

CITY OF FOSTER CITY  
ESTERO MUNICIPAL IMPROVEMENT DISTRICT

# **FIVE YEAR FINANCIAL PLAN**

## **For the Five Years ended June 30, 2016**



### **CITY COUNCIL/DISTRICT BOARD**

Linda Koelling, Mayor / President  
Art Kiesel, Vice Mayor / Vice President  
Charlie Bronitsky  
Pam Frisella  
Rick Wykoff

### **SUBMITTED BY THE CITY/DISTRICT MANAGER**

James C. Hardy

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# FOSTER CITY COMMUNITY PROFILE

## **Location**

Foster City is located midway between San Francisco and San Jose on the western shoreline of the San Francisco Bay, east of U.S. 101, which provides convenient access to the San Francisco Airport and San Francisco to the north and Santa Clara County to the south. The City is bisected by State Route 92 (the J. Arthur Younger Freeway), which runs between Half Moon Bay to the west and Highway 880 to the east via the San Mateo-Hayward Bridge. The City encompasses 12,345 acres, of which 9,726 acres are part of San Francisco Bay and Belmont Slough, and 2,619 acres are land area.

## **History**

Foster City had its beginning as reclaimed marshlands devoted to dairy farming and evaporation ponds. At the turn of the 20<sup>th</sup> century, the approximately 2,600 acres of tidal marshes now occupied by Foster City were owned by Frank Brewer, and the land was called Brewer Island. Brewer eventually sold his land to the Leslie Salt Company and Schilling Estate Company.

During the late 1950's, T. Jack Foster, in association with Bay Area developer Richard Grant, purchased an option to acquire Brewer Island for the development of a complete community. In 1960, the California Legislature created the Estero Municipal Improvement District (EMID), the state's first such public agency. The District was granted most of the governing powers associated with an incorporated municipality, except the powers to zone and approve development and certain

police powers. A board of three directors representing the two landowners governed the District.

Because San Mateo County retained the authority to approve development permits, T. Jack Foster prepared a master plan for the development of Brewer Island (Foster City) and submitted it to the County in 1961. The plan envisioned a self-contained community with a variety of housing types, waterfront lots and parks, an internal lagoon for drainage and public recreation, marinas, offices, stores, industry, and public services. The ultimate "buildout" was to include 11,000 housing units and a population of approximately 35,000. The Town Center, to be focused on an interior lake, was to include a combination of community and regional commercial services, offices, government agencies, entertainment establishments, and parks.



One of the more difficult aspects of the plan for the City was how to handle drainage in an area that was basically flat and at sea level. The engineering firm of Wilsey and Ham developed a plan to raise the surface level of the island four to five feet and to dig a central drainage basin area that also would serve as a runoff storage area. This drainage basin is now the Foster City Lagoon.

The County Board of Supervisors approved the Foster City plan in 1961, and groundbreaking for the first reclamation and development projects took place in August. Due to the extensive fill, compaction, and construction of facilities that had to precede any building, three years passed before the first homes were completed.

The Estero Municipal Improvement District was authorized to issue \$82,130,000 in bonds in order to finance the improvements necessary for development of Brewer Island (of which \$78,437,000 was issued). The bonds provided enough funding to build the lagoon, water system, sewer system, roads, bridges, and other necessary improvements.

By the end of 1964, 200 families had moved into Foster City. By 1966 the community had grown to 5,000 residents. The first public buildings constructed included the Corporation Yard in the early 1960's and the Public Safety Building (the former Fire Station) in 1965.

As the City developed, residents came to realize that their lack of representation on the EMID Board made it difficult to affect Board decisions on development and taxation issues. In early 1967 residents reached a compromise with T. Jack Foster and Sons to introduce legislation increasing the Board's size from three to five. Foster City residents would elect the two new directors. The legislation also contained a provision for

eventual transition of the Board to full citizen representation by 1970, a year prior to the statutory deadline. At that time, the EMID Board began incorporation proceedings.

Foster City was incorporated in April 1971, with the newly elected City Council assuming the powers of the EMID Board. Nearly seven years after the first families moved to Foster City, residents gained full control over municipal governance.

In 1972 the City opened a new City Hall. In 1974, the Recreation Center opened in Central Park (now Leo J. Ryan Park) on the shores of the Lagoon. In 1976 the fourth and last of the bridges crossing the Foster City lagoon system was completed and it was named the Bicentennial Bridge. The Foster City Community Development Agency was formed in 1981 to assist the growth of the City. A new Police Station located at 1030 East Hillsdale Boulevard was dedicated in March 1985. The Recreation Center was remodeled and expanded in 1997. A new Library/Community Center building was also completed in 1997. The new Government Center with Fire Station, City Hall, and an addition to the Police Station was completed December 2002. The new Council Chambers was completed November 2003. The Teen Center (Vibe) moved from a temporary building to a permanent home by the Recreation Center in 2009.

### ***Government Services***

The Estero Municipal Improvement District, the City of Foster City, and the Foster City Community Development Agency provide governmental services to the citizens of Foster City. The members of the City Council serve as the policy-making body for all three governmental agencies. City voters elect Council members to staggered terms of four years each. The City Council meets regularly on the first and third Mondays of

each month at 6:30 p.m. in the Council Chambers at 620 Foster City Boulevard and may call additional special meetings. These meetings are televised on the City's government access station, FCTV Comcast Channel 27 or ATT Channel 99. All meetings of the City Council, Planning Commission and any committees are open to the public except when certain personnel matters and legal items are discussed.



Figure 2: Foster City Government Center

The City Council has appointed one commission, five standing committees and one ad hoc task force to advise it on matters of special interest:

- Ad Hoc Environmental Sustainability Task Force
- Audit Committee
- Information Technology Advisory Committee
- Parks and Recreation Committee
- Planning Commission
- Traffic Review Committee
- Youth Advisory Committee

### City of Foster City

Foster City was incorporated on April 27, 1971 and is a general law city as established by the California Government Code, Section 34102. It uses the Council-Manager form of

government. A City Manager is appointed by and responsible to the City Council to serve as Chief Administrative Officer overseeing personnel, developing the budget, proposing policy objectives, and implementing policies and programs adopted by the City Council. Nine departments report to the City Manager, which include:

- Five line departments, so-called because they provide direct services to the public: Community Development, Fire, Parks and Recreation, Police, Public Works; and
- Four support departments, which primarily serve to support the efforts of the line departments: City Manager, City Clerk, Financial Services and Human Resources.

### Estero Municipal Improvement District

As described in the History section, the Estero Municipal Improvement District (EMID) was created in 1960 and granted most of the governing powers associated with an incorporated municipality. EMID sold bonds to finance the major improvements needed for development of the City. EMID provides water and sewer service to Foster City and water service to Mariner's Island and is a separate legal entity with the City Council serving as its Board of Directors. The last of the EMID bonds was paid off on August 1, 2007.

### Community Development Agency

While Foster City has historically been a bedroom community, the City has made an effort to broaden its tax base and provide a more balanced mix of uses. A substantial amount of commercial and light industrial development has taken place in recent years, although residential growth has also continued. This commercial growth has been assisted by the

creation of the Community Development Agency (CDA) and the adoption in 1981 of a redevelopment plan and program, called the “Community Development Project Area.” The City Council serves as the Agency’s Board of Directors.

Construction was completed in 2002 on two new project areas that were added in 1999: the Marlin Cove and Hillsdale/Gull Redevelopment Project Areas. These redevelopment projects alleviated blighted conditions and provided 439 units of needed housing.

The Community Development Agency receives funding from a “tax increment” portion of the property tax. Pursuant to California Redevelopment Law, the tax increment is the increase in property taxes after the year the Project Area was established. The tax increment is distributed to the Community Development Agency and other agencies, subject to negotiated agreements. The Agency is obligated to spend a minimum of 20% of the tax increment funds it receives on affordable housing. The original Project Area had a tax increment cap of \$170 million, which was reached in FY 2010-11. The CDA will no longer receive tax increment from the original Project Area, but will continue to receive tax increment from the Marlin Cove (through 2029) and Hillsdale/Gull (through 2017) project areas.

### ***Cultural***

The Parks and Recreation Department sponsors a very popular annual Summer Concerts in the Park series. I also oversees a range of activities such as workshops, contests, concerts, and monthly showings in the Museum Gallery located in the Foster City Recreation Center, 650 Shell Boulevard.

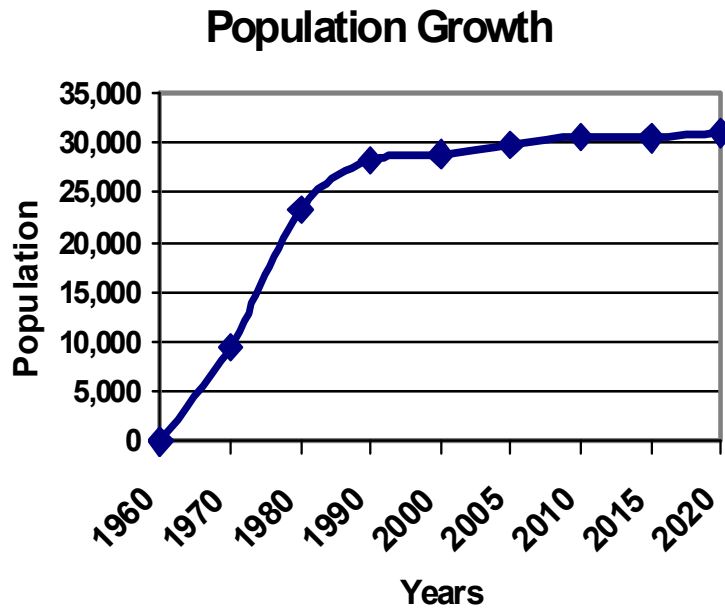
The Foster City Library, a branch of the San Mateo County Library, is located in the Civic Center complex at 1000 East Hillsdale Boulevard. This library building includes 18,500 sq. ft. of library space and a 9,000 sq. ft. Community Center.

The City is one of the sponsors of two annual community events: the Fourth of July Celebration and the Arts and Wine Festival. The Fourth of July Celebration is an all-day event co-sponsored by the Lions Club that includes fireworks, family games, food, demonstrations, and other activities. The Arts and Wine Festival is held the first weekend after Memorial Day and is co-sponsored by the Foster City Chamber of Commerce and the Rotary Club. The Festival includes carnival, midway games, demonstrations, arts and crafts, a talent show and other events.

### ***Population***

Foster City was virtually undeveloped in 1961 but experienced major growth in the 1970’s and grew at a slower pace during the 1980’s and 1990’s. The City’s population was determined to be 30,567 by the 2010 US Census.

The original Master Plan estimated a population at buildout of 35,000. Projections 2007 published by the Association of Bay Area Governments projects a population of 30,500 in 2015 and 31,000 in 2020.



## Housing

In late 2002, the 439 new multi-family units included as part of the redevelopment of Marlin Cove and Hillsdale/Gull (Miramar Apartments) were completed. As of 2005, Phase III of Promontory Point (East Hillsdale Blvd./Promontory Lane) was completed and added 31 housing units bringing the total number of units in the City to 12,480. Remaining housing growth will come through redevelopment of existing sites with new housing. The Pilgrim-Triton Master Plan was approved in 2008 to include up to 730 new housing units. The Specific Development Plan/Use Permit for 300 units in Phase I was approved in FY 2009-2010. Construction plans for Phase 1 were submitted and approved in FY 2010-2011.



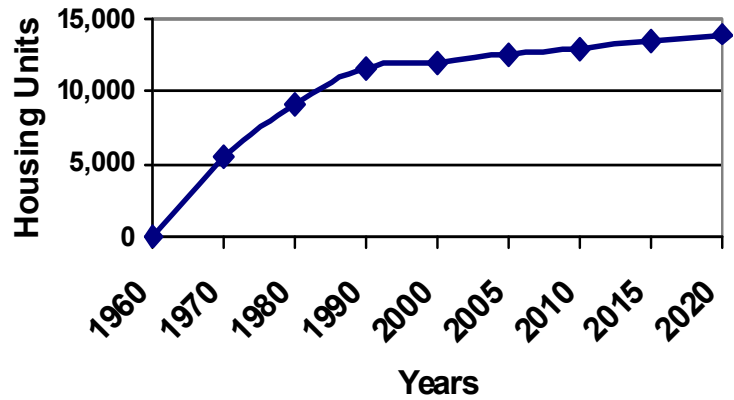
Figure 3: Miramar Apartments (Port O'Call)



Figure 4: Marlin Cove Apartments

No new housing units were completed in 2010. Additional housing units are called for in the Housing Element in order to provide the City's share of the region's housing needs. The City adopted a revised Housing Element of the General Plan in February 2010 that identifies potential housing sites in order to meet the state requirements to plan for meeting the City's share of the region's housing needs for the planning period of 2007-2014.

