

# City of San Leandro Budget Amendments 2016-17



**City Council Meeting  
Council Chambers  
June 6, 2016**



# City Council Goals 2015-16

---

- Place San Leandro on a firm foundation for long-term fiscal sustainability
- Advance projects and programs promoting sustainable economic development, including transforming San Leandro into a center for innovation
- Provide quality public safety service and grow our partnership with the community to keep San Leandro safe
- Maintain and enhance San Leandro's infrastructure
- Support and implement programs and activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride
- Maintain and support a strong positive relationship between the City, schools and the educational community

# Background

---

- Second year of two year cycle
- 2015-16
- 2016-17
- City Council Planning Session Jan 30<sup>th</sup>
- May 16, 2016 – City Council initiatives approved \$2,250,000
- June 6, 2016 – City Manager recommended budget adjustments presented to Council

# City Budget Considerations

---

- Labor Contract Implementation
- Unfunded Liabilities (PULL)
- Measure HH Revenues
- Alameda County Fire Contract Services
- City deferred vehicle and equipment
- One-time expenditures
- 6 Year Projection
- Current unrestricted reserves and unfunded liabilities

# 2016-17 All Funds Revenue Changes

---

- General fund:
  - \$1.9 million Property tax revenue increase
  - \$1.2 million Sales tax revenue increase
  - \$1.3 million UUT revenue increase
  - \$0.6 million Business license and 9-1-1 tax increase
- Internal service fund – general fund transfer for new vehicles
- Use of fund balance – increased due to ACFD, CIP and vehicle/ equipment replacements increasing

# All Funds

## 2016-17 Revenue Projection

(Dollars in Thousands)

Fund	Adopted	Projected	Change	%
General fund	\$ 95,510	\$ 100,519	\$ 5,009	5.2%
Special revenue	12,466	12,403	-63	-0.5%
Capital Projects	3,260	3,550	290	8.9%
Debt service	2,948	2,948	0	-
Enterprise	17,545	17,545	0	-
Internal services	13,376	13,978	601	4.5%
Successor agency	4,613	4,613	0	-
<b>Total Operating</b>	<b>\$ 149,718</b>	<b>\$ 155,556</b>	<b>\$ 5,837</b>	<b>3.9%</b>
Use of fund balance	1,515	4,119	2,605	172%
<b>Total Revenues</b>	<b>\$ 151,233</b>	<b>\$ 159,675</b>	<b>\$ 8,442</b>	<b>5.6%</b>

# 2016-17 All Funds Expenditure Changes

---

- General fund:
  - \$2.25 million – City Council initiatives
  - \$4.1 million – City Manager recommended increases
  - \$1.4 million – Labor negotiated changes
- Special revenue fund – increased grant reimbursed costs
- Internal service fund – increased insurance and vehicle/equipment replacement costs
- Capital Improvement Projects – increased adding eight new projects

