY 2016-17 Revised	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Budget
Main Street Bridge Fund - Fund 09							
Beginning Fund Balance	620,342	607,275	575,675	579,375	183,149	186,999	190,925
Operating Revenues	3,685	3,400	3,700	3,774	3,849	3,926	4,005
Total Transfers in	100,000	40,000	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-
Outside Funding for Capital Projects	(23,567)	100,000	1,200,000	6,900,000	-	-	-
Capital Projects	(93,185)	(175,000)	(1,200,000)	(7,300,000)	-	-	-
Net Change in Fund Balance	(13,067)	(31,600)	3,700	(396,226)	3,849	3,926	4,005
Street Fund - Estimated Ending Balance	607,275	575,675	579,375	183,149	186,999	190,925	194,930
Street Fund - Fund 011							
Beginning Fund Balance	3,915,068	4,628,790	4,501,140	3,391,461	2,730,388	2,123,003	2,187,237
Operating Revenues	104,021	95,600	99,600	101,592	103,624	105,696	107,810
Total Transfers in	1,535,000	326,500	390,000	70,000	325,000	425,000	65,000
Operating Expenses	(19,843)	(191,601)	(262,018)	(267,258)	(272,604)	(278,056)	(283,617)
Outside Funding for Capital Projects	(247,500)	585,000	9,568,000	1,000,000	75,000	75,000	79,000
Capital Projects	(655,285)	(923,600)	(10,885,000)	(1,542,000)	(815,000)	(240,000)	(1,383,000)
Net Transfers & Allocations to other funds	(2,671)	(19,549)	(20,261)	(23,406)	(23,406)	(23,406)	(23,406)
Net Change in Fund Balance	713,722	(127,650)	(1,109,679)	(661,072)	(607,386)	64,235	(1,438,212)
Street Fund - Estimated Ending Balance	4,628,790	4,501,140	3,391,461	2,730,388	2,123,003	2,187,237	749,025
Traffic Mitigation - Fund 013							
Beginning Fund Balance	237,672	380,980	505,395	571,895	600,223	520,416	592,510
Operating Revenues	220,553	178,570	91,400	93,228	95,093	96,994	98,934
Total Transfers in	-	220,000	-	-	220,000	-	-
Operating Expenses	(30,903)	(24,155)	(24,900)	(24,900)	(24,900)	(24,900)	(24,900)
Outside Funding for Capital Projects	-	-	-	-	1,000,000	-	-
Capital Projects	(46,342)	(250,000)	-	(40,000)	(1,370,000)	-	-
Net Transfers & Allocations to other funds	-	-	-	-	-	-	-
Net Change in Fund Balance	143,308	124,415	66,500	28,328	(79,807)	72,094	74,034
Street Fund - Estimated Ending Balance	380,980	505,395	571,895	600,223	520,416	592,510	666,545
Drainage Fund - Fund 14							
Beginning Fund Balance	578,654	555,431	369,349	653,593	627,282	600,468	573,049
Operating Revenues	9,420	10,440	23,600	24,100	24,600	25,100	25,600
Total Transfers in	200,000	462,700	535,000	255,000	262,500	300,000	300,000
Outside Funding for Capital Projects	-	500,000	625,000	745,000	637,500	850,000	5,954,250
General Operating Expenses	-	(134,507)	(46,044)	(47,000)	(47,900)	(48,900)	(49,900)
Capital Projects	(232,643)	(1,010,200)	(850,000)	(1,000,000)	(900,000)	(1,150,000)	(6,254,250)
Net Transfers & Allocations to other funds	-	(14,515)	(3,312)	(3,411)	(3,514)	(3,619)	(3,728)
Net Change in Fund Balance	(23,223)	(186,082)	284,244	(26,311)	(26,814)	(27,419)	(28,028)
Drainage Fund - Est. Ending Balance	555,431	369,349	653,593	627,282	600,468	573,049	545,021
Sewer Capital Fund - Fund 06							
Beginning Fund Balance	20,100,444	21,579,280	21,271,680	20,870,380	19,331,278	17,877,248	16,328,975
Operating Revenues *	1,986,956	1,849,100	1,892,200	1,930,044	1,968,645	2,008,018	2,048,178
Total Transfers in	-	-	-	-	-	-	-
General Operating Expenses	(144,154)	(100,000)	(100,000)	(102,000)	(104,040)	(106,121)	(108,243)
Investment in SAM Authority	-	(1,000,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
Capital Projects	(257,263)	(1,010,000)	(3,862,500)	(3,142,500)	(3,092,500)	(3,222,500)	(3,322,500)
Net Transfers & Allocations to other funds	(106,703)	(46,700)	(48,200)	(49,646)	(51,135)	(52,669)	(54,250)
Net Change in Fund Balance	1,478,836	(307,600)	(401,300)	(1,539,102)	(1,454,031)	(1,548,272)	(1,611,815)
Wastewater Fund - Est. Ending Balance	21,579,280	21,271,680	20,870,380	19,331,278	17,877,248	16,328,975	14,717,160

* Note: Sewer Projected Revenues include Fee Increases that will need to be approved by Council and will be subject to Prop 218 hearings

**City of Half Moon Bay
Capital Improvement Program
Fund Summary**

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
	Actual	Revised	Budget	Budget	Budget	Budget	Budget
Capital Projects Fund - Fund 25 Unrestricted							
Beginning Fund Balance	-	-	338,918	274,802	124,802	124,802	124,802
Operating Revenues	-	-	-	-	-	-	-
ERAF Rebate	-	405,418	-	-	-	-	-
Total Transfers in	-	2,148,403	768,000	425,000	539,000	275,000	447,000
Outside Funding for Capital Projects	-	45,000	1,132,436	75,000	75,000	75,000	75,000
Capital Projects	-	(1,854,485)	(1,929,647)	(650,000)	(614,000)	(350,000)	(522,000)
Net Transfers & Allocations to other funds	-	-	(34,905)	-	-	-	-
Net Change in Fund Balance	-	338,918	(64,116)	(150,000)	-	-	-
Capital Fund - Est Unrestricted Ending Balance	-	338,918	274,802	124,802	124,802	124,802	124,802
Park & Trail Fund - Fund 017							
Beginning Fund Balance	553,657	406,713	511,413	396,074	308,682	88,656	285,083
Operating Revenues	116,804	379,700	238,800	243,576	248,448	253,416	258,485
Trsfr. from General Fund	-	212,890	300,000	950,000	115,000	355,000	130,000
Trsfr. From Measure J	-	670,000	186,324	-	-	-	-
Total Transfers in	90,000	882,890	486,324	950,000	115,000	355,000	130,000
Operating Expenses	-	(25,109)	(24,809)	(25,305)	(25,811)	(26,328)	(26,854)
Outside Funding for Capital Projects	1,293,157	-	-	1,477,500	922,500	1,865,000	820,000
Capital Projects	(1,601,905)	(1,132,000)	(720,000)	(2,732,500)	(1,479,500)	(2,250,000)	(950,000)
Net Transfers & Allocations to other funds	(45,000)	(781)	(95,654)	(662)	(662)	(662)	(662)
Net Change in Fund Balance	(146,944)	104,700	(115,339)	(87,391)	(220,026)	196,427	230,969
Park & Trail Fund - Est Ending Balance	406,713	511,413	396,074	308,682	88,656	285,083	516,052
Public Facilities Fund - Fund 048							
Beginning Fund Balance	538,192	753,219	195,029	97,629	74,781	51,476	27,705
Operating Revenues	4,170	2,800	3,500	3,570	3,641	3,714	3,789
Total Transfers in	428,500	219,500	755,000	585,000	800,000	508,000	325,000
Operating Expenses	(250)	(50,209)	(25,900)	(26,418)	(26,946)	(27,485)	(28,035)
Outside Funding for Capital Projects	108,300	-	-	-	625,000	-	-
Capital Projects	(325,693)	(429,500)	(755,000)	(585,000)	(1,425,000)	(508,000)	(325,000)
Net Transfers & Allocations to other funds	-	(300,781)	(75,000)	-	-	-	-
Net Change in Fund Balance	215,027	(558,190)	(97,400)	(22,848)	(23,305)	(23,771)	(24,246)
Public Facilities - Est Ending Balance	753,219	195,029	97,629	74,781	51,476	27,705	3,458
Library Capital Fund 016							
Beginning Fund Balance	3,630,329	10,513,844	5,218,844	784,644	361,490	361,490	361,490
Operating Revenues	32,242	22,000	32,200	-	-	-	-
Total Transfers in	2,333,000	-	-	-	-	-	-
Operating Expenses	(2,327)	(22,000)	(22,700)	(23,154)	-	-	-
Outside Funding for Capital Project	6,000,000	3,381,900	4,158,755	-	-	-	-
SMC Loan	-	3,000,000	2,926,855	-	-	-	-
Capital Projects	(1,479,400)	(11,676,900)	(11,529,310)	(400,000)	-	-	-
Net Change in Fund Balance	6,883,515	(5,295,000)	(4,434,200)	(423,154)	-	-	-
Library Improvements - Est Ending Balance	10,513,844	5,218,844	784,644	361,490	361,490	361,490	361,490
All Capital Project Funds - Est Ending Balance	\$ 39,425,531	\$ 33,487,442	\$ 27,619,852	\$ 24,342,075	\$ 21,934,556	\$ 20,671,776	\$ 17,878,483



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CITY OF HALF MOON BAY

Other Information







CITY OF HALF MOON BAY

Investment Policy





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**CITY OF HALF MOON BAY
INVESTMENT POLICY**

RESOLUTION No. C-2017-41

**A RESOLUTION OF THE CITY COUNCIL 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; and

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 foregoing Resolution was duly passed and adopted on the 20th day of June, 2017 by the City Council of Half Moon Bay by the following vote:

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

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

ATTEST:



Jessica Blair, City Clerk

APPROVED:



Debbie Ruddock, Mayor

CITY OF HALF MOON BAY

INVESTMENT POLICY

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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 of Half Moon Bay 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 of Half Moon Bay 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 Finance Manager) 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 is 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..