**Historic & Projected Housing Unit Growth**

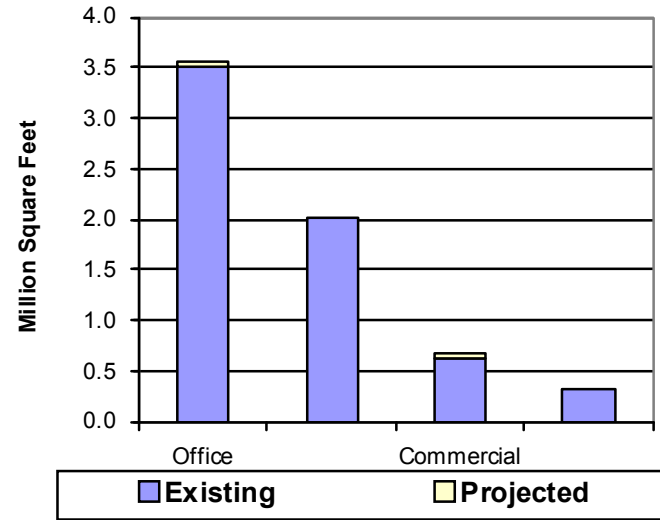


**Land Use**

The benefits of providing a balance of land uses that serve a wide range of community needs have been recognized since the first Foster City Master Plan. Although construction during the early years of Foster City was largely residential, the City has actively pursued commercial and light industrial development over the past fifteen years to achieve a more balanced mix of uses. Commercial, office, and industrial development provide a healthy and stable tax base as well as job opportunities within the City.

Existing non-residential building stock includes 3.3 million sq. ft. of office, 2.0 million sq. ft. of industrial/research and development, 0.6 million sq. ft. of commercial and 509 hotel rooms.

**Non-Residential Uses (million sq. ft.)**



The amount of office development is expected to increase over the next several years as older properties are redeveloped and the few remaining vacant sites are developed. The Pilgrim-Triton Master Plan that was approved in 2008 will, in phases, demolish about 296,000 sq. ft. of existing buildings on a 20-acre site and construct 296,000 sq. ft. of new office/commercial space and up to 720 housing units.

Also planned are new semi-public buildings as part of the North Peninsula Jewish Center (140,000 sq. ft.). The North Peninsula Jewish Center’s Use Permit was approved in June 2000 and construction on Phase I buildings was completed in May 2004.



Figure 5: North Peninsula Jewish Campus

In February 2010, the City approved the expansion of the 40-acre Gilead campus to add about 570,000 net new square feet of offices and labs. The City is currently considering the Chess-Hatch Office Project that would demolish about 190,000 sq. ft. of office/warehouse and replace it with up to 850,000 sq. ft. of office.

## Shopping

After the redevelopment of the old Port O' Call Shopping Center with the Miramar Apartments, Foster City now has six retail shopping areas: four neighborhood commercial centers (Edgewater Place, Marlin Cove, Charter Square and Beach Park Plaza) and two more regional-serving areas: The Marketplace along East Hillsdale Boulevard and the area along Metro Center Boulevard that includes Costco Wholesale and Orchard Supply Hardware.

A small amount of additional retail (17,000 sq. ft.) has been provided on the first floor of the Parkside Towers development at the corner of Shell and East Hillsdale Boulevards. An additional 17,000 square feet of retail will be included in Phase I of the Pilgrim-Triton Project.

## Jobs

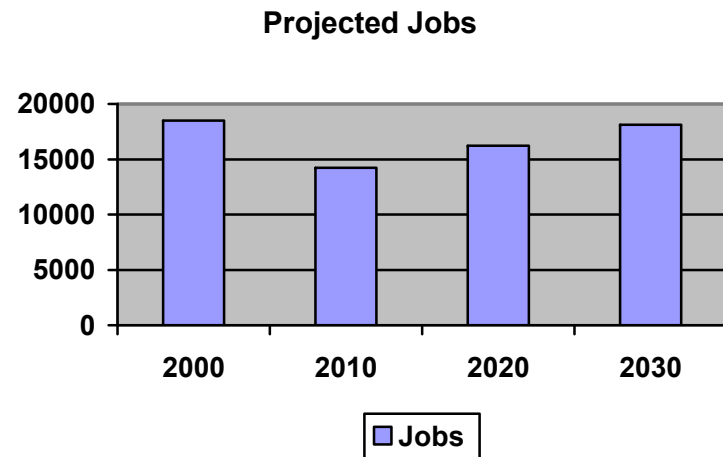
During the initial stages of Foster City's development, new growth was mainly residential or residential-serving in nature.

Since 1980, several major commercial and industrial developments have been completed, adding a substantial daytime work force population to the City and providing employment opportunities to Foster City residents. The largest employers as of April 2011 are indicated in the accompanying table.

<u>Largest Employers</u>	<u>No. of Employees</u>
VISA / Innovant	5,700
Gilead Sciences	1,600
Life Technologies	1,600
Sony Computer Entertainment America	800
Electronics For Imaging	600
IBM, Inc.	400

Source: Foster City Chamber of Commerce, 2011

Projections 2009 by the Association of Bay Area Governments noted a decrease in jobs between 2000 and 2005 and then projects increases in the number of jobs, from 14,230 in 2005 to 16,220 in 2020.



Source: Projections 2009, Association of Bay Area Governments

## ***Education***

The community is served by various private and public educational facilities. From a public education perspective, Foster City is served by the San Mateo-Foster City School District (elementary), the San Mateo Union High School District (high school), and the San Mateo Community College District (community college). There are six private preschools, three public and three private elementary schools, one private and one public middle (junior high) school in the city limits. High school students have the opportunity to attend one of the six public high schools in the District, as well as a variety of private high school institutions in the nearby area. The elementary schools and high schools serving Foster City youth continue to rank in the top quartile in educational achievement statewide. Finally, there are a variety of public and private colleges and universities within 40 miles of Foster City.

## ***Recreation***

Foster City prides itself on the wealth of recreational amenities and activities provided to the community. Foster City has one of the highest ratios of park acreage to population in the nation, boasting more than 100 acres of park and open space land including bike paths, dog exercise areas, a lighted softball field, soccer and youth baseball fields, tennis courts, basketball courts, picnic facilities, and a wildlife refuge. Leo J. Ryan Park, encompassing eight acres overlooking Central Lake, is home to the gazebo, amphitheater, stage area, and the William J. Walker Recreation Center. The City completed a major renovation of the Leo J. Ryan Park in 2005.

The City's lagoon system offers more than 200 acres of surface area, winding five miles throughout the City, for sailboat and windsurfing enthusiasts.

The City's Parks and Recreation Department offers a wide variety of classes year-round – from morning preschool programs to creative arts, sports, and fitness programs for children, teens, adults and seniors. The Senior Center offers a variety of programs geared specifically for seniors. "The Vibe" Teen Center hosts activities for the youth, including a skateboard park. Finally, two bocce ball courts round out the amenities provided at the Recreation Center campus.

Active sports enthusiasts can join any number of organized team sports, including basketball, softball, soccer and volleyball.

Finally, the City offers over 25,000 square feet of meeting space at its Recreation Center and Community Center that is available for lease to the public.

# FIVE-YEAR FINANCIAL FORECAST (FY 2011-2012 to 2015-2016)

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The City has prided itself in prudently managing its financial resources through long-term financial strategies and conservative financial decisions. By exercising stewardship and long-range financial planning, the City has managed to be debt free and build-up healthy reserves in its General Fund, Capital Improvement Funds, Internal Service Funds, and in its Enterprise operations.

At June 30, 2007, just as one of the worst economic recessions hit the nation, state, and the San Francisco Bay Area, the City had \$17.8 million in General Fund reserves, or nearly 66% of its annual operating expenditures. Four years later the City approaches FY 2011-2012, the City expects to start the next five years with \$19.4 million in reserves, or 63% of its annual operating expenditures. During this time, the City has been able to fully fund its post-employment benefit obligations other than its pension plans, its equipment replacement funds, has paid off all outstanding bonds to become debt free, and has begun to set aside funds towards its long-term capital improvement needs. In short, Foster City is in a comparatively strong financial position as it enters its next five year financial plan.

However, the City Council and staff of the organization will face critical fiscal decisions in order to maintain General Fund reserves above its minimum reserve policy of 33% of annual operating expenditures. The City faces a structural deficit of \$2.8 million that, based upon City Council direction, needs to be cured by FY 2013-2014. This structural deficit exists even after the City has taken steps in FY 2011-2012 to reduce the structural deficit by \$2.15 million with approximately \$2 million

in expenditure reductions, and nearly \$150,000 per year in enhanced revenues.

The nation's unemployment rate as of May 2011 was 9.1%, while California's unemployment rate for April 2011 was 12.1%. While unemployment has reduced by nearly 0.6% since the prior year, economic recovery is slow, and this is being noted at the state and local level.

The State of California has struggled to pass budgets the past four fiscal years. The State has sought to balance part of its budgetary woes on the back of cities and redevelopment agencies, and through various accounting gimmicks rather than through systemic fixes to its ongoing deficit. Governor Brown is currently attempting to fix the state budget through expenditure cuts and recommended tax extensions to fund remaining services. Proposition 25, passed by voters in November 2010, allows the state to pass a budget with a simple majority. However, revenue enhancements still require a 2/3 vote of the Legislature. Proposition 22, passed by voters in November 2010, prevents the state from raiding city and redevelopment agency revenues. Nevertheless, the state continues to seek ways to shift responsibilities for government services to the local level and has proposed the elimination of redevelopment agencies.

At the local level, the recent trend of deteriorating revenues has slowed or reversed itself in certain situations. Nevertheless, the City has yet to see any significant growth in its revenue streams.

- Property Taxes: The subprime mortgage meltdown of 2008 triggered this recession. Home prices declined nearly 15% from 2007 levels, and showed gains through 2009. However, the median home price in Foster City in calendar year 2010 fell by 1.6% from the prior year. Home sales have slowed in FY 2010-2011. Property tax appeals filed by property owners through May 31, 2011 place nearly \$616 million in assessed value at risk, much of which is in commercial real estate. Property tax revenue growth is at historic lows.
- Sales and Use Tax: Sales taxes have fallen slightly in FY 2010-2011 from the prior year, yet have shown signs of slight recovery in the past six months.
- Transient Occupancy Taxes: Transient occupancy taxes have increased 10% due primarily to higher occupancy rates.
- Investment Earnings – The economic recession has forced the Treasury and Federal Reserve to keep interest rates low as a means of spurring economic growth. Investment returns have remained at a stagnant 1.5%, with LAIF investment returns at historic lows and long-term investment securities that have decreased their yields to 2.0% for 5-year bonds. The City's yield fell to 1.0% during FY 2009-2010, and stands at 1.43% as we head into the new fiscal year.

The expenditure side of the ledger has been relatively stable, with conscious cost-cutting measures employed to offset revenue declines. Future trends may have the impact of placing significant pressures on the City's reserves.

- Personnel Costs: Personnel costs (salaries and benefits) account for 79% of total General Fund expenditures. Therefore, the prudent management of

employee costs will be important to the financial future of the City.

- Retirement Costs: Public employee retirement funds have taken a beating in this investment market. PERS' investment portfolio lost 25% of its value in fiscal year 2009, yet experienced gains of 13% in fiscal year 2010, and are on track to gain 14% in fiscal year 2011. Rate increases in 2011-2012 are expected to be 3-4%, and increases ranging from 2-4% over the following two years depending upon market performance through the next 6-12 months. CalPERS's approval of the City's request to reamortize its unfunded liabilities associated with Public Safety retirement plans reduced the public safety rates by 9.6%, but extend the repayment of those liabilities over 30 years. In addition, the City Council has established a "pay as you go" policy for funding its other post employment benefit ("OPEB") liabilities, but has pre-funded those obligations through existing reserves.
- Services, Supplies, and Internal Service Charges: These expenditure categories have seen relatively little growth in the past 3 years, an average annual growth of less than 4% per year over that time.

The City faces a long-term structural deficit of \$2.8 million. The City's reserve levels built up over the years will allow the City to methodically and strategically develop an action plan to solve this structural imbalance. It will be vital to explore expenditure reductions through reduction in select service levels, shared services with other governmental entities, opportunities for reorganization and operational changes, use of contractual services, and managing employee costs. It will be equally important to explore revenue enhancements as part of the budget balancing solutions.