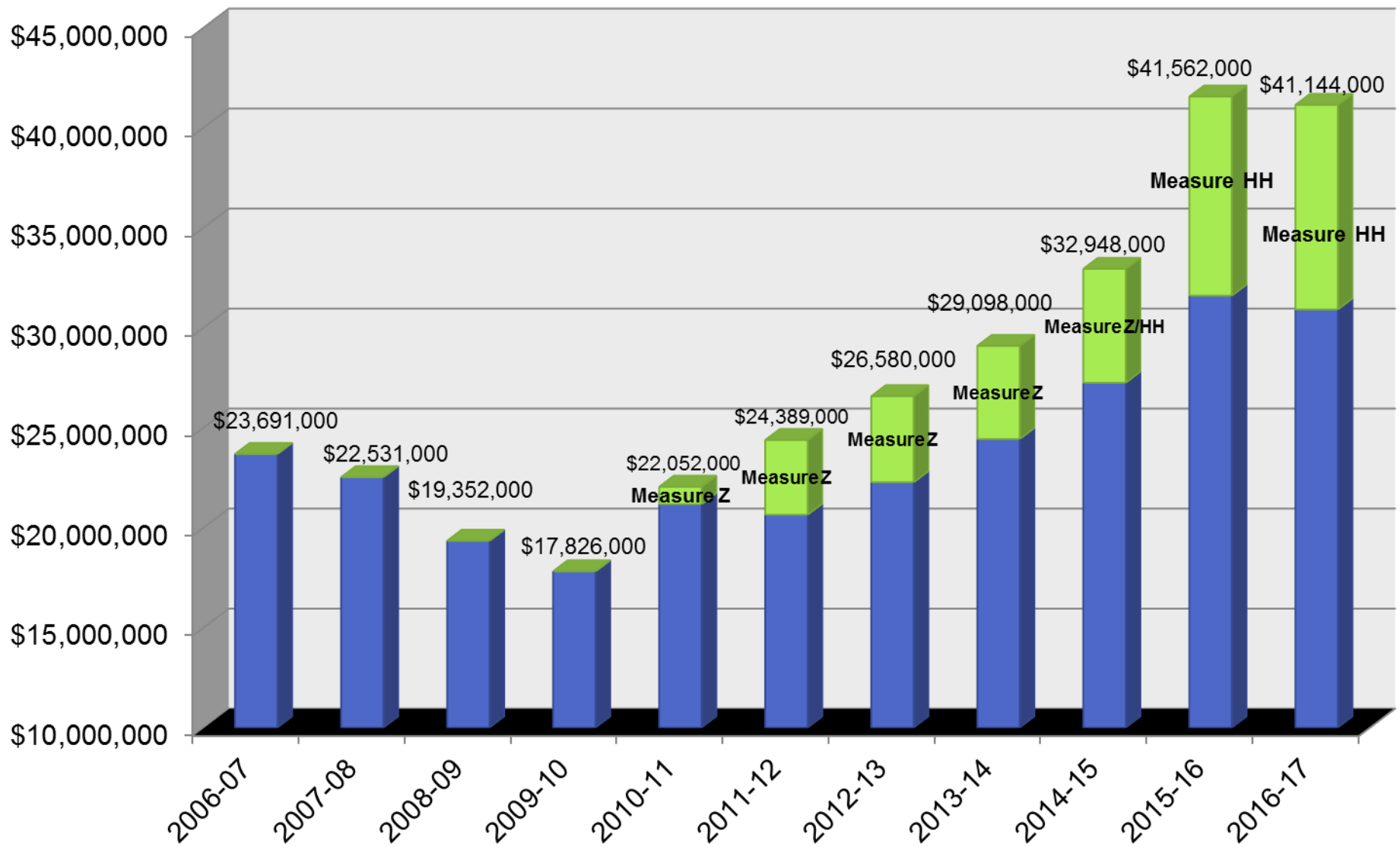
# 2016-17 All Funds Expenditure Projection

(Dollars in Thousands)