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 Principals (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 - 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 1 year or less and are sold on the basis of a rate of discount. Notes are obligations that mature between 1 year and 10 years. Bonds are long-term obligations that generally mature in 10 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





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Master Fee Schedule

The City of Half Moon Bay entered into an agreement with NBS Services in August 2014 to prepare a comprehensive rate and fee study and overhead cost plan. This project consists of three parts: a Cost Allocation Plan (CAP), a Developer Impact Fee study, and a User Fee study. These steps will provide the City with a strong foundation for its costs of services and fee structure.



The first part of this study, the Cost Allocation Plan, was completed in May 2015. The purpose of the CAP implementation is to ensure that the City can accurately account for the true cost of providing various programs and services within City operations, and to maximize the recovery of General Fund indirect costs from identified operating departments, as well as from enterprise and other chargeable funds and projects.

The CAP model will serve as the backbone for the overall Cost of Services analysis. It is the City's goal to identify overhead costs for billable hourly fees for grants, fees, federal reimbursements, and other billings. The cost allocation of indirect costs will be translated into fully-burdened hourly rates and will serve as a foundation for the fee and rate study to ensure that recoverable fees calculated for each service are complete, clearly defined and identified.

The second part of the study is a Developer Impact Fee analysis, which was performed to establish fair and reasonable recovery rates for costs incurred in providing City services for new construction. The revised Developer Impact Fees were approved by the City Council in December 2015 and went into effect in March 2016.

The final part was the User Fee Study, which analyzed the City's cost of services schedule and helped provide staff with a baseline for recommended revisions to the current fee schedule. The study found that, at the time, the City was recovering approximately 56% of the costs associated with providing user and regulatory fee-related services, and suggested increasing and decreasing certain fees



accordingly to bring up the City's cost recovery to 99%, which should translate into a recurring annual revenue of \$436,000.

NBS presented preliminary results of the study to the Finance Committee on May 8th, 2017. The Committee then recommended bringing the results of the study to the City Council, who adopted the recommendations from the study on May 16th, 2017. The new fee schedule will go into effect July 16th, 2017.



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-2017-26

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HALF MOON BAY AUTHORIZING
ADJUSTMENTS TO THE COST OF SERVICES SCHEDULE (USER FEES)
FOR FISCAL YEAR 2017-2018**

WHEREAS, the City Council of the City of Half Moon Bay has established certain fees for City services; and

WHEREAS, the City Council awarded a contract to NBS Government Finance Group (NBS) to complete the Cost Allocation Plan and Comprehensive User Fee Study; and

WHEREAS, the proposed budget is a balanced expenditure plan that ensures the maintenance of adequate reserves during FY 2016-17; and

WHEREAS, the City of Half Moon Bay wishes to use the San Francisco – Oakland – San Jose (Bay Area) Urban Wage Earners and Clerical Workers Consumer Price Index (CPI-W) as a guideline for future annual increases.

NOW THEREFORE, the City Council of the City of Half Moon Bay does hereby resolve that the amended fees as presented in the Comprehensive User Fee Study, raised by the most recent (February, 2017) CPI-W increase of 3.3 percent as shown in the attached Master Fee Schedule, are hereby approved and effective July 16, 2017.

I, the undersigned, hereby certify that the foregoing Resolution was duly passed and adopted on the 16th day of May, 2017 by the City Council of Half Moon Bay by the following vote:

AYES, Councilmembers: EISEN, KOWALCZYK, RARBACK, PENROSE, AND RUDDOCK
NOES, Councilmembers:
ABSENT, Councilmembers:
ABSTAIN, Councilmembers:

ATTEST:



Jessica Blair, City Clerk

APPROVED:



Debbie Ruddock, Mayor

**City of Half Moon Bay
Parks and Recreation User Fees Schedule
FY 2017-2018**

Description of Services		Fee	Unit/Type	Notes
1 Grand Oak Room*	<i>Non-profit</i>			
	Weekday (9 a.m. - 5 p.m.)	\$50	Per Hour	100% Multi-purpose room; Four (4) hour minimum Friday - Sunday
	Weekend and Weekday (5 p.m. - midnight)	\$90	Per Hour	
	<i>Regular</i>			
Weekday (9 a.m. - 5 p.m.)	\$60	Per Hour		
	Weekend and Weekday (5 p.m. - midnight)	\$125	Per Hour	
2 Oak Room*	<i>Non-profit</i>			
	Weekday (9 a.m. - 5 p.m.)	\$30	Per Hour	60% Multi-purpose room; Four (4) hour minimum Friday - Sunday
	Weekend and Weekday (5 p.m. - midnight)	\$70	Per Hour	
	<i>Regular</i>			
Weekday (9 a.m. - 5 p.m.)	\$40	Per Hour		
	Weekend and Weekday (5 p.m. - midnight)	\$100	Per Hour	
3 Manzanita Room*	<i>Non-profit</i>			
	Weekday (9 a.m. to 5 p.m.)	\$20	Per Hour	40% Multi-purpose room; Four (4) hour minimum Friday - Sunday
	Weekend and Weekday (5 p.m. - midnight)	\$45	Per Hour	
	<i>Regular</i>			
Weekday (9 a.m. to 5 p.m.)	\$25	Per Hour		
	Weekend and Weekday (5 p.m. - midnight)	\$60	Per Hour	
4 Willow or Pine Room*	<i>Non-profit</i>			
	Weekday (9 a.m. to 5 p.m.)	\$15	Per Hour	20% Multi-purpose room; Four (4) hour minimum Friday - Sunday
	Weekend and Weekday (5 p.m. - midnight)	\$25	Per Hour	
	<i>Regular</i>			
Weekday (9 a.m. to 5 p.m.)	\$20	Per Hour		
	Weekend and Weekday (5 p.m. - midnight)	\$35	Per Hour	
5 Sun Room, Day Room N, or Day Room S* (each)	<i>Non-profit</i>			
	Weekday (9 a.m. to 5 p.m.)	\$15	Per Hour	-
	Weekend and Weekday (5 p.m. - midnight)	\$25	Per Hour	
	<i>Regular</i>			
Weekday (9 a.m. to 5 p.m.)	\$20	Per Hour		
	Weekend and Weekday (5 p.m. - midnight)	\$35	Per Hour	
6 Train Depot	<i>Non-profit</i>			
	Weekday (9 a.m. to 5 p.m.)	\$15	Per Hour	-
	Weekend and Weekday (5 p.m. - midnight)	\$20	Per Hour	
	<i>Regular</i>			
Weekday (9 a.m. to 5 p.m.)	\$30	Per Hour		
	Weekend and Weekday (5 p.m. - midnight)	\$35	Per Hour	
7 Facility Use Deposit (with approved rental application)	Grand Oak Room	\$500	Per Rental	-
	Oak Room	\$300	Per Rental	
	Manzanita Room	\$200	Per Rental	
	Willow or Pine Room	\$100	Per Rental	
	Sun Room, Day Room N, or Day Room S	\$100	Per Rental	
	Train Depot	\$100	Per Rental	
8 Staff Time Charges	Building Attendant	As Quoted	Per Hour	-
	Recreation Employees (Weekday after 5 p.m.: two	As Quoted	Per Hour	
	Recreation Employees (Weekend: three (3) hour m	As Quoted	Per Hour	

9	Parks and Recreation Fees & Charges			
	Contract Classes and Camps	Market	Per Student	
	City Administrative Fee - Contact Classes and Camps	\$13	Per Student	
	Class Cancellation Fee (within ten (10) days of start)	\$10	Per Class	
	City Cancelled Class	\$0	Per Class	
	Drop-in: Pickle Ball	\$2	Per Day	
	Drop-in: Basketball	\$7	Per Day	
	Drop-in: Zumba	\$15	Per Day	
	Drop-in: Zumba (Coast Hope)	\$2	Per Day	
	Drop-in: Hula	\$15	Per Day	
	Drop-in: Ballroom Dancing	\$15	Per Day	
	Facility Rental - Beer, Wine, Champaign	\$339	Per Rental	
	Activity Guide - Ad Rate 1/8th Page, Black and White	\$100	Per Issue	
	Activity Guide - Ad Rate 1/4th Page, B/W	\$300	Per Issue	
	Activity Guide - Ad Rate 1/2th Page, B/W	\$400	Per Issue	
	Activity Guide - Ad Rate Full Page, B/W	\$600	Per Issue	
	Activity Guide - Ad Rate 1/8th Page, Color	\$125	Per Issue	
	Activity Guide - Ad Rate 1/4th Page, Color	\$350	Per Issue	
	Activity Guide - Ad Rate 1/2th Page, Color	\$475	Per Issue	
	Activity Guide - Ad Rate Full Page, Color	\$700	Per Issue	
10	Smith Field #3			
	Daytime	\$20	Per Hour	
	With Lights	\$55	Per Hour	

11 **Notes:** *No charge for rooms for Senior Coastsiders (when rooms are available); all-day rentals are from 9 a.m. - midnight (includes set-up and clean-up times); beer and wine permitted, no hard alcohol.