Continued vigilance will be necessary for those things that are outside the control of the City: property values and the rate of turnover provide continued growth in the property tax revenue base over the long-term; local, regional, national, and worldwide economies affecting the City's financial stability; the State government's financial situation leading it to find ways to shift services to the local level; significant unemployment that will curb economic expansion, inflation, interest rates, and make economic recovery a protracted process. These trends have been considered in the preparation of the "Summary of Key Assumptions Used in Preparation of the Five-Year Financial Plan", located within this section of the budget.

The next 5 years will be critical in the City's effective management of its financial resources. The City will need to pay close attention to the following trends over the next several years:

- The economic recession is technically over at the national level, with very slow recovery expected thereafter (well less than the historical 4-8% growth rate patterns in the early 2000's).
- With the CDA's Project Area One reaching its tax increment cap of \$170 million in April 2011, the District will see an infusion of over \$4 million in property taxes that were previously collected by the CDA.
- Development is expected to be slow over the next five years, with the exception of the Pilgrim-Triton and Gilead Sciences Campus developments that are moving forward and with whom the developers have demonstrated the financial ability to proceed.
- The development on the City's 15-acre site has not occurred, along with the ability to generate revenues from the site. This site, however, is an important asset in the financial future of Foster City.
- The rates paid by the City to fund employee retirement plans through CalPERS are expected to increase over the next three years due to investment returns falling below expectations and demographic changes of a workforce that is working and living longer.
- Water and Wastewater operations will continue to be self-funded, with significant rate increases in the costs of obtaining water from San Francisco Public Utilities Commission due to reduced consumption and the nature, extent and timing of their major capital improvement programs to improve the reliability of the Hetch Hetchy Water System.
- Water supply availability will be a key issue in the community, with the need to implement stronger water conservation programs in the form of education, water rate structures, and rebate programs to instill conservation.
- The five-year projections of the City's General Fund at proposed service levels and existing revenue levels in FY 2011-2012 would find General Fund reserves falling close to the minimum reserve level by FY 2013-2014 if no action is taken on the structural deficit, which will be approximately \$2.8 million per year in that year. An example of balanced budget adjustments is included in the five-year forecast to achieve the Council's goals of balancing the budget without the use of reserves by FY 2013-2014 and staying above the minimum reserve level of 33.3% of annual budgeted operating expenditures. A specific action plan to address this structural deficit will need to be reviewed by a newly seated City Council starting in January 2012.
- Aging infrastructure costs will require funding of nearly \$1.34 million per year on a long-term basis. The five-year forecast includes this annual transfer from the City General Fund to the Capital Investment – City Fund.

- Significant decisions regarding land use planning and redevelopment opportunities will be made by the City Council in the coming years that will have a direct impact on the City's long-term financial health and the types and levels of services that the community will enjoy.
- On a positive note, the City / District / CDA are debt free from all bonded indebtedness.

City leaders have made prudent financial decisions throughout the City's history that have served it well. The City will be reducing current service levels in FY 2011-2012 through the elimination of thirteen (13) positions, ten (10) of which are vacant. The City will need to take definitive steps to cure the remaining \$2.8 million structural General Fund deficit by FY 2013-2014 and maintain reserve levels above the minimum level of 33.3% of annual budgeted operating expenditures. A process of community engagement will be required to determine the public interest in the level and extent of services provided in Foster City. Strategic public policy decisions regarding service levels will be required in order to maximize service levels to the fullest extent possible, and revenue enhancement strategies will need to be considered to offset potential reduction of service levels. Maintaining the City's sound financial health has been, and will continue to be, of prime importance for the long-term sustainability of the community.

## **City of Foster City**

### **Summary of Key Assumptions Used in Preparation of the Five-Year Financial Plan for the Five Years Ended June 30, 2016**

The attached City of Foster City Five-Year Financial Plan covers the five year period ending June 30, 2016. The analysis makes key assumptions that, based on historical trends and current information received from various sources, are considered most likely to be incurred. The key assumptions made in the preparation of the Plan are listed here. Several sources were used in preparing these assumptions:

- Budget information from the State Department of Finance
- Consumer price index adjustments and unemployment rate trends from the Bureau of Labor Statistics
- Residential property value trends from the National Association of Realtors, California Association of Realtors, and MLS Listings.
- Consumer spending and interest rate trends as compiled by the Federal Reserve Bank
- Property assessment valuations from the County Assessor's office
- Anticipated commercial and residential developments in the City through the Community Development Department
- Unemployment rates from the Bureau of Labor Statistics and the California Employment Development Department
- Market rates realized on existing investment securities
- Availability of Federal and State Grants
- Pending and current legislation affecting local government revenues and costs
- Known one-time revenues and expenditures

#### **Overall Economic Forecast**

Most economists believe that the United States and California are emerging from one of the worst recessions since the 1920's. Yet the pace of recovery has been lethargic at best, with unemployment continuing to hover at 8.8% nationwide and 12.0% in California. Revenue streams are either trending downwards or remain stagnant. The overriding assumption used in this forecast is that Foster City's revenues will experience very modest (less than 2%) annual growth.

#### **Revenue Assumptions**

Assumptions made in determining significant revenue amounts are listed below:

##### **Property Taxes**

- Foster City has largely been exempt from the foreclosure and short-sale trends that were experienced in the rest of the country during the recession. Yet home sales volumes have slowed in FY 2010-2011 when compared to the prior year. Commercial property continues to be depressed in value, and there is nearly \$638 million in assessed value at risk based on AV appeals with the County Assessor's Office, with many commercial properties requesting AV reductions of over 50%. Historically, property taxes have grown annually at 5-10%. Yet, under the provisions of Proposition 13, AV on existing homes will increase by only 0.753%. The Foster City CDA Project Area One reached its tax increment cap in FY 2010-2011, which means that the tax increment

that was formerly apportioned directly to the Agency now reverts back to the taxing agencies, including the City / District. An infusion of \$4.1 million in property tax revenues is added to the base for FY 2011-2012 and future years. Given the state of the market, Proposition 13 increases, and turnover in homes yielding higher AV, an increase of 1.7% in FY 2011-2012 is incorporated into the projections, less a \$450,000 potential loss from assessment appeals in progress. Future years in the five-year forecast plan on increases of 2% per year, significantly less than historical averages, is projected based on assumptions that the CPI index upon which Proposition 13 is based will increase by 2.5% per year (subject to a 2% cap per year). Additional property tax revenue associated with development of the Pilgrim-Triton and Gilead Sciences projects, as discussed below, are also incorporated into the five-year forecast.

#### Sales & Use Tax

- Sales tax revenues are expected to remain at the same levels estimated in the prior year, net of the loss of a significant sales tax generator that is expected to reduce ongoing sales taxes by \$120,000 per year. Growth of 2% is expected in FY 2012-2013 and thereafter.

#### Transient Occupancy Tax

- Current tax rate of 8% is assessed to people staying in the City's two hotels -- Crowne Plaza and Marriott Courtyard. New and renewed airline contracts with the Crowne Plaza and refurbishment of the Courtyard have helped TOT revenues exceed expectations in FY 2010-2011. Modest growth of 1.5% is expected in FY 2011-2012, with 2% growth in FY 2012-2013 and thereafter. The City is currently exploring placing a tax measure on the November 2011 ballot that could potentially raise the tax rate from 8% to 10%, which could generate

approximately \$300,000 in additional TOT revenues. No assumptions have been made with respect to the passage of any potential TOT ballot measure.

#### Investment Earnings

- Yields on the City's investment portfolio as of 4/21/2010 was 1.45%. Fixed investments continue to trade at or near all-time lows as the Fed continues to keep investment rates low. The daily yield on the City's LAIF deposits is near an all time low of 0.45%. Until such time that unemployment rates drop to below 10% in California or 8% nationwide, interest rates and corresponding fixed investment yields are expected to remain low. No significant growth in investment yield rates is anticipated in the five-year period. Fluctuations in investment earnings will be based upon expected fund balance surpluses or deficits in each year.

#### Loan Repayments from CDA

- All outstanding loan obligations of the CDA to the City were repaid in FY 2010-2011. This revenue stream is no longer incorporated in the budget, however property tax revenues to the City will increase given that Project Area One has reached its tax increment cap (see "Property Taxes" above).

#### Development and Park-in-Lieu Fees

- The Pilgrim-Triton Development Project, Phase I, commenced in FY 2010-2011. Phases II and III are currently not expected to occur in the five-year forecast pending economic recovery and indications of interest by those developers to move forward with plans and construction. The related property tax, permit fees, water and wastewater connection fees, and Park in Lieu fees that would be assessed as part of this development will be incorporated when the developers indicate interest in

moving forward with Phases II and III, but are currently not reflected in the five-year forecast.

- With respect to the financial information received from the developers of the Gilead Sciences Campus development, as well as the active pursuit of all land use approvals, design review, and plan submittal towards a building permit, it is assumed that construction of Phase I will occur in FY 2011-2012. The related property tax, permit fees, and water and wastewater connection fees that would be assessed as part of this development are incorporated based on the timing and construction values estimated as part of the project.
- The 15-acre site adjacent to the Government Center is assumed to remain vacant until a developer is identified and a land lease and/or land sale agreement is executed. No revenues related to this site are incorporated in this five-year forecast.

#### Water and Wastewater Revenues

- Water Rates -- The City currently serves approximately 8,400 utility customers. Due to planned water rate increases of 38% charged by the SFPUC, water rates assume an 11% revenue increase in FY 2011-2012, with increases of 11% in FY 2012-2013, 10% in FY 2013-2014, 9% in FY 2014-2015, and 6% in FY 2015-2016. These costs are expected to cover increased costs associated with the Hetch Hetchy Water System improvements and local infrastructure improvement projects. The conservation-based water rate model implemented in FY 2010-2011 continues to generate excess revenues from customers with high-end water consumption patterns, which funds an expanded water rebate program in an effort to achieve a 15% water conservation level by 2012.

- Wastewater Rates – Wastewater rates assume no increases for FY 2011-2012 through FY 2013-2014. The five-year forecast assumes an 8% increase in FY 2014-2015, and a 2% increase required in FY 2015-2016, in order to cover planned lift station rehabilitation projects in FY 2015-2016.

#### State Budget

- The State Legislature approved nearly \$12 billion in cuts in March 2011 in an attempt to solve the State's \$25.4 billion deficit. The Legislature also approved a budget package on June 15, 2011 that was vetoed by the Governor the next day as it did not solve the long-term deficit in the State's operating budget. The Governor continues to seek enough votes to support a ballot measure to extend tax increases for another five years. The Legislature approved bills to abolish redevelopment agencies, but has not forwarded those bills to the Governor pending further budget deliberations. The Agency has taken specific actions to attempt to avert any negative impact on its resources, yet the outcome of the bills that were approved by the Legislature is uncertain and faces significant legal challenges. Voter approval of Proposition 22 in November 2010 protects the City from any direct takeaway of funds by the State. However, the failure to extend taxes as indicated above will have a direct impact on Foster City in the following ways which have been incorporated into the Final Budget:

- *SLESF/COPS Funding* – The SLESF/COPS grant program was proposed for elimination in the most recent budget package proposals. It is assumed that the \$100,000 funding it receives from the State to offset law enforcement programs in Foster City will be eliminated, thereby placing a burden on the City's General Fund.

- *Booking Fees* – The County will have the ability to charge booking fees to Cities for any criminals that are booked into County jails. The Governor’s proposal to reduce state prison costs by releasing low-level offenders was dealt a blow by a court ruling indicating that it may be unlawful to release those prisoners. Bookings at the County will likely increase, and with the potential of no further funding from the State level, the five-year forecast assumes that the County will charge booking fees to the City amounting to \$20,000 per year.

### Expenditure Assumptions

Assumptions made in determining significant expenditures are listed below:

#### Service Levels and Capital Improvement Projects

- The City will see slight service level changes in FY 2011-2012. FCTV services will be reduced such that no original productions other than live City Council and Planning Commission meetings will be produced and aired. Some recreation programs will be reduced, eliminated or provided in a different way starting in January 2012. A total of thirteen (13) positions will be eliminated in FY 2011-2012, ten (10) positions of which are vacant. Proposed Capital Improvement Projects in the Five-Year forecast are shown as funded and incorporated into the Plan. Long-term funding of Capital Improvement Projects implemented in FY 2010-2011 continues in the five-year forecast for the City’s General Fund and the Water and Wastewater Enterprise Funds.