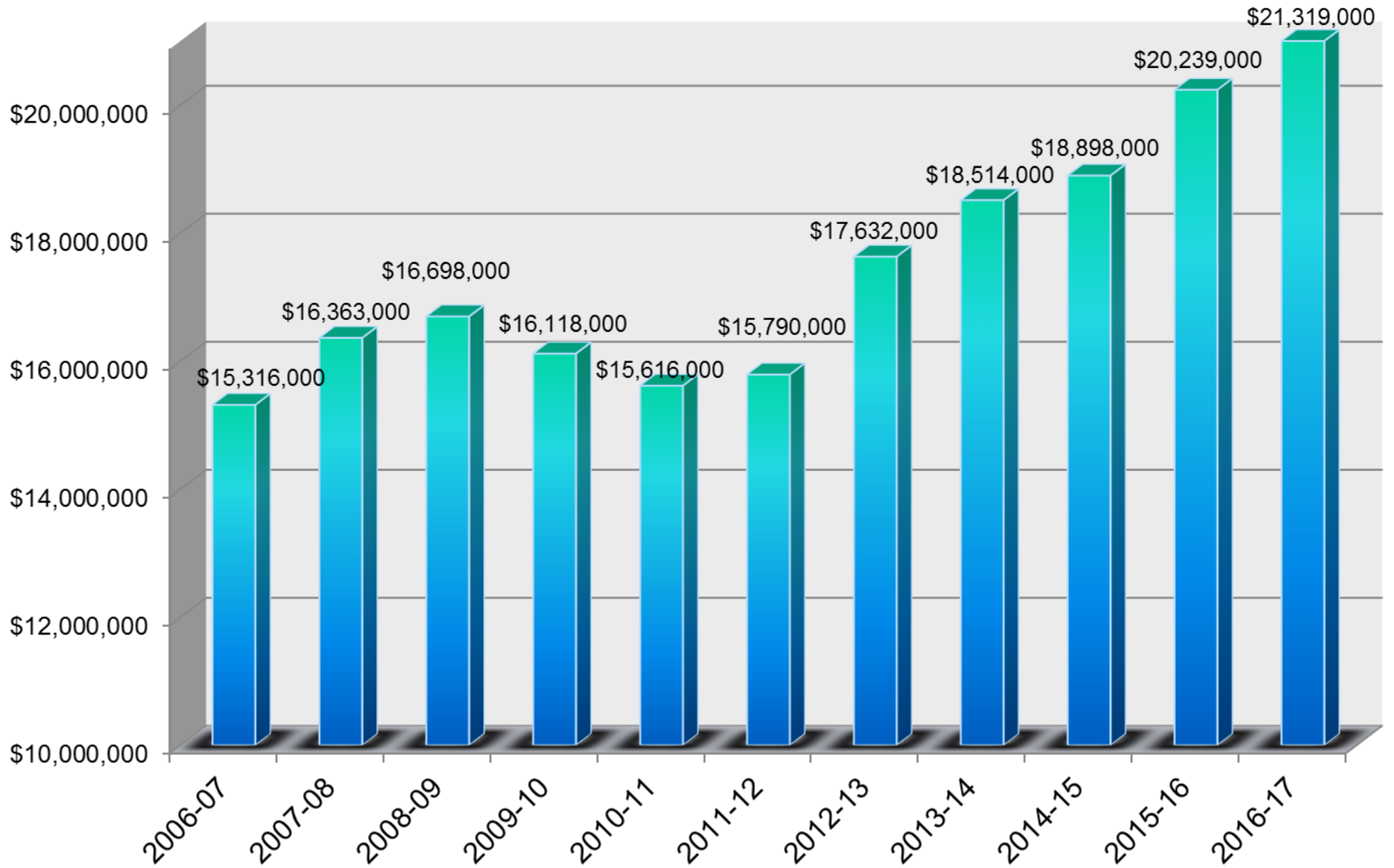
Fund	Adopted	Projected	Change	%
General government	\$ 7,536	\$ 7,880	\$ 344	4.5%
Police	32,078	32,728	650	2.0%
Fire	22,623	24,432	1,809	8.0%
Comm. Development	6,102	6,709	607	9.9%
Engineering/Transport.	3,024	3,037	13	0.4%
Public Works	7,651	7,918	267	3.5%
Recreation/Human Svcs.	5,164	5,405	241	4.7%
Library	4,926	5,080	154	3.1%
Successor agency	4,594	4,596	2	.05%
Enterprise	13,289	13,471	182	1.4%
Internal Service	13,663	15,342	1,679	12.3%
CIP	11,083	13,577	2,494	22.5%
Other (non-dept, debt svc, transfers)	16,615	16,615	0	0.0%
<b>Total</b>	<b>\$ 148,348</b>	<b>\$ 156,790</b>	<b>\$ 8,442</b>	<b>5.7%</b>