I. ADMINISTRATION		Fee	Unit/Type	Notes
15	Facility Rentals			
	Janitorial Fee	\$168	Flat Fee	

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

DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
I. ADMINISTRATION		
1 Returned Check Fee		
1 First Item ✓	\$25.00	Each
2 Each Additional Item ✓	\$36.00	Each
2 Duplication		
1 Photocopies ✓	\$0.10	Per page
2 Municipal Code Book* ✓	Available on-line	Per book
3 Bound Reports ✓	Actual Cost	Per report
4 Budget* ✓	Available on-line	Each
5 Comprehensive Annual Financial Report (CAFR)* ✓	Available on-line	Each
6 CD Disc of City Council / Planning Commission ✓	Actual Cost of CD	Each
4 City Clerk		
Election Filing Fee ✓	\$25.00	Each ²
Candidate Printing Fee ✓	\$258.00	Deposit ¹
5 Staff Research		
1 City Manager's Office ✓	\$56.00	Per Quarter Hour
2 Finance Department ✓	\$48.00	Per Quarter Hour
3 City Clerk's Office ✓	\$45.00	Per Quarter Hour
4 Planning Department ✓	\$54.00	Per Quarter Hour
5 Building Department ✓	\$40.00	Per Quarter Hour
6 Public Works Department - Engineering ✓	\$49.00	Per Quarter Hour
7 Public Works Department - Maintenance ✓	\$41.00	Per Quarter Hour
8 Police - Sworn ✓	\$55.00	Per Quarter Hour
9 Police - Non Sworn ✓	\$21.00	Per Quarter Hour
6 Film Permit (Chapter 9.74) ✓	\$514.00	Per Day
7 Special Event Permits ^[8]		
1 Block Parties ✓	\$200.00	Per Event
2 Fund Raisers ✓	\$200.00	Per Event
3 Miscellaneous Events ✓	\$399.00	Per Event
4 Carnival/Circus/Parade/Race/Rodeo, etc. ✓	\$399.00	Each
5 Amusement Concession ✓	\$399.00	Each
8 Poplar Beach Parking ^[9]		
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 ✓	\$97.00	Per Year (Prorated Quarterly)
9 BID Administration for City Hotels ✓	\$536.00	Per Month (all hotels)
10 Street Closure ✓	Actual Cost	
<p>* Fees set by California Civil Code Ch. 522 Sec. 1719. Additional charges may apply if not paid within 30 days of the receipt of the letter. See CA Civil Code 522 Sec. 1719. Available on-line at http://www.hmbcity.com ✓ Check indicates Credit Cards Accepted - Minimum charge \$10.00</p> <p>^[3] Total cost equal to 100% of printing, handling, translating, and mailing costs. Deposit rate set by County of San Mateo and is subject to change.</p> <p>^[4] Rate is established by the California Government code and is subject to change.</p> <p>^[6] Based on the maximum number of employees & owner working in 24 hr. period in the prior year.</p> <p>^[7] License fee for a new business commenced after the first day of April shall be 50% of the annual fee.</p> <p>^[8] Special Event fees may be waived by the City Manager for NPDES related volunteer events.</p> <p>^[9] Poplar Beach Parking fees may be waived by the City Manager for NPDES related volunteer events.</p>		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
II. 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 / DVD Disc
2 Licensing		
1 Bingo Establishment Processing (Chapter 3.94)		
Bingo Establishment	\$130.00	Each
Renewal	\$130.00	Each per year
2 Fortune Telling (Chapter 3.95)		
New Business	\$647.00	Each
Renewal	\$130.00	Each per year
New Tech.	\$647.00	Each
Renewal Tech	\$130.00	Each per year
3 Massage Establishments (Chapter 3.88)		
New Business	\$647.00	Each
Renewal	\$130.00	Each per year
Transfer	\$647.00	Each
Reinstatement - "grandfather" existing practitioners prior to Jan 1, 2015	\$277.00	Each
4 Secondhand Dealers		
New Dealers	\$130.00	Each
Renewal	\$130.00	Each per year
5 Solicitor / Peddler		
New Applicant	\$647.00	Each
Annual Renewal	\$130.00	Each per year
3 Miscellaneous Fees		
1 Public Safety Service Fees		
Public Dance	\$41.00	Each
Deputy / Sergeant / Reserve / Community Service Officer	\$225.00	Per Hour
Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December.		
2 Vehicle Release	\$92.00	Per Vehicle
Repossession Release	\$15.00	Per Vehicle
3 Clearance/Special Letters	\$41.00	Each
4 Illegal Sign Confiscation	\$168.00	Per Incidence
5 Illegal Fireworks Confiscation	\$168.00	Per Citation
4 Parking Fees		
1 Nighttime 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 Day

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

DESCRIPTION OF SERVICES		FEE		UNIT / TYPE
II. PUBLIC SAFETY (Cont'd)				
5 Citation Fee Schedule¹				
1. Municipal Code²				
	FEE	DELINQUENT FEE		
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	\$44.00	\$45.00	Each
10.28.060	Limited Access	\$44.00	\$45.00	Each
10.36.010	No Parking, Stopping, Standing	\$43.00	\$45.00	Each
10.36.030	Parking Restricted	\$43.00	\$45.00	Each
10.36.040	No Parking Zone (Permits)	\$47.00	\$45.00	Each
10.36.050	Parked Over 72 Hours	\$47.00	\$45.00	Each
10.36.060	Advertising For Sale On Street	\$44.00	\$45.00	Each
10.36.070	Repair Vehicle On Street	\$44.00	\$45.00	Each
10.36.080	Washing Vehicle On Street	\$44.00	\$45.00	Each
10.36.090 (B)	School Zone	\$47.00	\$45.00	Each
10.36.100 (A)	No Parking Posted	\$47.00	\$45.00	Each
10.36.100 (B)	No Parking-Narrow Street	\$47.00	\$45.00	Each
10.36.120	Peddler Vehicle-No Permit	\$44.00	\$45.00	Each
10.36.130	Emergency Signs	\$76.00	\$45.00	Each
10.37.020	Oversize Vehicle 0200-0500	\$76.00	\$45.00	Each
10.37.030	Non-Motorized Vehicle Unhook	\$76.00	\$45.00	Each
10.40.010	15 Min Zone (Green Curb)	\$47.00	\$45.00	Each
10.40.020	2 Hour Zone	\$47.00	\$45.00	Each
10.40.030	Parking On One-Way Streets	\$47.00	\$45.00	Each
10.40.040 (A)	Diagonal Parking Zone	\$47.00	\$45.00	Each
10.40.040 (B)	Front Tire 6 Inches From Curb	\$47.00	\$45.00	Each
10.40.050	Use More Than One Space	\$47.00	\$45.00	Each
10.40.060	No Stopping Zone	\$47.00	\$45.00	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

¹ Citation fee amounts increase for two or more offenses. Applicable fees are stated on the violation notice.

² Municipal Code Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December.

³ 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

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

DESCRIPTION OF SERVICES		FEE	UNIT / TYPE
II. PUBLIC SAFETY (Cont'd)			
2. California Vehicle Code³		FEE	DELINQUENT FEE
21113 (A)	Parked On Public Ground	\$43.00	\$42.00
22500.1	Parking Prohibited	\$38.00	\$42.00
22500 (A)	Parking In Intersection	\$38.00	\$42.00
22500 (B)	Parking On Crosswalk	\$38.00	\$42.00
22500 (C)	Parking In Safety Zone	\$38.00	\$42.00
22500 (D)	Within 15' Fire Station Driveway	\$38.00	\$42.00
22500 (E)	Parking In Driveway	\$38.00	\$42.00
22500 (F)	Parking On Sidewalk	\$38.00	\$42.00
22500 (G)	Obstruct Traffic @ Excavation	\$38.00	\$42.00
22500 (H)	Double Parking	\$38.00	\$42.00
22500 (I)	Parking In Bus Zone	\$38.00	\$42.00
22500 (J)	Parking In Tunnel	\$38.00	\$42.00
22500 (K)	Parking On Bridge	\$38.00	\$42.00
22500 (L)	Blocking Wheelchair Access	\$333.00	\$42.00
22502 (A)	Over 18" From Curb	\$33.00	\$42.00
22502 (E)	Curb Parking/One-Way Street	\$30.00	\$42.00
22504 (A)	Unincorporated Area Parking	\$43.00	\$42.00
22505 (B)	No Parking - State Hwy	\$48.00	\$42.00
22507.8 (A)	Handicapped Space Without Placard	\$333.00	\$42.00
22507.8 (B)	Blocking Handicapped Space	\$333.00	\$333.00
22507.8 (C)	Hashmarks Handicap Zone	\$333.00	\$333.00
22514	Fire Hydrants - Within 15 Feet	\$38.00	\$38.00
22515	Unattended Vehicle - Engine Running	\$33.00	\$33.00
22519	Posted For Patrons Only	\$33.00	\$33.00
22522	Block Sidewalk Ramp	\$333.00	\$333.00
22523 (A)	Abandon Vehicle On Highway	\$105.00	\$105.00
22523 A/B	Abandoned Vehicle	\$105.00	\$105.00
22523 (B)	Abandon Vehicle - Private Property	\$105.00	\$105.00
22526 (A)	Blocking Intersection	\$53.00	\$53.00
22951	Park Lot - Street & Alley	\$25.00	\$25.00
22952 (A)	Park Lot-Tow/Removal	\$40.00	\$40.00
22952 (B)	Park Lot-Tow/Removal	\$40.00	\$40.00
23333	Stop/Park On Bridge	\$43.00	\$43.00
23336	Violate Posted Signs	\$40.00	\$40.00
28071	Bumper Required-Fine Or P/C	\$25.00	\$25.00
22507.8 (A)	Handicapped Space Without Placard	\$333.00	\$333.00
4000 (A)	Unregistered Vehicle	\$53.00	\$53.00
4462 (B)	Registration On Wrong Vehicle	\$30.00	\$30.00
5200	Lic Plate Missing - Fine Or P/C	\$35.00	\$35.00
5201	Plate Positioning - Fine Or P/C	\$30.00	\$30.00
5202	Period Of Display - Fine Or P/C	\$30.00	\$30.00
5204 (A)	Tags Attach Wrong - Fine Or P/C	\$30.00	\$30.00
6 D.U.I. Cost Recovery			
Arrest with Traffic Collision & Transportation ✓		\$708.00	Per Response
¹ Citation fee amounts increase for two or more offenses. Applicable fees are stated on the violation notice. ² Municipal Code Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. ³ 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			