#### Employee Services

- Fifteen (15) employee positions are being eliminated as the City enters FY 2011-2012, thirteen (13) of which are full-time positions. Five positions – one Video Producer,

one Sr. Civil Engineer, one Recreation Coordinator, one Clerical Assistant, and one Transportation Intern – will require the layoff of personnel. The reduction of the Video Producer position will bring FCTV service levels to a “core services” level as indicated above. The Sr. Civil Engineer position is reflective of the completion of a significant number of capital improvement projects and the reduced capital improvement project activity expected on a go-forward basis. One Recreation Coordinator position in Parks & Recreation is being eliminated as of January 1, 2012, with some services and programs being reduced and/or delivered under a regional / shared services model. The elimination of one (1) part-time Clerical Assistant position in the City Clerk Department will require reassigning the duties amongst the remaining two (2) Clerical Assistants. Finally, the elimination of the Transportation Intern will require that residual transportation management initiatives be handled by the Management Assistant in the City Manager’s Office.

- The remaining ten (10) positions are currently unfilled. The City Clerk Department has eliminated the Office Assistant II (Receptionist) position at City Hall, which is being covered by personnel in the City Clerk, Financial Services and Community Development Departments. The Police Department is eliminating five positions: 1-Police Corporal, 2-Police Officers, 1-Sr. Community Services Officer, and 1-Police Records Specialist. All positions were vacant, and work is being redistributed throughout the department with a focus in maintaining public safety as the department’s top priority. The Fire Department is adding a Deputy Fire Chief position and sharing a Battalion Chief as part of a 3-year plan to share management responsibilities with the City of San Mateo. The Community Development Department will eliminate

its vacant Office Assistant II position, with workload redistributed to the Management Assistant and the Building Permit Technician. Public Works is eliminating a Public Works Superintendent and a Public Works Maintenance Worker I/II in an effort to streamline operations and make for a more cost-effective delivery of services in the maintenance divisions. The Parks & Recreation Department is eliminating a Parks Maintenance Worker II position with some part-time assistance until the new synthetic turf fields at Sea Cloud Park and Port Royal Park are completed.

- With the exception of the planned reduction of a Public Works Maintenance Worker I/II position in FY 2012-2013 as the water meter replacement program nears completion, the five-year forecast does not include any further or specific staff reductions pending an evaluation of a plan to cure the City's structural deficit by a newly seated City Council in January 2012.
- Much of the City's workforce falls under collective bargaining agreements. A negotiated agreement with the AFSCME, IAFF and FCPOA bargaining groups, along with the compensation plan for the unrepresented Management employees (which was amended to reflect the voluntary foregoing of scheduled salary increases for FY 2011-2012 and 2012-2013), have been incorporated into the budget for FY 2011-2012. The five-year forecast assumes no increases in wages or benefits, other than anticipated CalPERS increases (see below).
- CalPERS investment returns for FY 2010-2011 are currently showing a 14.1% increase in portfolio value after a 13.3% increase in FY 2009-2010, which followed a 24.8% decrease the preceding year. The past three years growth is a net gain of only 2.3%, far less than the

actuarial assumption of an annual 7-3/4% gain. The rate-smoothing policy implemented by the CalPERS board in FY 2006-2007 and revised in FY 2009-2010 helped avert significant spikes in employer rates, however if the fund falls below 70% funding in FY 2010-2011, and 80% funding in FY 2011-2012, the rates could spike again. The current actuarial assumptions and projections call for increases in our PERS rates of 4.0%, 1.3%, and 2% for Public Safety employees, and 3.1%, 0.7% and 2.4% for Miscellaneous employees, for FY 2011-2012, 2012-2013, and 2013-2014 respectively. The City / District received approval of a fresh start on the amortization of the unfunded actuarial liability for public safety employees over 30 years. This reduced the employer contribution rate by approximately 9.6% of salary for FY 2011-2012. The contribution rate for Public Safety employees for FY 2011-2012 will be approximately 28.5%, and for Miscellaneous Employees will be 16.642%. Long-term Public Safety employee pension costs will see significant reductions by the implementation of a two-tiered retirement system for all Public Safety employees and managers under the 2.0% @ 50 retirement plan for any new employees hired after January 1, 2012.

#### Supplies and Services, Capital Outlay, Internal Service Charges, and Reallocations

- An estimate of 2.5% increase in annual expenditures was used based on long-term CPI trends, which is consistent with investment rates in 10-year Treasury Inflation Protected Securities, a leading indicator of long-term CPI expectations.

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**City of Foster City, California**  
 Summary -- All Funds  
 Five Year Financial Plan for the Years Ended June 30, 2016

Revenues by Source:	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Governmental Fund Type Revenues</b>						
Property taxes	\$ 14,231,000	\$ 15,847,000	\$ 16,412,700	\$ 16,816,100	\$ 17,299,500	\$ 17,862,700
Other taxes	\$ 7,118,000	\$ 7,638,000	\$ 7,784,000	\$ 7,935,000	\$ 8,089,000	\$ 8,247,000
Licenses and permits	\$ 1,537,400	\$ 1,336,700	\$ 1,484,400	\$ 1,640,500	\$ 1,232,000	\$ 1,257,000
Intergovernmental	\$ 2,988,000	\$ 2,767,000	\$ 2,767,000	\$ 3,217,000	\$ 2,767,000	\$ 2,767,000
Charges for current services	\$ 1,715,200	\$ 2,142,800	\$ 2,233,000	\$ 2,288,800	\$ 2,232,000	\$ 2,263,000
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rentals	\$ 1,267,500	\$ 1,745,700	\$ 1,771,500	\$ 1,796,300	\$ 1,822,200	\$ 1,850,200
Other	\$ 21,113,700	\$ 5,486,700	\$ 414,700	\$ 418,700	\$ 427,700	\$ 426,700
<b>Proprietary Fund Type Revenues</b>						
Sales & service charges	\$ 15,598,000	\$ 16,592,000	\$ 17,696,000	\$ 19,088,000	\$ 21,054,000	\$ 22,034,000
Connection fees	\$ 447,500	\$ 64,800	\$ 272,400	\$ 392,200	\$ -	\$ 330,500
Vehicle, equipment rental and other user charges	\$ 5,942,849	\$ 5,699,005	\$ 5,982,000	\$ 6,154,000	\$ 6,331,000	\$ 6,513,000
Interest and rentals	\$ 633,000	\$ 846,700	\$ 827,000	\$ 839,000	\$ 857,000	\$ 870,000
Other	\$ 125,600	\$ 134,100	\$ 23,600	\$ 23,600	\$ 23,600	\$ 23,600
<b>Total Revenues</b>	<b>\$ 72,717,749</b>	<b>\$ 60,300,505</b>	<b>\$ 57,668,300</b>	<b>\$ 60,609,200</b>	<b>\$ 62,135,000</b>	<b>\$ 64,444,700</b>
Expenditures (see attached)	\$ 53,829,051	\$ 62,501,260	\$ 65,679,492	\$ 60,247,346	\$ 62,643,805	\$ 69,287,183
Net revenues over (under) expenditures before transfers	\$ 18,888,698	\$ (2,200,755)	\$ (8,011,192)	\$ 361,854	\$ (508,805)	\$ (4,842,483)
Loan Principal Payment from CDA	\$ 1,115,676	\$ -	\$ -	\$ -	\$ -	\$ -
Net Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Fund Balance Before Adjustments	\$ 20,004,374	\$ (2,200,755)	\$ (8,011,192)	\$ 361,854	\$ (508,805)	\$ (4,842,483)
G/F Adjustments Implemented in FY 2012-2013	\$ -	\$ -	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
G/F Adjustments Implemented in FY 2013-2014	\$ -	\$ -	\$ -	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Total G/F Budget Adjustments to Balance Budget	\$ -	\$ -	\$ 1,400,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ 20,004,374</b>	<b>\$ (2,200,755)</b>	<b>\$ (6,611,192)</b>	<b>\$ 3,161,854</b>	<b>\$ 2,291,195</b>	<b>\$ (2,042,483)</b>
Opening Fund Balance	\$ 66,212,326	\$ 86,216,700	\$ 84,015,945	\$ 77,404,753	\$ 80,566,607	\$ 82,857,802
Ending Fund Balance	\$ 86,216,700	\$ 84,015,945	\$ 77,404,753	\$ 80,566,607	\$ 82,857,802	\$ 80,815,319

**City of Foster City, California**  
**Expenditure Summary -- All Funds**  
**Five Year Financial Plan for the Years Ended June 30, 2016**

<b><u>Total By Expenditure</u></b>	<b>Approved</b>	<b>Five Year Financial Plan</b>				
	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ 29,637,390	\$ 29,198,997	\$ 29,800,067	\$ 30,355,410	\$ 30,659,644	\$ 30,966,591
<i>Supplies and other</i>	\$ 15,659,698	\$ 18,857,468	\$ 24,751,051	\$ 20,905,670	\$ 22,791,453	\$ 23,860,798
<i>Capital Improvement Projects</i>	\$ 2,010,000	\$ 7,192,000	\$ 3,720,000	\$ 1,410,000	\$ 1,445,000	\$ 6,535,000
<i>Capital Outlay</i>	\$ 1,607,507	\$ 1,578,948	\$ 1,600,000	\$ 1,630,000	\$ 1,660,900	\$ 1,692,727
<b>Total department expenses</b>	<b>\$ 48,914,595</b>	<b>\$ 56,827,413</b>	<b>\$ 59,871,118</b>	<b>\$ 54,301,080</b>	<b>\$ 56,556,997</b>	<b>\$ 63,055,116</b>
<b>Interdepartmental charges (credits)</b>	\$ 5,730,448	\$ 5,673,847	\$ 5,808,374	\$ 5,946,266	\$ 6,086,808	\$ 6,232,067
<b>Reallocations</b>	\$ (815,992)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Expenditures</b>	<b>\$ 53,829,051</b>	<b>\$ 62,501,260</b>	<b>\$ 65,679,492</b>	<b>\$ 60,247,346</b>	<b>\$ 62,643,805</b>	<b>\$ 69,287,183</b>

**City of Foster City, California**  
**General Fund**  
**Five Year Financial Plan for the Years Ended June 30, 2016**

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Property taxes	\$ 14,231,000	\$ 15,847,000	\$ 16,412,700	\$ 16,816,100	\$ 17,299,500	\$ 17,862,700
Other taxes	\$ 5,933,000	\$ 6,365,000	\$ 6,502,000	\$ 6,643,000	\$ 6,787,000	\$ 6,935,000
Licenses and permits	\$ 1,537,400	\$ 1,336,700	\$ 1,484,400	\$ 1,640,500	\$ 1,232,000	\$ 1,257,000
Intergovernmental	\$ 2,855,000	\$ 2,635,000	\$ 2,635,000	\$ 2,635,000	\$ 2,635,000	\$ 2,635,000
Charges for current services	\$ 1,619,200	\$ 2,040,800	\$ 2,131,000	\$ 2,186,800	\$ 2,130,000	\$ 2,161,000
Interest and rentals	\$ 1,160,000	\$ 1,200,300	\$ 1,219,500	\$ 1,237,700	\$ 1,256,900	\$ 1,277,100
Other	\$ 356,200	\$ 240,700	\$ 242,700	\$ 244,700	\$ 251,700	\$ 253,700
<b>Total Revenues</b>	<b>\$ 27,691,800</b>	<b>\$ 29,665,500</b>	<b>\$ 30,627,300</b>	<b>\$ 31,403,800</b>	<b>\$ 31,592,100</b>	<b>\$ 32,381,500</b>
<b>Expenditures (see attached)</b>	<b>\$ 30,837,549</b>	<b>\$ 30,854,569</b>	<b>\$ 31,857,910</b>	<b>\$ 32,550,916</b>	<b>\$ 33,004,904</b>	<b>\$ 33,467,263</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ (3,145,749)</b>	<b>\$ (1,189,069)</b>	<b>\$ (1,230,610)</b>	<b>\$ (1,147,116)</b>	<b>\$ (1,412,804)</b>	<b>\$ (1,085,763)</b>
<b>Loan Principal Payment from CDA</b>	<b>\$ 1,115,676</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Transfers In (Out)</b>	<b>\$ (1,478,000)</b>	<b>\$ (1,312,000)</b>	<b>\$ (1,342,000)</b>	<b>\$ (1,342,000)</b>	<b>\$ (1,342,000)</b>	<b>\$ (1,342,000)</b>
<b>Net Increase (Decrease) Before Balanced Budget Adjustments</b>	<b>\$ (3,508,073)</b>	<b>\$ (2,501,069)</b>	<b>\$ (2,572,610)</b>	<b>\$ (2,489,116)</b>	<b>\$ (2,754,804)</b>	<b>\$ (2,427,763)</b>
<b>Adjustments Implemented in FY 2012-2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>
<b>Adjustments Implemented in FY 2013-2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>
<b>Total Budget Adjustments to Balance Budget</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,400,000</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ (3,508,073)</b>	<b>\$ (2,501,069)</b>	<b>\$ (1,172,610)</b>	<b>\$ 310,884</b>	<b>\$ 45,196</b>	<b>\$ 372,237</b>
<b>Opening Fund Balance</b>	<b>\$ 22,913,073</b>	<b>\$ 19,405,000</b>	<b>\$ 16,903,931</b>	<b>\$ 15,731,321</b>	<b>\$ 16,042,205</b>	<b>\$ 16,087,401</b>
<b>Ending Fund Balance</b>	<b>\$ 19,405,000</b>	<b>\$ 16,903,931</b>	<b>\$ 15,731,321</b>	<b>\$ 16,042,205</b>	<b>\$ 16,087,401</b>	<b>\$ 16,459,638</b>