# Sales and Use Tax Revenues 2006-07 through 2016-17



# Property Tax Revenues 2006-07 through 2016-17



**GENERAL FUND SUMMARY***(Dollars in thousands)***2016-17****2016-17****2016-17****Adopted****Projected****Change****Revenues:**

Sales Tax	\$ 39,911	\$ 41,144	\$ 1,233
Property Tax	19,415	21,319	1,904
<b>Utility User's Tax</b>	<b>10,317</b>	<b>11,661</b>	<b>1,344</b>
<b>Franchise Fees</b>	<b>4,507</b>	<b>4,507</b>	-
<b>Property Transfer Tax</b>	<b>2,519</b>	<b>2,519</b>	-
<b>9-1-1 Emergency Communication Access Tax</b>	<b>2,754</b>	<b>2,854</b>	<b>100</b>
<b>Business License Tax</b>	<b>4,837</b>	<b>5,253</b>	<b>416</b>
<b>Other Taxes</b>	<b>404</b>	<b>403</b>	<b>(1)</b>
<b>All Other Revenue</b>	<b>10,846</b>	<b>10,858</b>	<b>12</b>

<b>Total Operating Revenues</b>	<b>95,510</b>	<b>100,518</b>	<b>5,008</b>
---------------------------------	---------------	----------------	--------------