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
III. BUILDING		
1 Building Permit Fee for Alterations, Additions, and New Construction (based on valuation of improvement) ^{3,6}		
Valuation (\$)		
0 - 500	✓ \$211.00	Valuation
501 - 2,000		Valuation
First 500	✓ \$211.00	
Each Additional 100 or fraction thereof	✓ \$11.41	
2,001 - 25,000		Valuation
First 2,000	✓ \$391.00	
Each Additional 1,000 or fraction thereof	✓ \$1.63	
25,001 - 50,000		Valuation
First 25,000	✓ \$440.00	
Each Additional 1,000 or fraction thereof	✓ \$4.89	
50,001 - 100,000		Valuation
First 50,000	✓ \$586.00	
Each Additional 1,000 or fraction thereof	✓ \$3.26	
100,000 - 500,000		Valuation
First 100,000	✓ \$733.00	
Each Additional 1,000 or fraction thereof	✓ \$3.26	
500,001 - 1,000,000		Valuation
First 500,000	✓ \$1,956.00	
Each Additional 1,000 or fraction thereof	✓ \$4.89	
1,000,001 and above		Valuation
First 1,000,000	✓ \$4,694.00	
Each Additional 1,000 or fraction thereof	ü \$4.89	
Technology Fee	4% see footnote 7	Applicable to either building, electrical, mechanical, and/or plumbing permit fee
2 Building Plan Check Fee ^{3,5,6}		
Plan Revision	✓ 65% of Building Permit Fee	Per Hour
Fee for 4th review onwards-charged on hourly basis	✓ \$163.00	Per Hour
Electronic submittal fee	✓ \$2/drawing sheet and \$5.10 flat fee for supporting documents	
Technology Fee	4% see footnote 7	Applicable to either building, electrical, mechanical, and/or plumbing permit fee
3 Miscellaneous Permit ^{3,6}		
1 Demolition	✓ \$244.00	Up To 2 Hours ⁴
2 Solar	✓ \$163.00	
Residential		
0-15kW	✓ \$163.00	
Above 15kW		
First 15kW	✓ \$163.00	
Each Additional kW or fraction thereof	✓ \$81.00	
Commercial		
0-50 kW	✓ \$244.00	
51-250 kW	✓ \$244.00	
First 50kW	✓ \$244.00	
Each Additional kW or fraction thereof	✓ \$81.00	
Above 205kW		
First 50kW	✓ \$244.00	
Each Additional kW or fraction thereof	✓ \$81.00	
3 Permit Fees for Work Without A Valid Permit	✓ 2 X Permit Fee	Fine / Penalty
4 Business License Inspection	✓ \$81.00	Per 1/2 Hour
Technology Fee	4% see footnote 7	Applicable to either building, electrical, mechanical, and/or plumbing permit fee
¹ Solar permit fees shall be established based on valuation with a 70% discount of the total of the building permit fee, plan check fee and electrical permit fee. 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 The Technology fee will be 4.0% if applicable to all building, engineering, planning projects with "projects" being defined as an individual fee item requiring data entry and tracking within the system.		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services			
DESCRIPTION OF SERVICES		FEE	UNIT / TYPE
III. BUILDING (Cont'd)			
4 Other Inspections and Fees ^{3,6}			
Pre-Site Inspection	✓	\$163.00 see footnote 4	Per Hour ⁴
Re-Inspections	✓	\$163.00 see footnote 4	Per Hour ⁴
Reinspection fees	✓	\$163.00	
Inspection for which no fee is specifically indicated, per hour	✓	\$163.00	Per Hour ⁴
Inspections outside of normal business hours, per hour	✓	\$163.00	
General Plan Fee	✓	0.25%	Valuation ^{2,3}
Technology Fee	✓	4% see footnote 7	Applicable to either building, electrical, mechanical, and/or plumbing permit fee
5 Refund		\$81.00	
6 Special Structural Inspection Fee		\$163.00	Deposit to be determined by Public Works Director at time of application. Total cost equal to 100% of staff and/or consultant time and materials
7 Electrical Permit ^{3, 6, 7}			
Permit Issuance			
For issuing each permit	✓	\$39.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	✓	\$39.00	Each
New Residential Buildings			
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 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 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	✓	\$33.00	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	
¹ Solar permit fees shall be established based on valuation with a 70% discount of the total of the building permit fee, plan check fee and electrical permit fee. 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 Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. ⁴ Overtime rate per hour of 150% will apply for after hour inspection requests with 200% on Sundays and Holidays (Minimum 2 Hours). ⁵ Miscellaneous plan review or similar services will be charged at \$128 per hour. ⁶ Permit Fees for Work Done Without A Valid Permit Are 2 times the Permit Fee for Bldg, Electrical, Mechanical, Plumbing, Encroachment & Grading Permits ⁷ The Technology fee will be 4.0% if applicable to all building, engineering, planning projects with "projects" being defined as an individual fee item requiring data entry and tracking within the system.			

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

DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
III. BUILDING (Cont'd)		
7 Electrical Permit^{3, 6, 7} (Cont'd)		
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	\$1.31	Each
Additional fixtures, each	\$0.26	Each
For lighting fixtures, sockets, or other lamp-holding devices:		
First 20 fixtures, each	\$1.31	Each
Additional fixtures, each	\$1.31	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		
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	
Over 1 and not over 10	\$13.00	
Over 10 and not over 50	\$25.00	
Over 50 and not over 100	\$25.00	
Over 100	\$52.00	
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		
Inspections outside of normal business hours, per hour*	\$163.00	Per hour
Inspection on Sundays and Holidays, per hour*	\$163.00	Per hour
Reinspection fees, per hour*	\$163.00	Per hour
Inspection for which no fee is specifically indicated, per hour*	\$163.00	Per hour
<p>* Overtime rate of 150% will apply for after hour inspection requests with 200% on Sundays and Holidays.</p> <p>³ Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December.</p> <p>⁶ Permit Fees for Work Done Without A Valid Permit Are 2 times the Permit Fee for Bldg, Electrical, Mechanical, Plumbing, Encroachment & Grading Permits</p> <p>⁷ The Technology fee will be 4.0% if applicable to all building, engineering, planning projects with "projects" being defined as an individual fee item requiring data entry and tracking within the system.</p>		

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

DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
III. BUILDING (Cont'd)		
8 Mechanical Permit^{3, 6, 7}		
Permit Issuance		
For issuing each permit	\$39.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	\$39.00	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	\$40.00	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	\$40.00	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	\$40.00	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	\$81.00	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
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
¹ Overtime rate of 150% will apply for after hour inspection requests with 200% on Sundays and Holidays. ³ Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. ⁶ Permit Fees for Work Done Without A Valid Permit Are 2 times the Permit Fee for Bldg, Electrical, Mechanical, Plumbing, Encroachment & Grading Permits ⁷ The Technology fee will be 4.0% if applicable to all building, engineering, planning projects with "projects" being defined as an individual fee item requiring data entry and tracking within the system.		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
III. BUILDING (Cont'd)		
9 Plumbing Permit^{3, 6, 7}		
Permit Issuance		
For issuing each permit	\$39.00	Each
For issuing each supplemental permit for which the original permit has not expired, been canceled or finalized	\$39.00	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 each backflow protective device other than atmospheric type vacuum breakers:		
1 to 5	\$3.00	Each
Over 5, each	\$2.00	Each
2 inch diameter and smaller	\$6.00	Each
over 2 inch diameter	\$13.00	Each
Swimming Pools		
Public Pool	\$39.00	Each
Public Spa	\$25.00	Each
Private Pool	\$39.00	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 Inspections and Fees		
Inspections outside of normal business hours, per hour*		Per hour
Inspection on Sundays and Holidays, per hour*		Per hour
Reinspection fees, per hour*		Per hour
Inspection for which no fee is specifically indicated, per hour*		Per hour
² Overtime rate of 150% will apply for after hour inspection requests with 200% on Sundays and Holidays. ³ Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. ⁶ Permit Fees for Work Done Without A Valid Permit Are 2 times the Permit Fee for Bldg, Electrical, Mechanical, Plumbing, Encroachment & Grading Permits ⁷ The Technology fee will be 4.0% if applicable to all building, engineering, planning projects with "projects" being defined as an individual fee item requiring data entry and tracking within the system.		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services			
DESCRIPTION OF SERVICES		FEE	UNIT / TYPE
IV. PUBLIC WORKS			
1 Public Improvement Plan Check Fee (including grading)¹			
Valuation (\$)			
\$10,000	✓	\$791.00	
Each additional \$1,000 or fraction thereof	✓	\$39.00	
\$100,000	✓	\$4,350.00	
Each additional \$1,000 or fraction thereof	✓	\$33.00	
\$500,000	✓	\$17,603.00	
Each additional \$1,000 or fraction thereof	✓	\$35.00	
2 Construction Inspection			
Valuation (\$)			
\$10,000	✓	\$791.00	
Each additional \$1,000 or fraction thereof	✓	\$65.00	
\$100,000	✓	\$6,724.00	
Each additional \$1,000 or fraction thereof	✓	\$52.00	
\$500,000	✓	\$27,888.00	
Each additional \$1,000 or fraction thereof	✓	\$55.00	
3 Final Map Review			
Parcel Map (Up to 4 lots base fee)	✓	\$6,329.00	
Tract Map (Up to 5 lots base fee)	✓	\$7,911.00	
addition lot (From 6 or more lots)	✓	\$1,582.00	per additional lot
4 Subdivision Improvement Agreement Fee	✓	\$3,165.00	
6 Encroachment Permits Plan Review & Inspection			
Spot Repair (i.e. water leaks, pothole patches)		\$395.00	
Excavation/Restoration less than 100 LF		\$791.00	
Excavation/Restoration 100 LF or greater		\$791.00	
each additional 100 LF		\$395.00	
Curb, gutter, sidewalk, or driveway less than 100 LF		\$791.00	
Curb, gutter, sidewalk, or driveway 100 LF or greater		\$791.00	
each additional 100 LF		\$395.00	
Sewer connections, repair or extension 100 LF or less		\$791.00	
Storm Drain connection, repair or extension 100 LF or Greater		\$791.00	
each additional 100 LF		\$395.00	
Storm Drain connection, repair or extension <100 LF		\$791.00	
each additional 100 LF		\$395.00	
Storm Drain connection, repair or extension >100 LF		\$791.00	
each additional 100 LF		\$395.00	
Unpermitted encroachments		1.5% fee (penalty)	
Monitoring Wells		\$395.00	
Permit Time Extension		\$99.00	
¹ Construction activities during October through April shall require Storm Water Pollution Prevention plans, measures and fees. ² Total cost equal to 100% of staff and/or consultant time and materials. ✓ Check indicates Credit Cards Accepted - Minimum charge \$10.00 ³ Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. ⁴ Overtime rate per hour of 150% will apply for after hour inspection requests with 200% on Sundays and Holidays (Minimum 2 Hours). ⁶ Permit Fees for Work Done Without A Valid Permit Are 2 times the Permit Fee for Bldg, Electrical, Mechanical, Plumbing, Encroachment & Grading Permits			