**City of Foster City, California**  
 General Fund Expenditures Detail  
 Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ 24,974,030	\$ 24,380,637	\$ 24,868,250	\$ 25,365,615	\$ 25,619,271	\$ 25,875,464
<i>Supplies and other</i>	\$ 5,141,903	\$ 5,002,782	\$ 5,127,852	\$ 5,256,048	\$ 5,387,449	\$ 5,522,135
<i>Capital Improvement Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ 9,200	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total department expenses</b>	<b>\$ 30,125,133</b>	<b>\$ 29,383,419</b>	<b>\$ 29,996,102</b>	<b>\$ 30,621,663</b>	<b>\$ 31,006,720</b>	<b>\$ 31,397,599</b>
<b>Interdepartmental charges (credits)</b>	<b>\$ 3,912,184</b>	<b>\$ 3,880,788</b>	<b>\$ 3,977,808</b>	<b>\$ 4,077,253</b>	<b>\$ 4,179,184</b>	<b>\$ 4,283,664</b>
<b>Reallocation</b>	<b>\$ (3,199,768)</b>	<b>\$ (2,409,638)</b>	<b>\$ (2,116,000)</b>	<b>\$ (2,148,000)</b>	<b>\$ (2,181,000)</b>	<b>\$ (2,214,000)</b>
<b>Net Expenditures</b>	<b>\$ 30,837,549</b>	<b>\$ 30,854,569</b>	<b>\$ 31,857,910</b>	<b>\$ 32,550,916</b>	<b>\$ 33,004,904</b>	<b>\$ 33,467,263</b>

**City of Foster City, California**  
Special Revenue Funds  
Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	\$ 1,185,000	\$ 1,273,000	\$ 1,282,000	\$ 1,292,000	\$ 1,302,000	\$ 1,312,000
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	\$ 100,000	\$ 99,000	\$ 99,000	\$ 549,000	\$ 99,000	\$ 99,000
Charges for current services	\$ 96,000	\$ 102,000	\$ 102,000	\$ 102,000	\$ 102,000	\$ 102,000
Interest and rentals	\$ 32,500	\$ 389,400	\$ 376,000	\$ 362,600	\$ 349,300	\$ 337,100
Other	\$ 20,757,500	\$ 1,624,000	\$ 172,000	\$ 174,000	\$ 176,000	\$ 173,000
<b>Total Revenues</b>	<b>\$ 22,171,000</b>	<b>\$ 3,487,400</b>	<b>\$ 2,031,000</b>	<b>\$ 2,479,600</b>	<b>\$ 2,028,300</b>	<b>\$ 2,023,100</b>
<b>Expenditures (see attached)</b>	<b>\$ 1,810,453</b>	<b>\$ 5,480,503</b>	<b>\$ 8,948,790</b>	<b>\$ 3,772,321</b>	<b>\$ 3,811,581</b>	<b>\$ 3,753,866</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ 20,360,547</b>	<b>\$ (1,993,103)</b>	<b>\$ (6,917,790)</b>	<b>\$ (1,292,721)</b>	<b>\$ (1,783,281)</b>	<b>\$ (1,730,766)</b>
<b>Net Transfers In (Out)</b>	<b>\$ (30,500)</b>	<b>\$ (159,500)</b>	<b>\$ (30,500)</b>	<b>\$ (12,500)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ 20,330,047</b>	<b>\$ (2,152,603)</b>	<b>\$ (6,948,290)</b>	<b>\$ (1,305,221)</b>	<b>\$ (1,783,281)</b>	<b>\$ (1,730,766)</b>
<b>Opening Fund Balance</b>	<b>\$ 2,679,153</b>	<b>\$ 23,009,200</b>	<b>\$ 20,856,597</b>	<b>\$ 13,908,307</b>	<b>\$ 12,603,086</b>	<b>\$ 10,819,805</b>
<b>Ending Fund Balance</b>	<b>\$ 23,009,200</b>	<b>\$ 20,856,597</b>	<b>\$ 13,908,307</b>	<b>\$ 12,603,086</b>	<b>\$ 10,819,805</b>	<b>\$ 9,089,039</b>

**City of Foster City, California**  
Special Revenue Fund Expenditures Detail  
Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ 159,900	\$ 58,600	\$ 59,772	\$ 60,669	\$ 61,276	\$ 61,889
<i>Supplies and other</i>	\$ 13,900	\$ 2,148,900	\$ 7,407,900	\$ 2,157,900	\$ 2,158,900	\$ 2,157,900
<i>Capital Improvement Projects</i>	\$ 825,000	\$ 2,315,000	\$ 845,000	\$ 915,000	\$ 950,000	\$ 890,000
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total department expenses</b>	<b>\$ 998,800</b>	<b>\$ 4,522,500</b>	<b>\$ 8,312,672</b>	<b>\$ 3,133,569</b>	<b>\$ 3,170,176</b>	<b>\$ 3,109,789</b>
<b>Interdepartmental charges (credits)</b>	<b>\$ 19,153</b>	<b>\$ 20,503</b>	<b>\$ 21,118</b>	<b>\$ 21,752</b>	<b>\$ 22,405</b>	<b>\$ 23,077</b>
<b>Reallocation</b>	<b>\$ 792,500</b>	<b>\$ 937,500</b>	<b>\$ 615,000</b>	<b>\$ 617,000</b>	<b>\$ 619,000</b>	<b>\$ 621,000</b>
<b>Net Expenditures</b>	<b>\$ 1,810,453</b>	<b>\$ 5,480,503</b>	<b>\$ 8,948,790</b>	<b>\$ 3,772,321</b>	<b>\$ 3,811,581</b>	<b>\$ 3,753,866</b>

**City of Foster City, California**  
**Capital Improvements (City) Fund**  
**Five Year Financial Plan for the Years Ended June 30, 2016**

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000
Charges for current services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rentals	\$ 75,000	\$ 156,000	\$ 176,000	\$ 196,000	\$ 216,000	\$ 236,000
Other	\$ -	\$ 3,622,000	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 108,000</b>	<b>\$ 3,811,000</b>	<b>\$ 209,000</b>	<b>\$ 229,000</b>	<b>\$ 249,000</b>	<b>\$ 269,000</b>
<b>Expenditures (see attached)</b>	<b>\$ 835,000</b>	<b>\$ 4,647,000</b>	<b>\$ 2,550,000</b>	<b>\$ 245,000</b>	<b>\$ 495,000</b>	<b>\$ 45,000</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ (727,000)</b>	<b>\$ (836,000)</b>	<b>\$ (2,341,000)</b>	<b>\$ (16,000)</b>	<b>\$ (246,000)</b>	<b>\$ 224,000</b>
<b>Net Transfers In (Out)</b>	<b>\$ 1,400,500</b>	<b>\$ 1,372,500</b>	<b>\$ 1,372,500</b>	<b>\$ 1,354,500</b>	<b>\$ 1,342,000</b>	<b>\$ 1,342,000</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ 673,500</b>	<b>\$ 536,500</b>	<b>\$ (968,500)</b>	<b>\$ 1,338,500</b>	<b>\$ 1,096,000</b>	<b>\$ 1,566,000</b>
<b>Opening Fund Balance (Deficit)</b>	<b>\$ 4,984,500</b>	<b>\$ 5,658,000</b>	<b>\$ 6,194,500</b>	<b>\$ 5,226,000</b>	<b>\$ 6,564,500</b>	<b>\$ 7,660,500</b>
<b>Ending Fund Balance (Deficit)</b>	<b>\$ 5,658,000</b>	<b>\$ 6,194,500</b>	<b>\$ 5,226,000</b>	<b>\$ 6,564,500</b>	<b>\$ 7,660,500</b>	<b>\$ 9,226,500</b>

**City of Foster City, California**  
 Capital Improvement (City) Fund Expenditures Detail  
 Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies and other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Improvement Projects</i>	\$ 835,000	\$ 4,647,000	\$ 2,550,000	\$ 245,000	\$ 495,000	\$ 45,000
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total department expenses</b>	<b>\$ 835,000</b>	<b>\$ 4,647,000</b>	<b>\$ 2,550,000</b>	<b>\$ 245,000</b>	<b>\$ 495,000</b>	<b>\$ 45,000</b>
<b>Interdepartmental charges (credits)</b>						
Information Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fleet Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total interdepartmental charges (credits)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Reallocation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Expenditures</b>	<b>\$ 835,000</b>	<b>\$ 4,647,000</b>	<b>\$ 2,550,000</b>	<b>\$ 245,000</b>	<b>\$ 495,000</b>	<b>\$ 45,000</b>

**City of Foster City, California**  
Water Operating Funds (excluding CIP)  
Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Sales & service charges	\$ 9,040,000	\$ 10,034,000	\$ 11,138,000	\$ 12,530,000	\$ 13,971,000	\$ 14,809,000
Connection fees	\$ 196,200	\$ 6,300	\$ 119,400	\$ 171,900	\$ -	\$ 131,400
Vehicle, equipment rental and other user charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rentals	\$ 70,000	\$ 70,000	\$ 40,000	\$ 42,000	\$ 50,000	\$ 53,000
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 9,306,200</b>	<b>\$ 10,110,300</b>	<b>\$ 11,297,400</b>	<b>\$ 12,743,900</b>	<b>\$ 14,021,000</b>	<b>\$ 14,993,400</b>
<b>Expenditures (see attached)</b>	<b>\$ 8,370,836</b>	<b>\$ 9,965,687</b>	<b>\$ 10,637,908</b>	<b>\$ 11,789,289</b>	<b>\$ 13,410,648</b>	<b>\$ 14,209,243</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ 935,364</b>	<b>\$ 144,613</b>	<b>\$ 659,492</b>	<b>\$ 954,611</b>	<b>\$ 610,352</b>	<b>\$ 784,157</b>
<b>Net Transfers In (Out)</b>	<b>\$ (97,693)</b>	<b>\$ (475,000)</b>	<b>\$ (475,000)</b>	<b>\$ (475,000)</b>	<b>\$ (475,000)</b>	<b>\$ (475,000)</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ 837,671</b>	<b>\$ (330,387)</b>	<b>\$ 184,492</b>	<b>\$ 479,611</b>	<b>\$ 135,352</b>	<b>\$ 309,157</b>
<b>Opening Fund Balance</b>	<b>\$ 2,136,329</b>	<b>\$ 2,974,000</b>	<b>\$ 2,643,613</b>	<b>\$ 2,828,105</b>	<b>\$ 3,307,716</b>	<b>\$ 3,443,068</b>
<b>Ending Fund Balance</b>	<b>\$ 2,974,000</b>	<b>\$ 2,643,613</b>	<b>\$ 2,828,105</b>	<b>\$ 3,307,716</b>	<b>\$ 3,443,068</b>	<b>\$ 3,752,225</b>

**City of Foster City, California**

Water Operating Funds Expenditure Detail (excluding CIP)

Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ 1,491,000	\$ 1,600,000	\$ 1,664,000	\$ 1,681,000	\$ 1,698,000	\$ 1,715,000
<i>Supplies and other</i>	\$ 5,271,221	\$ 6,787,663	\$ 7,364,908	\$ 8,467,289	\$ 10,039,648	\$ 10,787,243
<i>Capital Improvement Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total department expenses</b>	<b>\$ 6,767,221</b>	<b>\$ 8,387,663</b>	<b>\$ 9,028,908</b>	<b>\$ 10,148,289</b>	<b>\$ 11,737,648</b>	<b>\$ 12,502,243</b>
<b>Interdepartmental charges (credits)</b>						
<b>Reallocation</b>	\$ 760,528	\$ 803,136	\$ 819,000	\$ 835,000	\$ 851,000	\$ 869,000
<b>Net Expenditures</b>	<b>\$ 8,370,836</b>	<b>\$ 9,965,687</b>	<b>\$ 10,637,908</b>	<b>\$ 11,789,289</b>	<b>\$ 13,410,648</b>	<b>\$ 14,209,243</b>