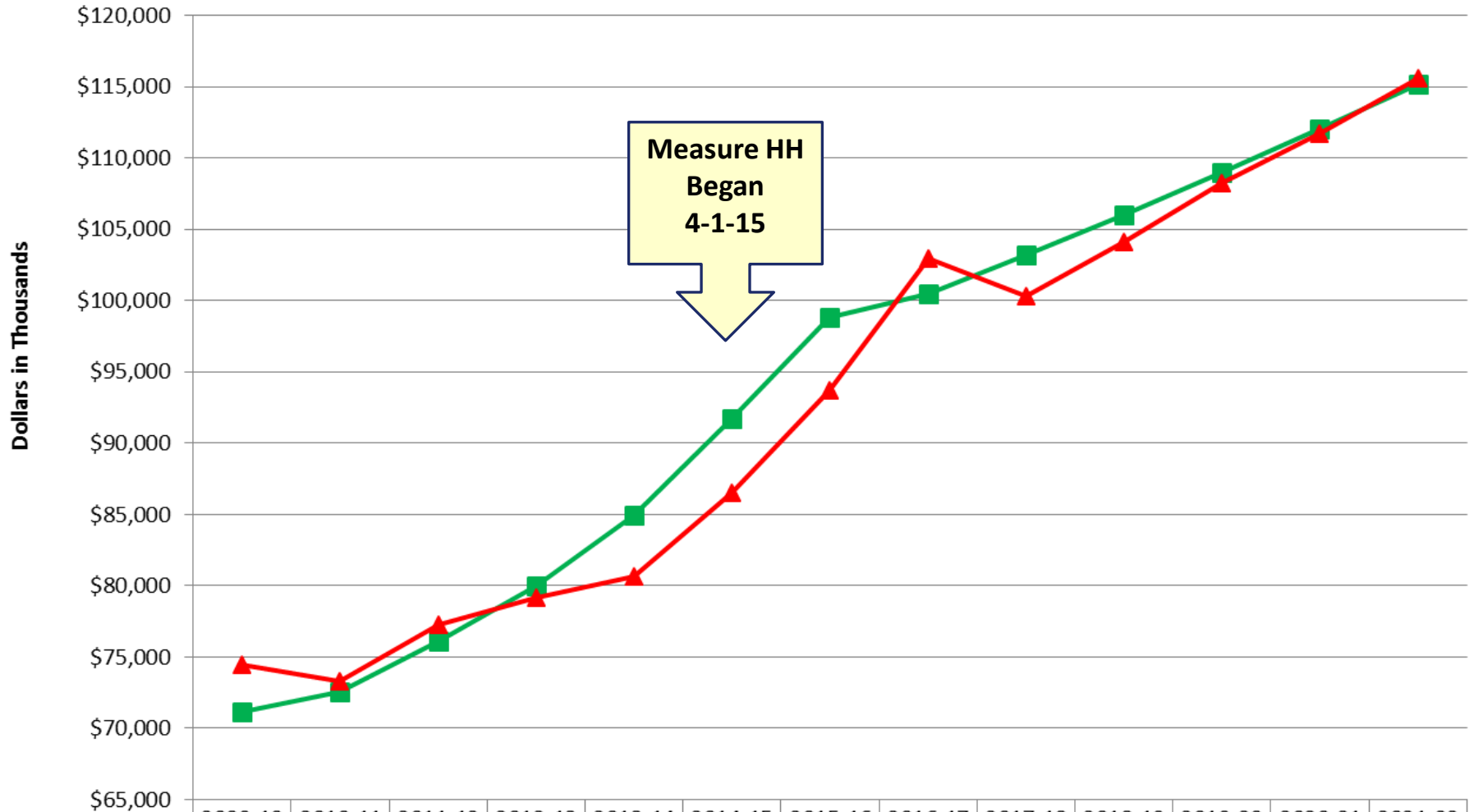
**Expenditures**

<b>Salaries &amp; Benefits</b>	<b>44,159</b>	<b>45,796</b>	<b>1,637</b>
<b>Services and Supplies</b>	<b>8,554</b>	<b>9,598</b>	<b>1,044</b>
<b>Fire Services Contract</b>	<b>21,385</b>	<b>23,194</b>	<b>1,809</b>
<b>Fire - OPEB Set-aside</b>	<b>870</b>	<b>870</b>	-
<b>Capital Outlay</b>	<b>91</b>	<b>91</b>	-
<b>Debt Service</b>	<b>5,296</b>	<b>5,270</b>	<b>(26)</b>
<b>Internal Service Fund Charges</b>	<b>10,599</b>	<b>11,229</b>	<b>630</b>
<b>Other</b>	<b>651</b>	<b>651</b>	-
<b>Transfers Out</b>	<b>3,563</b>	<b>6,220</b>	<b>2,657</b>

<b>Total Operating Expenditures</b>	<b>95,168</b>	<b>102,919</b>	<b>7,751</b>
-------------------------------------	---------------	----------------	--------------