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services			
DESCRIPTION OF SERVICES		FEE	UNIT / TYPE
IV. PUBLIC WORKS (Cont'd)			
7 Public Right-of-way/Easement Encroachment (Temporary)	✓	\$197.00	
8 Deferred Improvement Agreement	✓	\$395.00	
9 Grading Permits Plan Review and Inspection			
Grading changes 50-1,000 CY		\$791.00	
Grading changes >1,000 CY		\$791.00	
Additional 100 CY over 1000		\$197.00	
10 Sewer Connections			
1 Transfer of Uninstalled Capacity Fee	✓	\$395.00	Flat fee
11 Supporting to Planning			
1 Pre-Entitlement Processing			
Pre-Application Review		\$197.00	Hourly
2 Coastal Development Permit Processing			
Coastal Development Permit Exemption		\$395.00	Deposit
Single Family Residential		\$791.00	Deposit
Accessory Dwelling Unit			
No New Floor Area		\$791.00	Flat fee
New Floor Area		\$1,582.00	Deposit
Multiple Family Residential		\$1,582.00	Deposit
Commercial / Mixed Use		\$1,582.00	Deposit
Industrial / Institutional		\$1,582.00	Deposit
Director		\$791.00	Deposit
Planning Commission		\$1,582.00	Deposit
Minor Amendments		\$791.00	Flat fee
Major Amendments		\$1,582.00	Deposit
3 Environmental Clearance Processing			
CEQA/NEPA Environmental Clearance			
Negative Declaration	✓	\$791.00	Deposit
EIR	✓	\$1,582.00	Deposit

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
IV. PUBLIC WORKS (Cont'd)		
5 Entitlement Processing		
Home Occupation	\$197.00	Flat fee
Variance / Exception Planning Commission	\$791.00	Deposit
Exception/Community Development Director	\$791.00	Deposit
Zoning, LCP, and 6P Amendments		
LCP/GP	\$791.00	Deposit
IP/Rezoning	\$791.00	Deposit
Planned Unit Development Specific Plan	\$791.00	Deposit
Planned Unit Development Specific Plan Amendment	\$791.00	Deposit
Planned Unit Development Precise Plan	\$791.00	Deposit
Planned Unit Development Precise Plan Amendment	\$791.00	Deposit
Annexation/Prezoning	\$791.00	Deposit
Land Division and Merger		
Certificate of Compliance	\$791.00	Deposit
Lot Merger	\$395.00	Flat fee
Lot Line Adjustment	\$791.00	Deposit
Parcel Map (four or fewer lots)	\$1,582.00	Deposit
Tentative Subdivision Map	\$3,165.00	Deposit
Time Extension	\$791.00	Deposit
CD Director Review	\$197.00	Deposit
12 Building Plan Review / Support		
1 Minor Residential improvement	\$197.00	Flat fee
2 TI or Addition of s.f	\$395.00	Flat fee
3 New SFD	\$395.00	Flat fee
4 New Multifamily or Commercial	\$988.00	Flat fee
13 Technology Fee	4% see footnote 5	Applicable to all planning, building and engineering projects
¹ Construction activities during October through April shall require Storm Water Pollution Prevention plans, measures and fees. ² Total cost equal to 100% of staff and/or consultant time and materials. ✓ Check indicates Credit Cards Accepted - Minimum charge \$10.00 ³ Fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. ⁴ Overtime rate per hour of 150% will apply for after hour inspection requests with 200% on Sundays and Holidays (Minimum 2 Hours). ⁵ The Technology fee will be 4.0% if applicable to all building, engineering, planning projects with "projects" being defined as an individual fee item requiring data entry and tracking within the system. ⁶ Permit Fees for Work Done Without A Valid Permit Are 2 times the Permit Fee for Bldg, Electrical, Mechanical, Plumbing, Encroachment & Grading Permits		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
V. DEVELOPER IMPACT FEES [Effective 03/19/16 - per 12/15/15 Council Approval]		
1 Single Family		
1 Sewer Connection - Assessment District Participant	\$4,709.00	Per Dwelling Unit
Sewer Connection - Assessment District Non-Participant	\$16,738.00	Each SFRE***
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	\$718.00	Per Dwelling Unit
5 Capital Outlay Facilities	\$1,018.00	Per Dwelling Unit
6 Traffic Mitigation	\$6,625.00	Per Dwelling Unit
7 Park Facilities	\$7,480.00	Per Dwelling Unit
2 Development Fees; Multi-Family / Commercial		
1 Sewer Connections		
Multi-Family	\$3,955.00	Per Dwelling Unit
Mobile Home	\$2,966.00	Per Dwelling Unit
Office	\$1,271.00	Per 1,000 Square Feet
Commercial/Retail	\$1,836.00	Per 1,000 Square Feet
Lodging	\$1,836.00	Per Room
Industrial	\$1,836.00	Per 1,000 Square Feet
Sewer Connection - Assessment District Non-Participant ***	\$16,738.00	Each SFRE***
2 SMIP Residential* ✓	\$0.00	Valuation over \$3,850, the fee is \$13 per \$100,000 permit valuation
SMIP Commercial* ✓	\$0.00	Valuation over \$1,786, the fee is \$28 per \$100,000 permit valuation
SMIP Flat Fee* ✓	\$0.00	Residential permits under \$3,850 and Commercial permits under \$1,786, fee is \$.50
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 thereof above \$100,000 ✓	\$1.00	Valuation
<i>According to Chapter 719, Statutes of 2008 (Senate Bill No. 1473)</i>		
* 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) ✓ Check indicates Credit Cards Accepted - Minimum charge \$10.00		
*** Single Family Residential Equivalent. See Chapter 13.36.080 Section C. for Commercial, Professional and Institutional Calculation of Connection Charge.		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
V. DEVELOPER IMPACT FEES (Cont'd) [Effective 03/19/16 - per 12/15/15 Council Approval]		
2 Development Fees; Multi-Family / Commercial (Cont'd)		
4 Storm Drainage		
Multi-Family	\$285.00	Per Dwelling Unit
Office	\$606.00	Per 1,000 Square Feet
Commercial/Retail	\$439.00	Per 1,000 Square Feet
Industrial	\$303.00	Per 1,000 Square Feet
5 Capital Outlay		
Multi-Family	\$848.00	Per Dwelling Unit
Mobile Home	\$644.00	Per Dwelling Unit
Office	\$325.00	Per 1,000 Square Feet
Commercial/Retail	\$180.00	Per 1,000 Square Feet
Lodging	\$24.00	Per Room
Industrial	\$162.00	Per 1,000 Square Feet
6 Traffic Mitigation		
Multi-Family	\$3,614.00	Per Dwelling Unit
Mobile Home	\$3,420.00	Per Dwelling Unit
Office	\$4,153.00	Per 1,000 Square Feet
Commercial/Retail	\$6,959.00	Per 1,000 Square Feet
Lodging	\$2,206.00	Per Room
Industrial	\$3,377.00	Per 1,000 Square Feet
7 Park Facility Fee		
Multi-Family	\$6,233.00	Per Dwelling Unit
Mobile Home	\$4,737.00	Per Dwelling Unit
3 Development Fees - Residential Subdivision Fees Only		
Park Dedication	Per Chapter 17.48 of Municipal Code	
* 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) ✓ Check indicates Credit Cards Accepted - Minimum charge \$10.00		
*** Single Family Residential Equivalent. See Chapter 13.36.080 Section C. for Commercial, Professional and Institutional Calculation of Connection Charge.		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
VI. PLANNING		
1 Pre-Entitlement Processing		
1 Pre-Application Meeting ✓	\$1,497.00	Flat fee
2 Measure 'D'		
Single Allocation (per allocation) ✓	\$544.00	Flat fee
Phasing Agreement ✓	\$2,179.00	Deposit
2 Coastal Development Permit Processing		
1 Coastal Development Permit Exemption ✓	\$435.00	Deposit
2 Single Family Residential		
<= 3,000 square feet ✓	\$2,169.00	Deposit
> 3,000 square feet ✓	\$2,789.00	Deposit
3 Accessory Dwelling Unit		
No New Floor Area ✓	\$542.00	Flat fee
New Floor Area ✓	\$1,033.00	Flat fee
4 Multiple Family Residential		
>= Four dwelling units ✓	\$3,202.00	Deposit
< Four dwelling units ✓	\$5,371.00	Deposit
5 Commercial / Mixed Use		
<= 10,000 square feet ✓	\$3,202.00	Deposit
> 10,000 square feet ✓	\$5,371.00	Deposit
6 Industrial / Institutional		
<= 20,000 square feet ✓	\$3,202.00	Deposit
> 20,000 square feet ✓	\$5,371.00	Deposit
7 Other Development		
Planning Director ✓	\$2,375.00	Deposit
Planning Commission ✓	\$3,047.00	Deposit
8 Amendments		
Minor Amendment	\$433.00	Flat fee
Major Amendments ✓	\$2,375.00	Deposit
3 Environmental Clearance Processing		
1 CEQA/NEPA Environmental Clearance		
Negative Declaration ✓	\$4,338.00	Deposit
EIR ✓	\$9,761.00	Deposit
2 Notice of Exemption ✓	\$216.00	Flat fee
[1] Flat fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. [2] Total cost equal to 100% of staff and/or consultant time and materials. ✓ Check indicates Credit Cards Accepted - Minimum charge \$10.00 [3] Fees Charged by these agencies are available on their websites and are in addition to fees charged by the City.		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
VI. PLANNING (Cont'd)		
4 Design Review Processing		
1 Architectural Review, CDD or Planning Commission Includes structures and/or site design ✓	\$645.00	Deposit
5 Entitlement Processing		
1 Home Occupation ✓	\$108.00	Flat fee
2 Variance / Exception Planning Commission ✓	\$981.00	Deposit
3 Exception/Community Development Director ✓	\$433.00	Deposit
4 Zoning, LCP, and 6P Amendments		
LCP/6P	\$15,236.00	Deposit
IP/Rezoning	\$15,236.00	Deposit
Planned Unit Development Specific Plan	\$15,236.00	Deposit
Planned Unit Development Specific Plan Amendment	\$7,592.00	Deposit
Planned Unit Development Precise Plan	\$7,592.00	Deposit
Planned Unit Development Precise Plan Amendment	\$3,925.00	Deposit
Annexation/Prezoning	\$15,236.00	Deposit
6 Appeals	<i>Half the original fee if applicable. No appeal fee if the City is the applicant.</i>	
Filing Fee - Outside CCC Appeals Jurisdiction	\$216.00	Flat fee
Filing Fee - Within CCC Appeals Jurisdiction	\$0.00	No fee
Processing Fee - Paid by developer	\$3,253.00	Deposit
7 Land Division and Merger		
Certificate of Compliance	\$1,962.00	Deposit
Lot Merger	\$867.00	Flat fee
Lot Line Adjustment	\$1,962.00	Deposit
Parcel Map (four or fewer lots)	\$3,925.00	Deposit
Tentative Subdivision Map	\$10,846.00	Deposit
Subdivision Agreement	\$4,338.00	Deposit
Time Extension	\$1,962.00	Deposit
9 Sign Permit		
Review ✓	\$165.00	Flat fee
Planning Commission Review ✓	\$981.00	Deposit
Exceptions Planning Commission Review ✓	\$981.00	Deposit
10 Other Services		
Zoning Compliance Letter	\$216.00	Flat fee
Public Convenience & Necessity Letter	\$216.00	Flat fee
Water Transfer Letter	\$216.00	Flat fee
12 Tree Removal Review		
CD Director Review	\$273.00	Deposit
Planning Commission	\$490.00	Deposit
13 Mobile Food Vendor Permit	\$216.00	Flat fee
14 Sound Amplification Permit	\$216.00	Flat fee
15 Fees Required by other Agencies		
1 California Department of Fish and Wildlife	Fee required to review various environmental documents	Per Agency Schedule
2 SMC 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
4 Planning Hourly Rate ✓	\$216.00	Flat fee
16 Technology Fee	4% see foot note 4	Applicable to all planning, building and engineering projects
[1] Flat fees are adjusted annually by the CPI All Urban Consumers/San Francisco-Oakland-San Jose established in December. [2] Total cost equal to 100% of staff and/or consultant time and materials. ✓ Check indicates Credit Cards Accepted - Minimum charge \$10.00 [3] Fees Charged by these agencies are available on their websites and are in addition to fees charged by the City. [4] The Technology fee will be 4.0% if applicable to all building, engineering, planning projects with "projects" being defined as an individual fee item requiring data entry and tracking within the system.		