**City of Foster City, California**  
**Water Capital Improvement Project Funds**  
**Five Year Financial Plan for the Years Ended June 30, 2016**

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Sales & service charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle, equipment rental and other user charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures (see attached)</b>	\$ 200,000	\$ 155,000	\$ -	\$ -	\$ -	\$ -
<b>Net revenues over (under) expenditures before transfers</b>	\$ (200,000)	\$ (155,000)	\$ -	\$ -	\$ -	\$ -
<b>Net Transfers In (Out)</b>	\$ 97,693	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000
<b>Net Increase (Decrease) in Fund Balance</b>	\$ (102,307)	\$ 320,000	\$ 475,000	\$ 475,000	\$ 475,000	\$ 475,000
<b>Opening Fund Balance</b>	\$ 2,710,707	\$ 2,608,400	\$ 2,928,400	\$ 3,403,400	\$ 3,878,400	\$ 4,353,400
<b>Ending Fund Balance</b>	\$ 2,608,400	\$ 2,928,400	\$ 3,403,400	\$ 3,878,400	\$ 4,353,400	\$ 4,828,400

**City of Foster City, California**

Water Capital Improvement Project Funds Expenditure Detail

Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies and other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Improvement Projects</i>	\$ 200,000	\$ 155,000	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total department expenses</b>	<b>\$ 200,000</b>	<b>\$ 155,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Interdepartmental charges (credits)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reallocation</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Expenditures</b>	<b>\$ 200,000</b>	<b>\$ 155,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Foster City, California**  
**Water Equipment Replacement Funds**  
**Five Year Financial Plan for the Years Ended June 30, 2016**

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Sales & service charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle, equipment rental and other user charges	\$ 298,072	\$ 400,950	\$ 409,000	\$ 417,000	\$ 425,000	\$ 434,000
Interest and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 298,072</b>	<b>\$ 400,950</b>	<b>\$ 409,000</b>	<b>\$ 417,000</b>	<b>\$ 425,000</b>	<b>\$ 434,000</b>
<b>Expenditures (see attached)</b>	<b>\$ 442,917</b>	<b>\$ 624,523</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ (144,845)</b>	<b>\$ (223,573)</b>	<b>\$ 9,000</b>	<b>\$ 17,000</b>	<b>\$ 25,000</b>	<b>\$ 34,000</b>
<b>Net Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ (144,845)</b>	<b>\$ (223,573)</b>	<b>\$ 9,000</b>	<b>\$ 17,000</b>	<b>\$ 25,000</b>	<b>\$ 34,000</b>
<b>Opening Fund Balance</b>	<b>\$ 1,924,545</b>	<b>\$ 1,779,700</b>	<b>\$ 1,556,127</b>	<b>\$ 1,565,127</b>	<b>\$ 1,582,127</b>	<b>\$ 1,607,127</b>
<b>Ending Fund Balance</b>	<b>\$ 1,779,700</b>	<b>\$ 1,556,127</b>	<b>\$ 1,565,127</b>	<b>\$ 1,582,127</b>	<b>\$ 1,607,127</b>	<b>\$ 1,641,127</b>

**City of Foster City, California**

Water Equipment Replacement Funds Expenditure Detail  
 Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies and other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Improvement Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ 442,917	\$ 624,523	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Total department expenses	\$ 442,917	\$ 624,523	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
<b>Interdepartmental charges (credits)</b>						
Reallocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Expenditures	\$ 442,917	\$ 624,523	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000

**City of Foster City, California**  
**Wastewater Collection System Funds**  
**Five Year Financial Plan for the Years Ended June 30, 2016**

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Sales & service charges	\$ 6,558,000	\$ 6,558,000	\$ 6,558,000	\$ 6,558,000	\$ 7,083,000	\$ 7,225,000
Connection fees	\$ 251,300	\$ 58,500	\$ 153,000	\$ 220,300	\$ -	\$ 199,100
Vehicle, equipment rental and other user charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rentals	\$ 180,000	\$ 180,000	\$ 183,000	\$ 186,000	\$ 189,000	\$ 192,000
Other	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
<b>Total Revenues</b>	<b>\$ 6,992,900</b>	<b>\$ 6,800,100</b>	<b>\$ 6,897,600</b>	<b>\$ 6,967,900</b>	<b>\$ 7,275,600</b>	<b>\$ 7,619,700</b>
<b>Expenditures (see attached)</b>	<b>\$ 5,799,659</b>	<b>\$ 5,576,545</b>	<b>\$ 5,726,000</b>	<b>\$ 5,880,000</b>	<b>\$ 6,041,000</b>	<b>\$ 6,207,000</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ 1,193,241</b>	<b>\$ 1,223,555</b>	<b>\$ 1,171,600</b>	<b>\$ 1,087,900</b>	<b>\$ 1,234,600</b>	<b>\$ 1,412,700</b>
<b>Net Transfers In (Out)</b>	<b>\$ (1,250,906)</b>	<b>\$ (1,144,000)</b>	<b>\$ (1,144,000)</b>	<b>\$ (1,144,000)</b>	<b>\$ (1,144,000)</b>	<b>\$ (1,394,000)</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ (57,665)</b>	<b>\$ 79,555</b>	<b>\$ 27,600</b>	<b>\$ (56,100)</b>	<b>\$ 90,600</b>	<b>\$ 18,700</b>
<b>Opening Fund Balance</b>	<b>\$ 1,507,665</b>	<b>\$ 1,450,000</b>	<b>\$ 1,529,555</b>	<b>\$ 1,557,155</b>	<b>\$ 1,501,055</b>	<b>\$ 1,591,655</b>
<b>Ending Fund Balance</b>	<b>\$ 1,450,000</b>	<b>\$ 1,529,555</b>	<b>\$ 1,557,155</b>	<b>\$ 1,501,055</b>	<b>\$ 1,591,655</b>	<b>\$ 1,610,355</b>

**City of Foster City, California**

Wastewater Collection System Funds Expenditure Detail

Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ 1,446,000	\$ 1,520,500	\$ 1,536,000	\$ 1,551,000	\$ 1,567,000	\$ 1,583,000
<i>Supplies and other</i>	\$ 2,764,450	\$ 2,545,150	\$ 2,649,000	\$ 2,757,000	\$ 2,870,000	\$ 2,988,000
<i>Capital Improvement Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total department expenses	\$ 4,215,450	\$ 4,065,650	\$ 4,185,000	\$ 4,308,000	\$ 4,437,000	\$ 4,571,000
<b>Interdepartmental charges (credits)</b>	\$ 836,020	\$ 813,645	\$ 830,000	\$ 847,000	\$ 864,000	\$ 881,000
<b>Reallocation</b>	\$ 748,189	\$ 697,250	\$ 711,000	\$ 725,000	\$ 740,000	\$ 755,000
<b>Net Expenditures</b>	\$ 5,799,659	\$ 5,576,545	\$ 5,726,000	\$ 5,880,000	\$ 6,041,000	\$ 6,207,000

**City of Foster City, California**  
Wastewater Capital Improvement Project Funds  
Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Sales & service charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle, equipment rental and other user charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures (see attached)</b>	\$ 150,000	\$ 75,000	\$ 325,000	\$ 250,000	\$ -	\$ 5,600,000
<b>Net revenues over (under) expenditures before transfers</b>	\$ (150,000)	\$ (75,000)	\$ (325,000)	\$ (250,000)	\$ -	\$ (5,600,000)
<b>Net Transfers In (Out)</b>	\$ 1,250,906	\$ 1,144,000	\$ 1,144,000	\$ 1,144,000	\$ 1,144,000	\$ 1,394,000
<b>Net Increase (Decrease) in Fund Balance</b>	\$ 1,100,906	\$ 1,069,000	\$ 819,000	\$ 894,000	\$ 1,144,000	\$ (4,206,000)
<b>Opening Fund Balance</b>	\$ 4,369,094	\$ 5,470,000	\$ 6,539,000	\$ 7,358,000	\$ 8,252,000	\$ 9,396,000
<b>Ending Fund Balance</b>	\$ 5,470,000	\$ 6,539,000	\$ 7,358,000	\$ 8,252,000	\$ 9,396,000	\$ 5,190,000

**City of Foster City, California**

Wastewater Capital Improvement Project Funds Expenditure Detail

Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies and other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Improvement Projects</i>	\$ 150,000	\$ 75,000	\$ 325,000	\$ 250,000	\$ -	\$ 5,600,000
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total department expenses</b>	<b>\$ 150,000</b>	<b>\$ 75,000</b>	<b>\$ 325,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 5,600,000</b>
<b>Interdepartmental charges (credits)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reallocation</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Expenditures</b>	<b>\$ 150,000</b>	<b>\$ 75,000</b>	<b>\$ 325,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 5,600,000</b>

**City of Foster City, California**  
Wastewater Equipment Replacement Funds  
Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Sales & service charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle, equipment rental and other user charges	\$ 274,260	\$ 336,430	\$ 343,000	\$ 350,000	\$ 357,000	\$ 364,000
Interest and rentals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 274,260</b>	<b>\$ 336,430</b>	<b>\$ 343,000</b>	<b>\$ 350,000</b>	<b>\$ 357,000</b>	<b>\$ 364,000</b>
<b>Expenditures (see attached)</b>	<b>\$ 82,205</b>	<b>\$ 325,500</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ 192,055</b>	<b>\$ 10,930</b>	<b>\$ 143,000</b>	<b>\$ 150,000</b>	<b>\$ 157,000</b>	<b>\$ 164,000</b>
<b>Net Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ 192,055</b>	<b>\$ 10,930</b>	<b>\$ 143,000</b>	<b>\$ 150,000</b>	<b>\$ 157,000</b>	<b>\$ 164,000</b>
<b>Opening Fund Balance</b>	<b>\$ 1,796,445</b>	<b>\$ 1,988,500</b>	<b>\$ 1,999,430</b>	<b>\$ 2,142,430</b>	<b>\$ 2,292,430</b>	<b>\$ 2,449,430</b>
<b>Ending Fund Balance</b>	<b>\$ 1,988,500</b>	<b>\$ 1,999,430</b>	<b>\$ 2,142,430</b>	<b>\$ 2,292,430</b>	<b>\$ 2,449,430</b>	<b>\$ 2,613,430</b>

**City of Foster City, California**

Wastewater Equipment Replacement Funds Expenditure Detail

Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies and other</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Improvement Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ 82,205	\$ 325,500	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Total department expenses	\$ 82,205	\$ 325,500	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
<b>Interdepartmental charges (credits)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reallocation</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Expenditures</b>	\$ 82,205	\$ 325,500	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000



**City of Foster City, California**

Shuttle Funds Expenditure Detail

Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Supplies and other</i>	\$ 216,000	\$ 235,700	\$ -	\$ -	\$ -	\$ -
<i>Capital Improvement Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total department expenses</b>	<b>\$ 216,000</b>	<b>\$ 235,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Interdepartmental charges (credits)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Reallocation</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net Expenditures</b>	<b>\$ 216,000</b>	<b>\$ 235,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