City of Half Moon Bay Master Fee Schedule Other Fees, Charges & Services		
DESCRIPTION OF SERVICES	FEE	UNIT / TYPE
VII. ADMINISTRATIVE CITATION PENALTIES		
1 Violations of Municipal Code other than building or safety provisions		
1 First Violation	✓	\$100.00
2 Second Violation within one calendar year	✓	\$200.00
3 Third or subsequent violations within one calendar year	✓	\$500.00
2 Violations of building or safety provisions of the Municipal Code		
1 First Violation	✓	\$100.00
2 Second Violation within one calendar year	✓	\$500.00
3 Third or subsequent violations within one calendar year	✓	\$1,000.00
<u>Check indicates Credit Cards Accepted - Minimum charge \$10.00</u>		
VIII. REFUND POLICY		
<p>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 of \$81 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.</p>		



CITY OF HALF MOON BAY

Supplemental Statistical Information





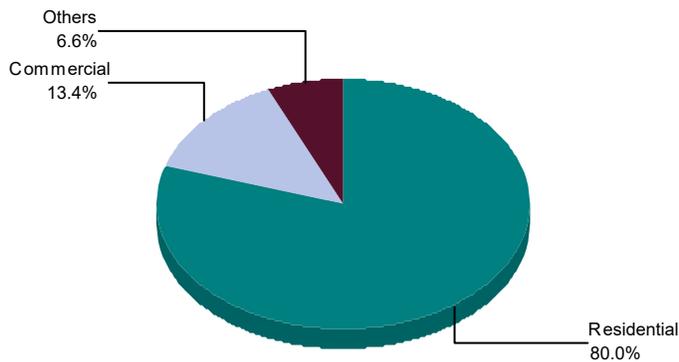
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THE CITY OF HALF MOON BAY 2016/17 USE CATEGORY SUMMARY

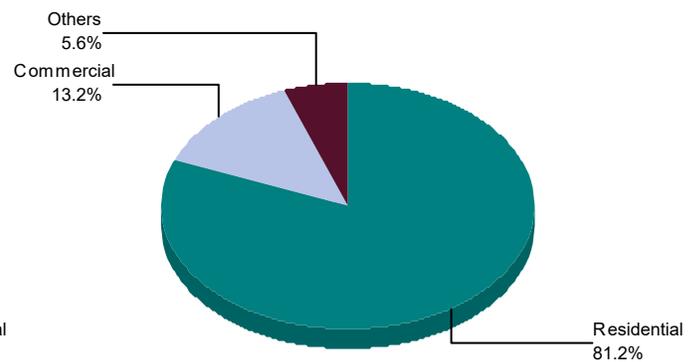
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	3,774	\$2,271,069,151 (80.0%)	\$2,238,878,627 (81.2%)
Commercial	199	\$379,426,915 (13.4%)	\$363,813,823 (13.2%)
Industrial	15	\$6,801,114 (0.2%)	\$6,801,114 (0.2%)
Dry Farm	7	\$4,241,537 (0.1%)	\$4,241,537 (0.2%)
Institutional	22	\$18,105,289 (0.6%)	\$281,685 (0.0%)
Irrigated	14	\$5,827,949 (0.2%)	\$4,324,786 (0.2%)
Miscellaneous	141	\$23,267,975 (0.8%)	\$14,211,644 (0.5%)
Recreational	22	\$40,583,946 (1.4%)	\$40,290,547 (1.5%)
Vacant	1,928	\$48,528,527 (1.7%)	\$43,437,146 (1.6%)
Unsecured	[237]	\$40,009,764 (1.4%)	\$39,462,822 (1.4%)
TOTALS	6,122	\$2,837,862,167	\$2,755,743,731

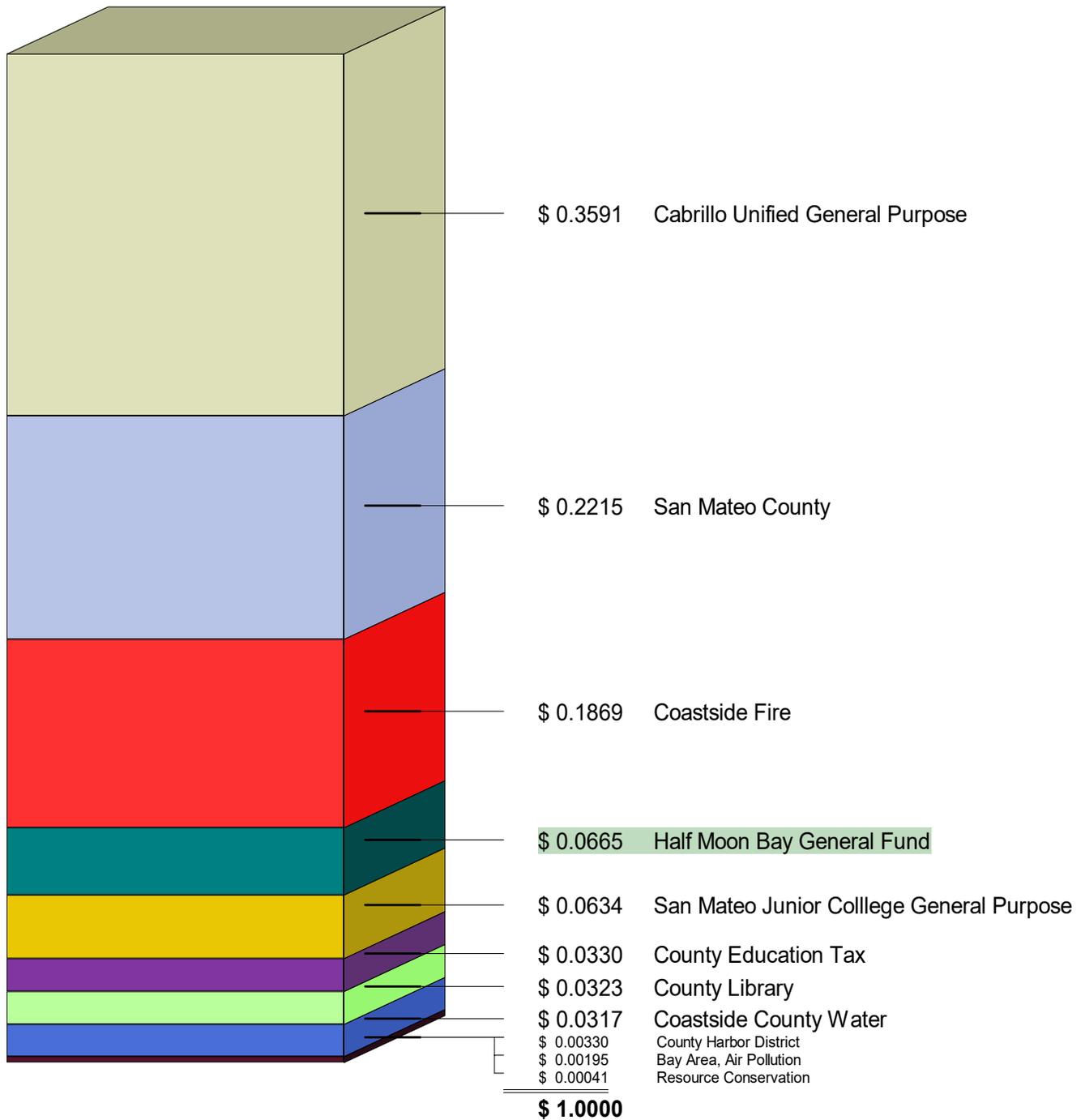
ASSESSED VALUE



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 2016/17 Annual Tax Increment Tables