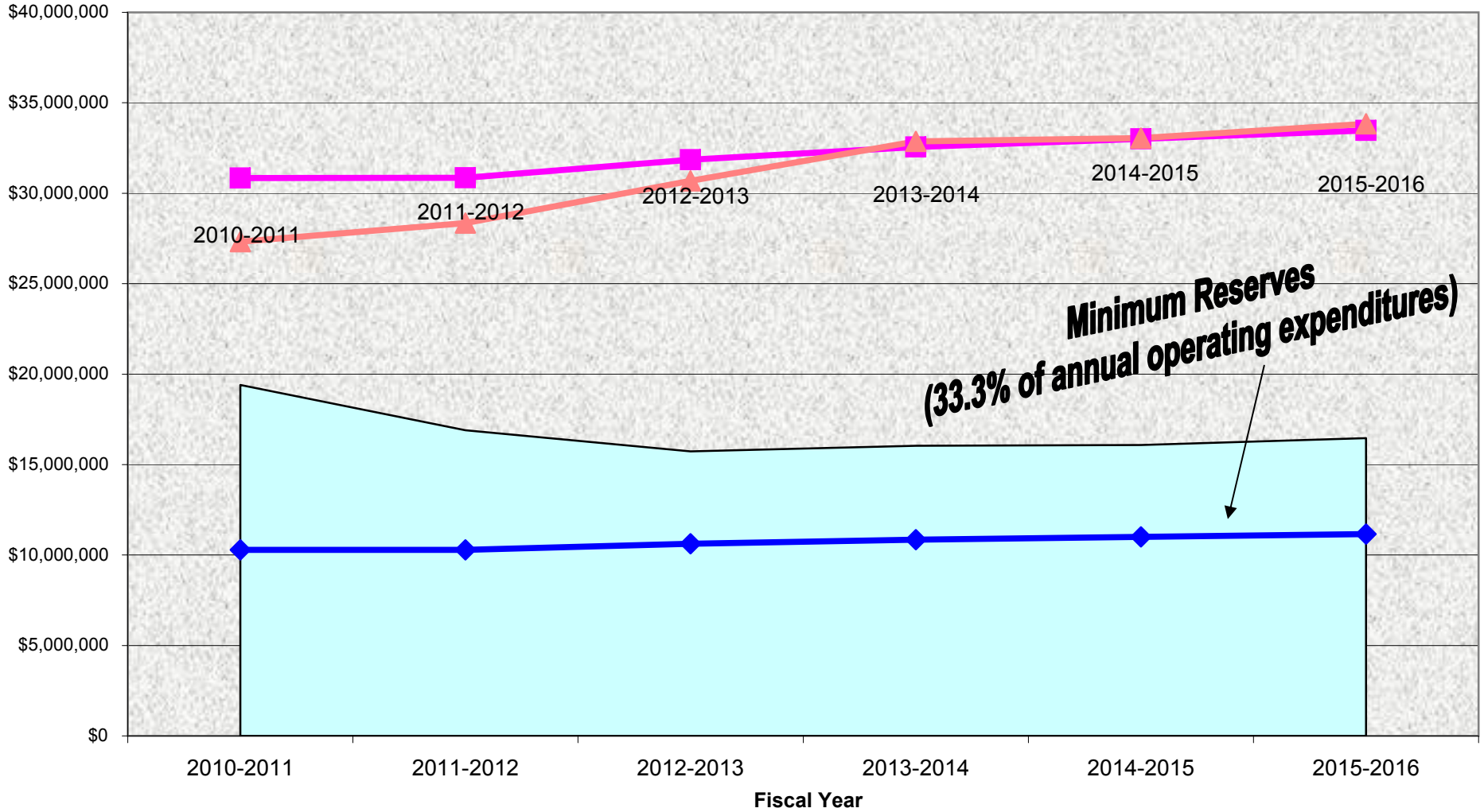
**City of Foster City, California**  
Internal Service Funds  
Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Revenues by Source:</b>						
Sales & service charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle, equipment rental and other user charges	\$ 5,370,517	\$ 4,941,425	\$ 5,230,000	\$ 5,387,000	\$ 5,549,000	\$ 5,715,000
Interest and rentals	\$ 383,000	\$ 596,700	\$ 604,000	\$ 611,000	\$ 618,000	\$ 625,000
Other	\$ 14,000	\$ 14,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Total Revenues</b>	<b>\$ 5,767,517</b>	<b>\$ 5,552,125</b>	<b>\$ 5,854,000</b>	<b>\$ 6,018,000</b>	<b>\$ 6,187,000</b>	<b>\$ 6,360,000</b>
<b>Expenditures (see attached)</b>	<b>\$ 5,084,432</b>	<b>\$ 4,561,233</b>	<b>\$ 5,033,884</b>	<b>\$ 5,159,820</b>	<b>\$ 5,280,672</b>	<b>\$ 5,404,811</b>
<b>Net revenues over (under) expenditures before transfers</b>	<b>\$ 683,085</b>	<b>\$ 990,892</b>	<b>\$ 820,116</b>	<b>\$ 858,180</b>	<b>\$ 906,328</b>	<b>\$ 955,189</b>
<b>Net Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase (Decrease) in Fund Balance</b>	<b>\$ 683,085</b>	<b>\$ 990,892</b>	<b>\$ 820,116</b>	<b>\$ 858,180</b>	<b>\$ 906,328</b>	<b>\$ 955,189</b>
<b>Opening Fund Balance</b>	<b>\$ 21,190,815</b>	<b>\$ 21,873,900</b>	<b>\$ 22,864,792</b>	<b>\$ 23,684,908</b>	<b>\$ 24,543,088</b>	<b>\$ 25,449,416</b>
<b>Ending Fund Balance</b>	<b>\$ 21,873,900</b>	<b>\$ 22,864,792</b>	<b>\$ 23,684,908</b>	<b>\$ 24,543,088</b>	<b>\$ 25,449,416</b>	<b>\$ 26,404,605</b>

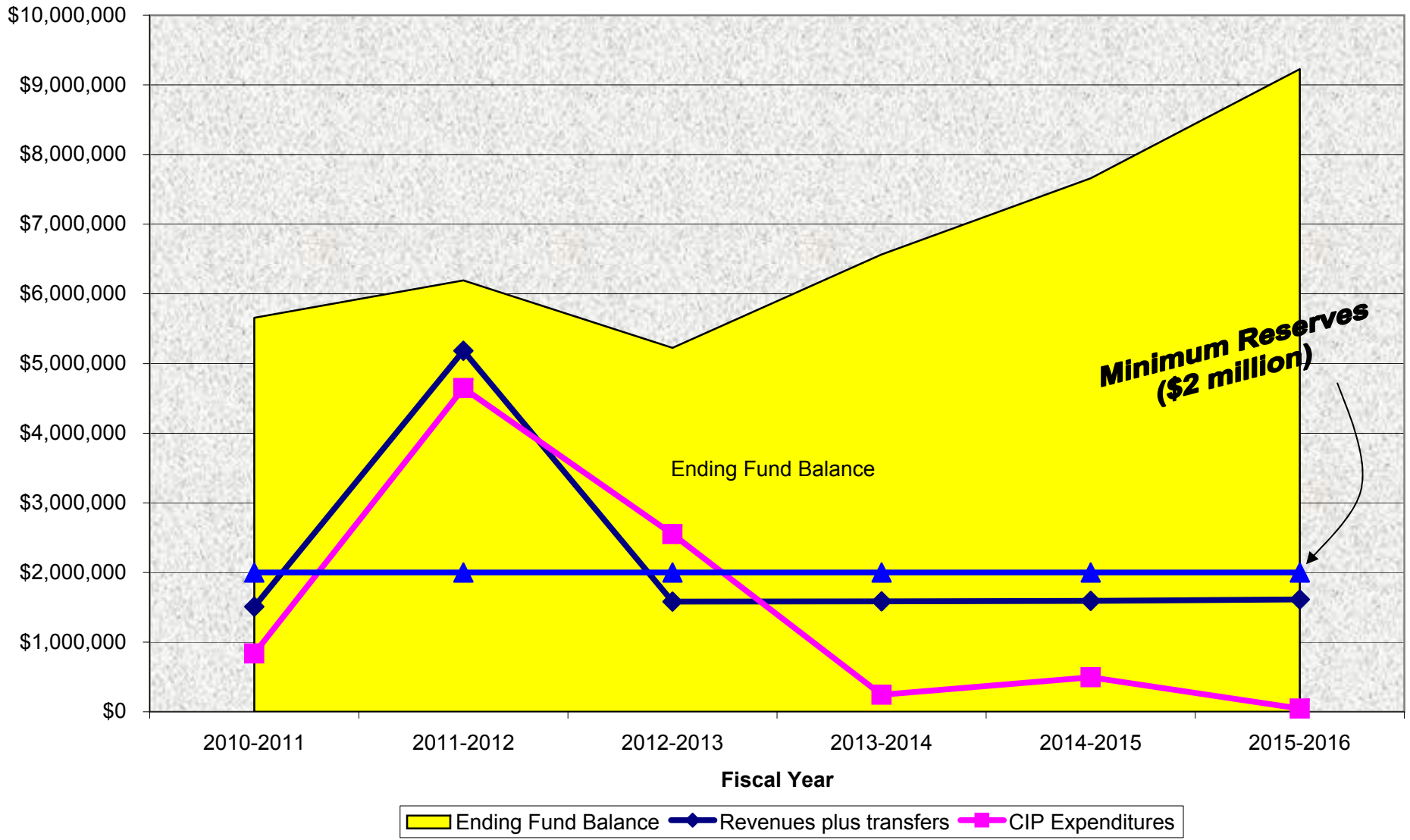
**City of Foster City, California**  
Internal Service Funds Expenditures Detail  
Five Year Financial Plan for the Years Ended June 30, 2016

	Approved	Five Year Financial Plan				
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
<b>Department Expenses</b>						
<i>Employee Services</i>	\$ 1,566,460	\$ 1,639,260	\$ 1,672,045	\$ 1,697,126	\$ 1,714,097	\$ 1,731,238
<i>Supplies and other</i>	\$ 2,252,224	\$ 2,137,273	\$ 2,201,391	\$ 2,267,433	\$ 2,335,456	\$ 2,405,520
<i>Capital Improvement Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Capital Outlay</i>	\$ 1,063,185	\$ 628,925	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727
<b>Total department expenses</b>	<b>\$ 4,881,869</b>	<b>\$ 4,405,458</b>	<b>\$ 4,873,436</b>	<b>\$ 4,994,559</b>	<b>\$ 5,110,453</b>	<b>\$ 5,229,485</b>
<b>Interdepartmental charges (credits)</b>						
<b>Reallocation</b>	\$ 202,563	\$ 155,775	\$ 160,448	\$ 165,261	\$ 170,219	\$ 175,326
<b>Net Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>\$ 5,084,432</b>	<b>\$ 4,561,233</b>	<b>\$ 5,033,884</b>	<b>\$ 5,159,820</b>	<b>\$ 5,280,672</b>	<b>\$ 5,404,811</b>

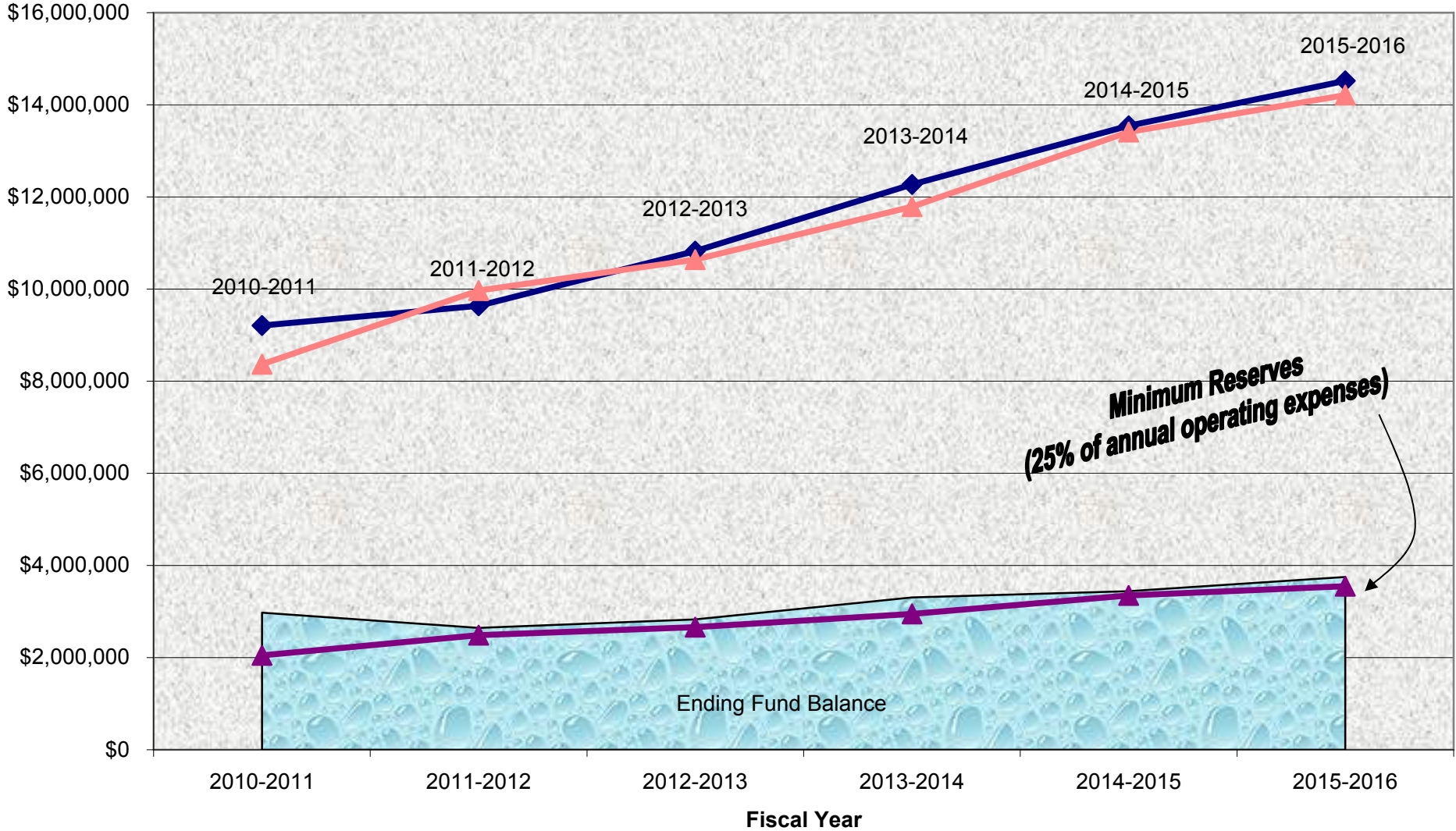
# City of Foster City General Fund (Forecast Based on Budgeted Revenues / Expenditures)