Prepared On 8/28/2017 By MV

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THE CITY OF HALF MOON BAY

2016/17 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	6,122	0	237
TRAs	8	0	7
Values			
Land	1,320,161,726	0	20,750
Improvements	1,457,755,929	0	7,594,162
Personal Property	16,999,810	0	22,258,966
Fixtures	2,934,938	0	10,135,886
Aircraft	0	0	0
Total Value	\$2,797,852,403	\$0	\$40,009,764
Exemptions			
Real Estate	80,776,348	0	186,653
Personal Property	647,161	0	305,365
Fixtures	147,985	0	54,924
Aircraft	0	0	0
Homeowners*	16,411,630	0	0
Total Exemptions*	\$81,571,494	\$0	\$546,942
Total Net Value	\$2,716,280,909	\$0	\$39,462,822

Combined Values	Total
Total Values	\$2,837,862,167
Total Exemptions	\$82,118,436
Net Total Values	\$2,755,743,731
Net Aircraft Values	\$0

* Note: Homeowner Exemptions are not included in Total Exemptions

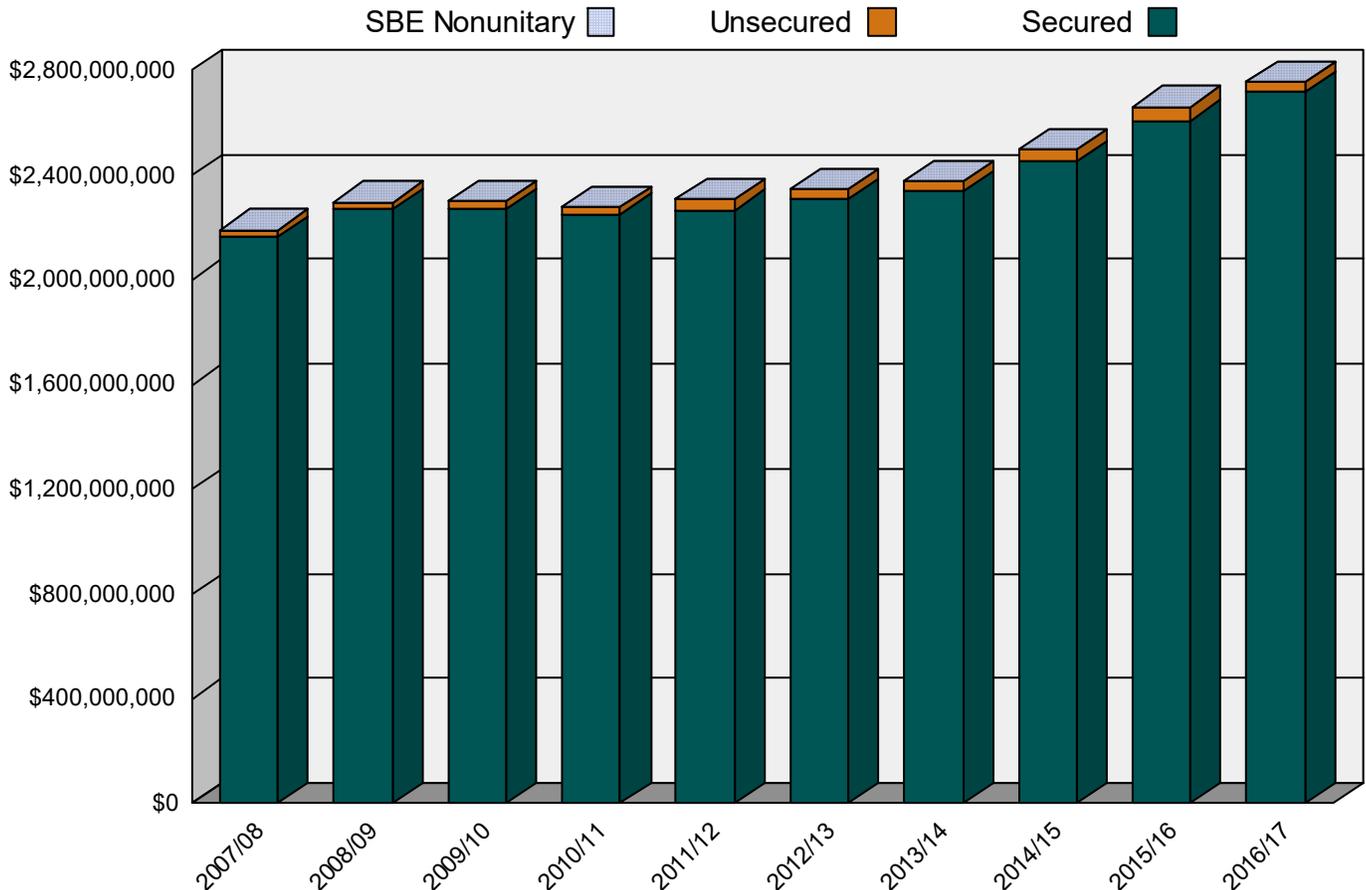
Totals do not Include Aircraft Values or Exemptions

THE CITY OF HALF MOON BAY

NET TAXABLE ASSESSED VALUE HISTORY

2007/08 - 2016/17 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2007/08	\$2,164,067,398	\$27,278,838	\$0	2,191,346,236	
2008/09	\$2,271,215,524	\$25,449,648	\$0	2,296,665,172	4.81%
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%



THE CITY OF HALF MOON BAY

ASSESSED VALUE OF TAXABLE PROPERTY

2007/08 - 2016/17 Taxable Property Values

Category	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Residential	1,716,434,950	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
Commercial	310,573,042	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
Industrial	5,381,449	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
Dry Farm	5,820,467	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
Govt. Owned	486,375	37,102	0							
Institutional	2,526,397	278,434	258,950	284,781	260,279	265,484	293,694	272,021	277,456	281,685
Irrigated	22,669,237	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
Miscellaneous	7,716,354	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
Recreational	35,782,159	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
Vacant	53,986,690	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
Unsecured	27,278,838	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
Unknown	2,690,278	4,525,579	2,759,116	1,340,316	4,917,140		5,867,351			
TOTALS	2,191,346,236	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
Total Direct Rate	0.05426	0.05426	0.05426	0.05426	0.05426	0.05453	0.05452	0.05818	0.05818	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

2016/17 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	\$143,520,430	5.28%	1	\$6,000	0.02%	\$143,526,430	5.21%	Commercial Half Moon Bay General Fund
2) OCEAN COLONY PARTNERS L P	20	\$45,289,665	1.67%				\$45,289,665	1.64%	Recreational Half Moon Bay General Fund
3) KEET NERHAN	30	\$22,527,985	0.83%	2	\$59,155	0.15%	\$22,587,140	0.82%	Commercial Half Moon Bay General Fund
4) REGENCY CENTERS LP	3	\$15,121,139	0.56%				\$15,121,139	0.55%	Commercial Half Moon Bay General Fund
5) IWF HALF MOON BAY LLC	1	\$10,421,395	0.38%				\$10,421,395	0.38%	Commercial Half Moon Bay General Fund
6) LONGS DRUG STORE INC	1	\$8,443,150	0.31%				\$8,443,150	0.31%	Commercial Half Moon Bay General Fund
7) CASTRO PARTNERS LLC	3	\$7,436,705	0.27%				\$7,436,705	0.27%	Commercial Half Moon Bay General Fund
8) COMCAST				2	\$6,960,153	17.64%	\$6,960,153	0.25%	Unsecured Half Moon Bay General Fund
9) RICHARD W WRATTEN TRUST	4	\$6,842,602	0.25%				\$6,842,602	0.25%	Residential Half Moon Bay General Fund
10) COUNTY OF SAN MATEO	12	\$6,737,607	0.25%				\$6,737,607	0.24%	Commercial Half Moon Bay General Fund
Top Ten Total	76	\$266,340,678	9.81%	5	\$7,025,308	17.80%	\$273,365,986	9.92%	
City Total		\$2,716,280,909			\$39,462,822		\$2,755,743,731		

Top Owners last edited on 8/25/17 by MaheaV using sales through 06/30/17 (Version R.1)

Data Source: San Mateo County Assessor 2016/17 Combined Tax Rolls and the SBE Non Unitary Tax Roll 314

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Prepared On 8/28/2017 By MV

THE CITY OF HALF MOON BAY

2007/08 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	\$129,660,436	5.99%				\$129,660,436	5.92%	Commercial Half Moon Bay General Fund
2) OCEAN COLONY PARTNERS L P	18	\$20,380,414	0.94%				\$20,380,414	0.93%	Recreational Half Moon Bay General Fund
3) KEET NERHAN	34	\$19,755,508	0.91%	2	\$129,846	0.48%	\$19,885,354	0.91%	Commercial Half Moon Bay General Fund
4) SOUTH WAVECREST L L C	2	\$18,783,940	0.87%				\$18,783,940	0.86%	Recreational Half Moon Bay General Fund
5) NURSERYMENS EXCHANGE INC	12	\$15,138,144	0.70%				\$15,138,144	0.69%	Irrigated Half Moon Bay General Fund
6) REGENCY CENTERS L P	3	\$13,360,577	0.62%				\$13,360,577	0.61%	Commercial Half Moon Bay General Fund
7) IWF HALF MOON BAY LP	1	\$8,991,734	0.42%				\$8,991,734	0.41%	Commercial Half Moon Bay General Fund
8) FRANCESCO CARRUBBA	3	\$6,752,761	0.31%				\$6,752,761	0.31%	Commercial Half Moon Bay General Fund
9) MILANO RUGGERO AND SHAHLA MAJIDI	1	\$4,993,920	0.23%				\$4,993,920	0.23%	Commercial Half Moon Bay General Fund
10) NORTH WAVECREST PARTNERS L P	106	\$4,441,888	0.21%				\$4,441,888	0.20%	Irrigated Half Moon Bay General Fund
Top Ten Total	182	\$242,259,322	11.19%	2	\$129,846	0.48%	\$242,389,168	11.06%	
City Total		\$2,164,067,398			\$27,278,838		\$2,191,346,236		

Top Owners last edited on 7/10/13 by maheav using sales through 06/30/08 (Version R.1)

Data Source: San Mateo County Assessor 2007/08 Combined Tax Rolls and the SBE Non Unitary Tax Roll 315

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Prepared On 8/28/2017 By MV

THE CITY OF HALF MOON BAY

DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
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	0.04960	0.04640	0.04970	0.05080	0.05220	0.07220	0.07190	0.07040	0.07260	0.08320
San Mateo Junior College	0.01710	0.01650	0.01820	0.01930	0.01990	0.01940	0.01940	0.01900	0.02500	0.02470
Total Direct & Overlapping² Tax Rates	1.06670	1.06290	1.06790	1.07010	1.07210	1.09160	1.09130	1.08940	1.09760	1.10790
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										
Redevelopment Rate⁴										
Total Direct Rate⁵	0.05426	0.05426	0.05426	0.05426	0.05426	0.05453	0.05452	0.05818	0.05818	0.05819

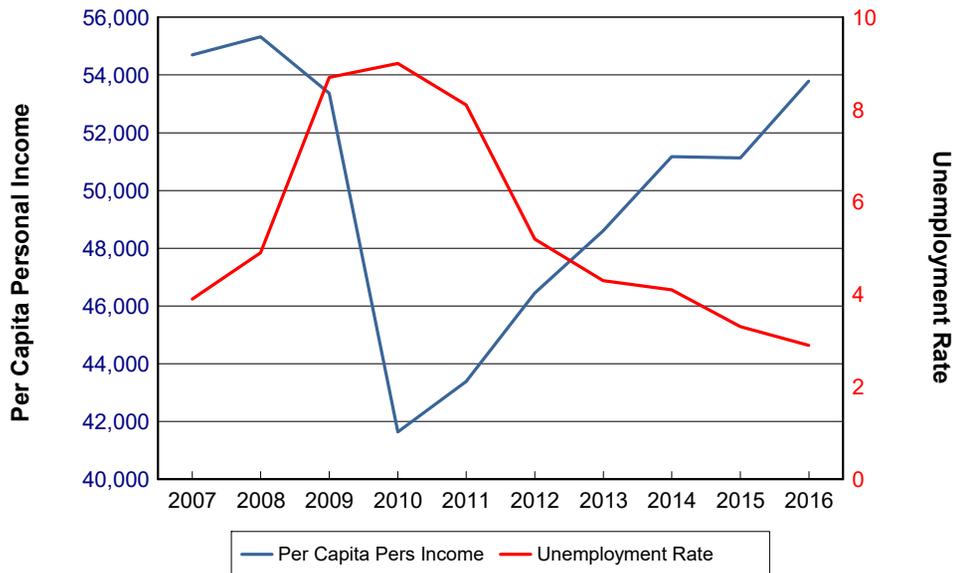
Notes:
¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed 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.
⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
⁵Total 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.

THE CITY OF HALF MOON BAY

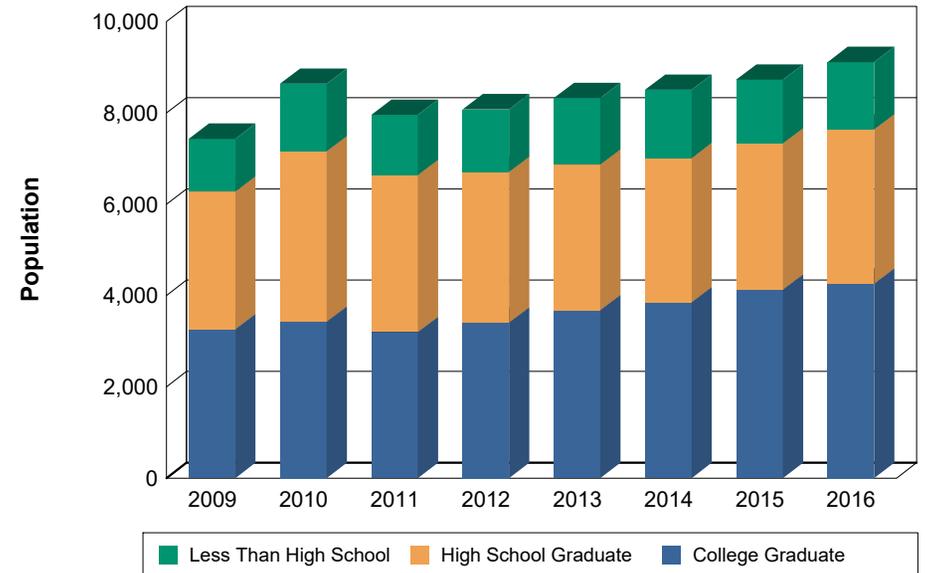
DEMOGRAPHIC AND ECONOMIC STATISTICS

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
2007	12,821	\$701,278	\$54,698	3.9%			
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%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

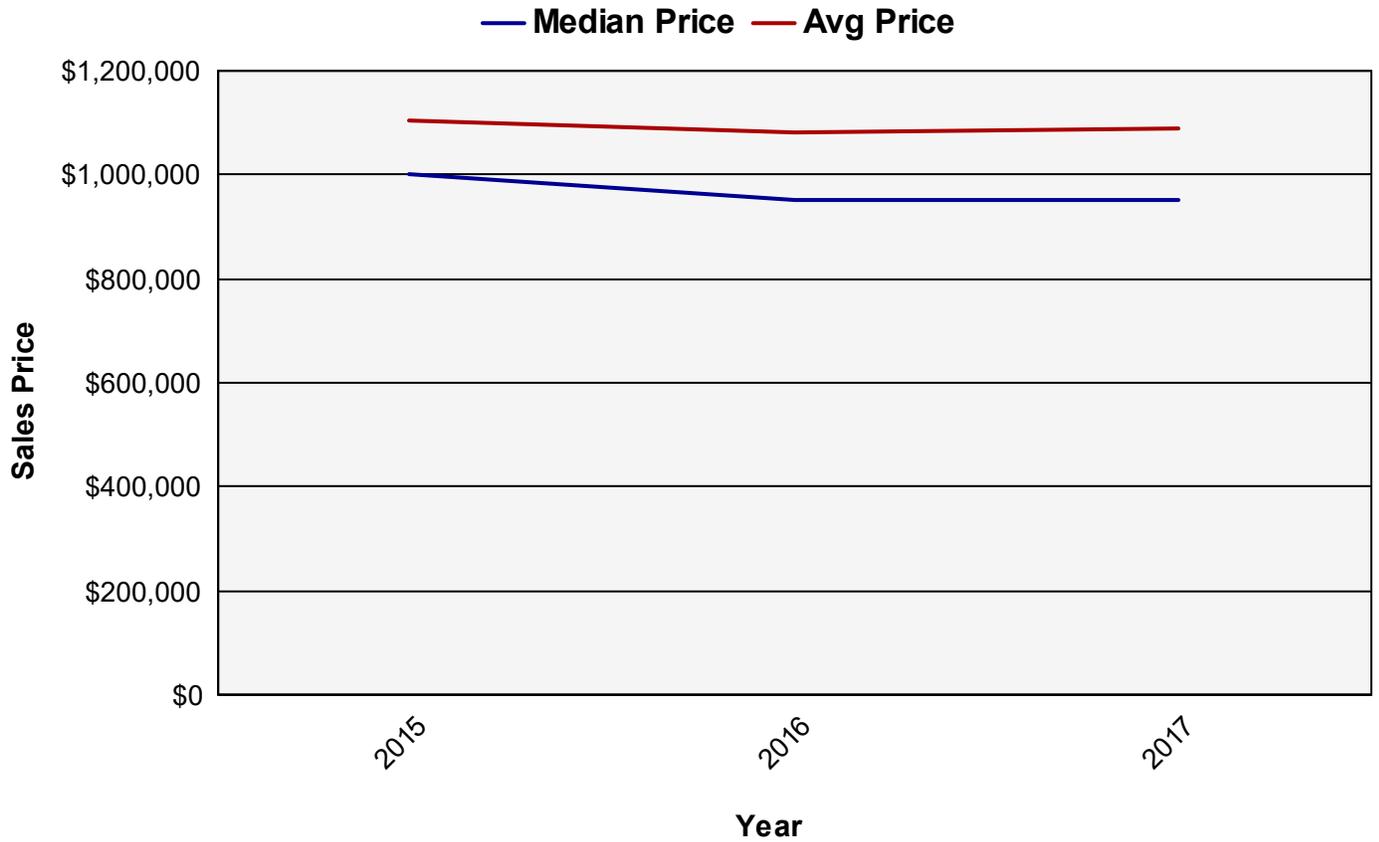
Population: California State Department of Finance. Unemployment Data: California Employment Development Department
 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data 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 (01/01/2015 - 7/31/2017)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2015	128	\$1,103,012	\$1,000,000	
2016	137	\$1,082,422	\$950,000	-5.00%
2017	66	\$1,091,049	\$950,750	0.08%



*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).

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.

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.

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 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.

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.

FISCAL YEAR

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.

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.

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.

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 directed to attaining 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 DRAW DOWN

Reserve draw down refers to the amount of fund balance required as a revenue funding source to balance fund budgets where appropriations exceed current revenue. If current revenue exceed 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).

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, also known as financial position in private sector accounting and enterprise fund accounting in the public sector, 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 Services 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
GASB	Government Accounting Standards Board
GF	General Fund
GIS	Geographic Information System
HOPTR	Homeowner Property Tax Relief
I&I	Infiltration and Inflow
IT	Information Technology
JOB	Judgment Obligation Bonds
JPA	Joint Power Authority
LAIF	Local Agency Investment Fund
LCP	Local Coastal Plan
LTD	Long Term Disability
MTC	Metropolitan Transportation Commission
NACSLB	National Advisory Council on State and Local Budgeting
NEPA	National Environmental Policy Act
NPDES	National Pollutant Discharge Elimination System

ACRONYM**DEFINITION**

OPEB	Other Post Employment Benefits
PMS	Pavement Management System
POST	Peace Officers Standards and Training
RDA	Redevelopment Agency
SAM	Sewer Mid-Coastside Authority
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