# City of Foster City Capital Improvements Fund

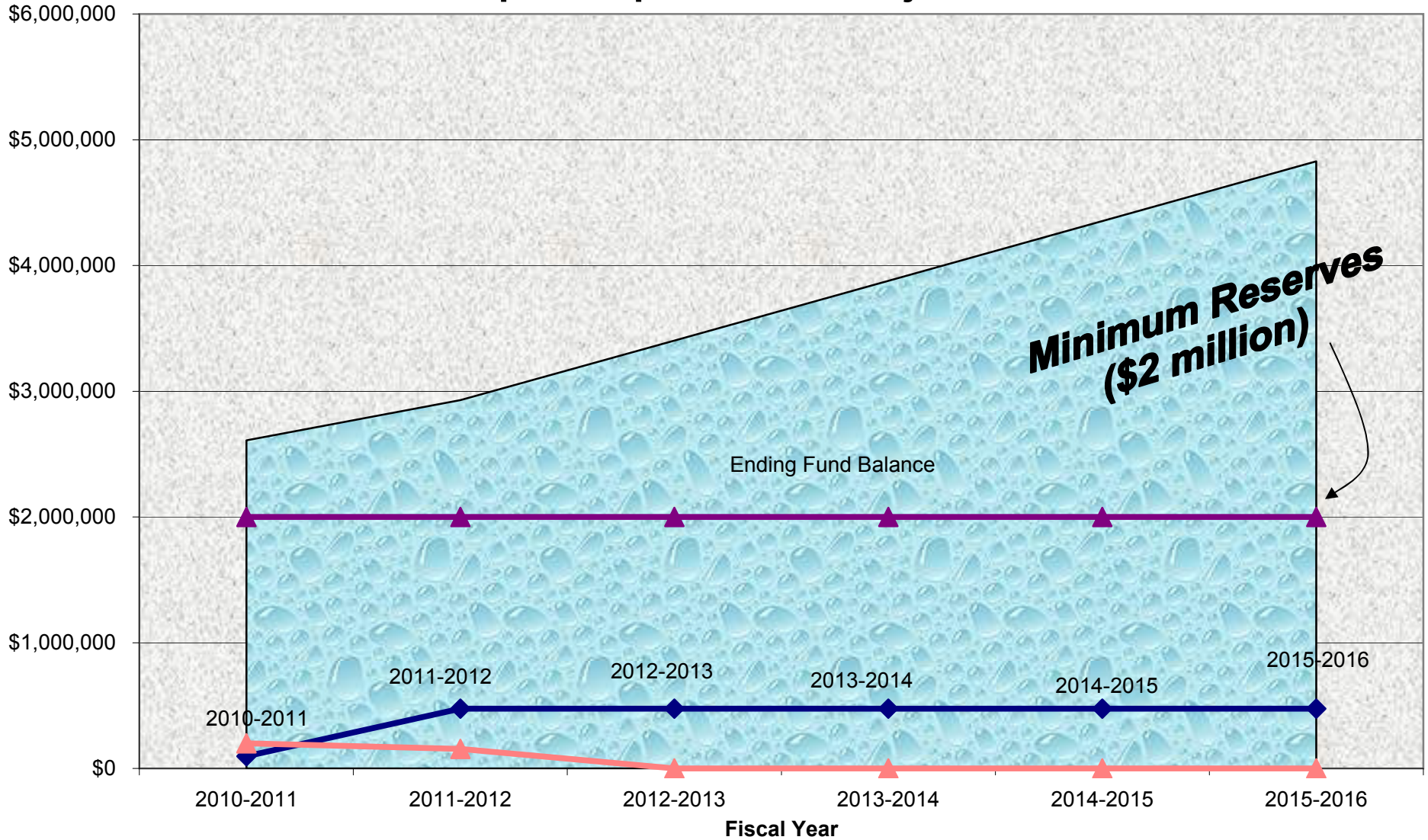


# Estero Municipal Improvement District Water Operating Funds



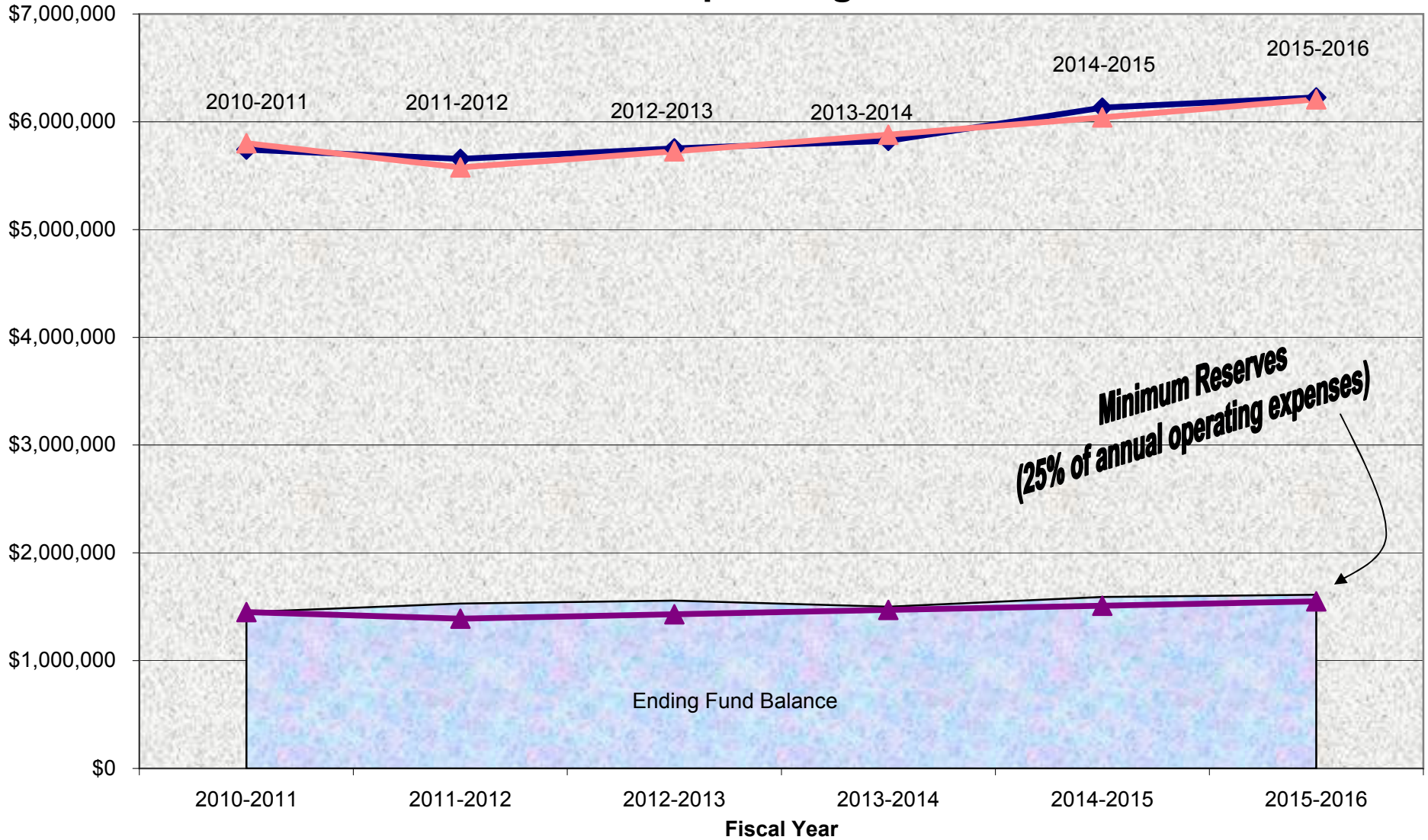
Ending Fund Balance    Revenues + Transfers In (Out)    Expenses + Capital Outlay

# Estero Municipal Improvement District Water Capital Improvement Project Funds



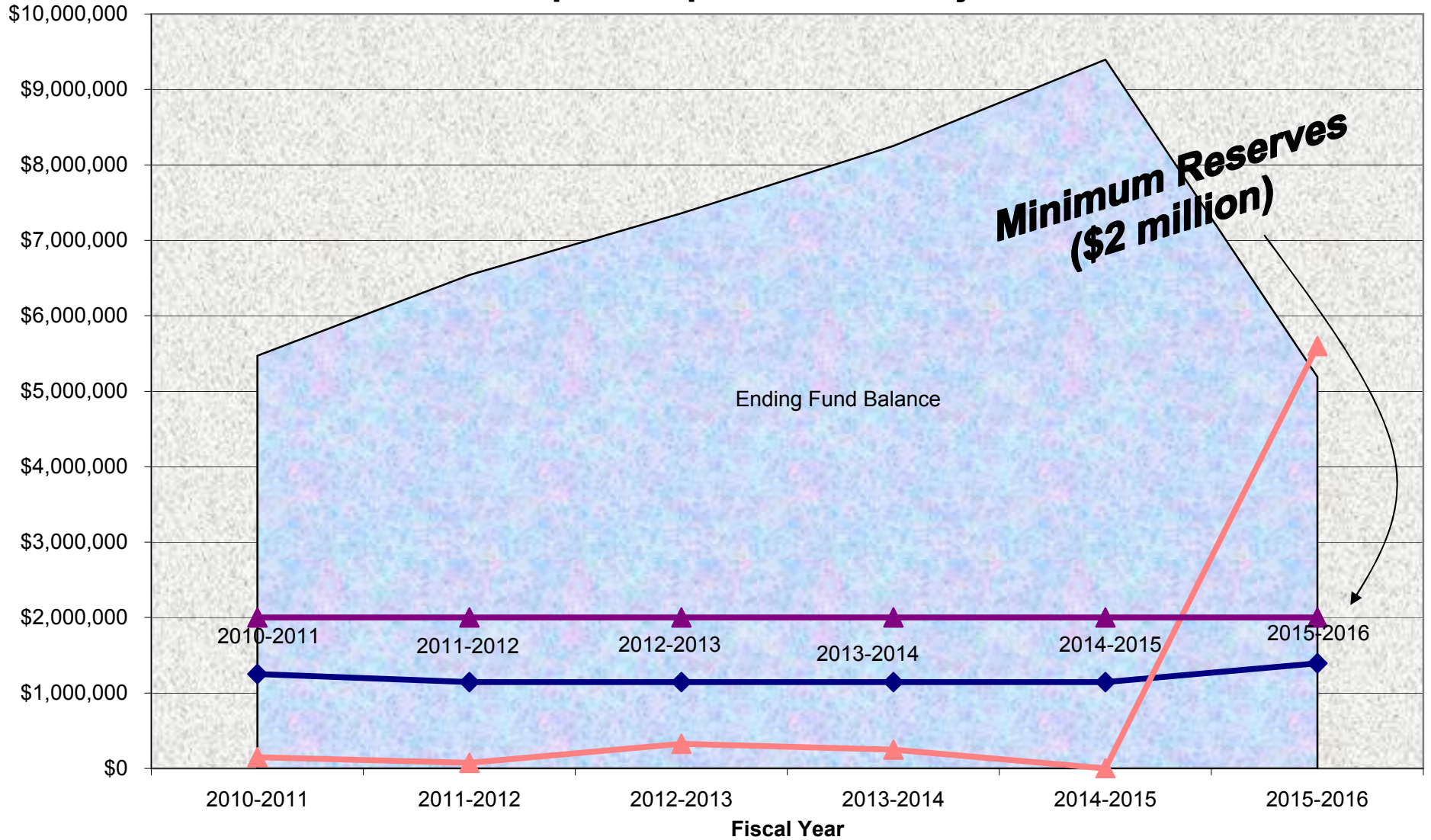
Ending Fund Balance Revenues + Transfers In Expenses + Capital Outlay

# Estero Municipal Improvement District Wastewater Operating Funds



Ending Fund Balance    Revenues + Transfers In (Out)    Expenses + Capital Outlay

# Estero Municipal Improvement District Wastewater Capital Improvement Project Funds



Ending Fund Balance
◆ Revenues + Transfers In
 ▲ Expenses + Capital Outlay