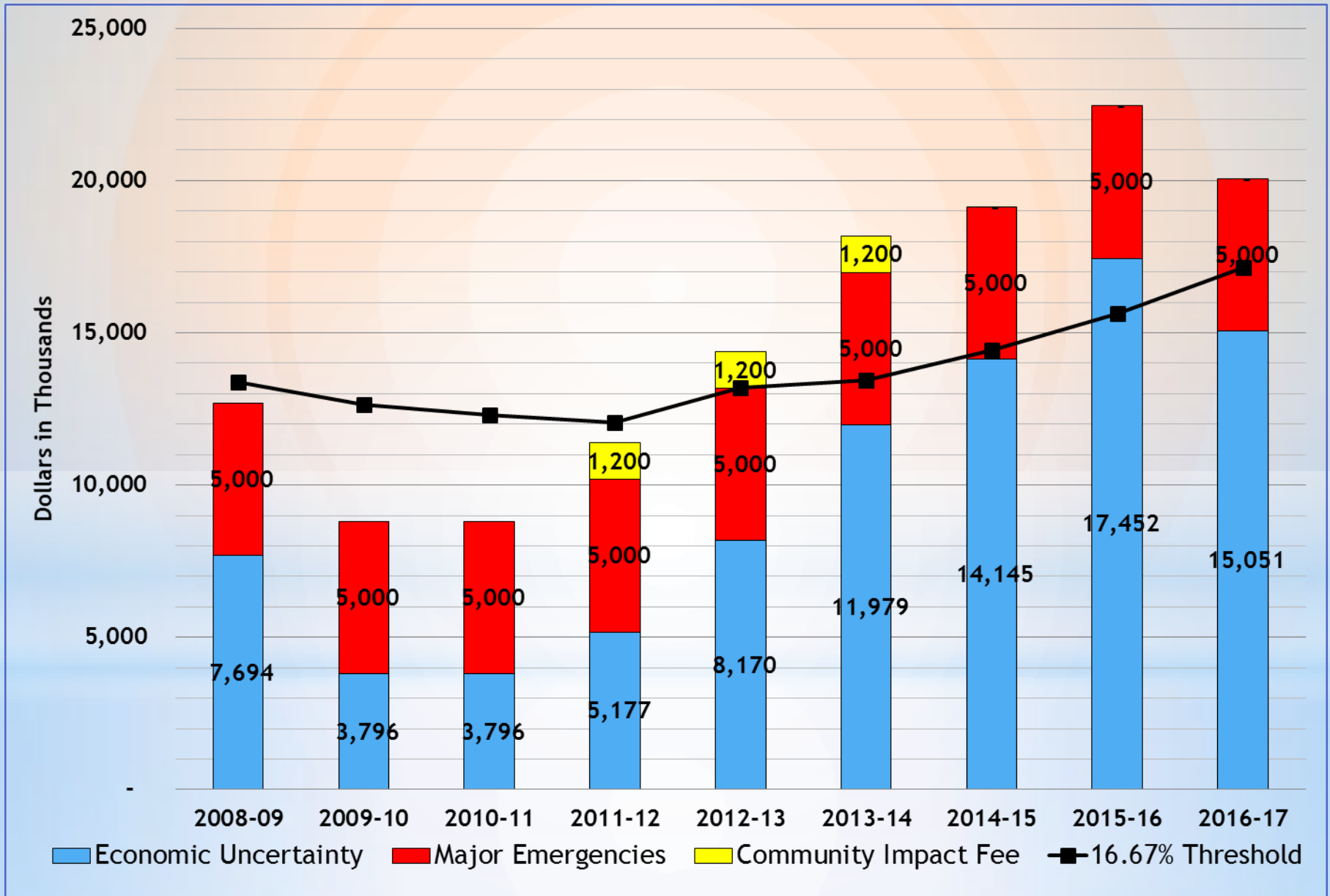
<b>Net Revenue (Expenditure)</b>	<b>\$ 342</b>	<b>\$ (2,401)</b>	<b>\$ (2,744)</b>
----------------------------------	---------------	-------------------	-------------------

# General Fund Forecast 2009-10 thru 2021-22



	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
■ Revenues	71,180	72,548	76,079	79,988	84,942	91,707	98,859	100,518	103,224	106,032	108,975	112,061	115,215
▲ Expenditures	74,466	73,271	77,289	79,159	80,618	86,517	93,691	102,919	100,334	104,112	108,210	111,682	115,633
✕ Income/(Loss)	(3,286)	(723)	(1,210)	829	4,324	5,190	5,168	(2,402)	2,890	1,920	765	379	(418)

# General Fund Reserves 2008-09 thru 2016-17



# General Fund Summary 2016-17

---

## GENERAL FUND STATEMENT OF FUND BALANCES

	2016-17	2016-17	2016-17
	Adopted	Projected	Change
<i>(Dollars in thousands)</i>			
Major Emergencies	\$ 5,000	\$ 5,000	-
Economic Uncertainty	12,806	15,051	2,245
<b>Total Fund Balance</b>	<b>\$ 17,806</b>	<b>\$ 20,051</b>	<b>\$ 2,245</b>

# 2016-17 Summary of General Fund City Manager Recommended Adjustments

Department	Amount
Police	\$ 79,800
Fire	1,809,000
Community Development	273,100
Engineering and Transportation	10,500
Public Works	198,100
Recreation and Human Services	159,500
Library Services	25,000
General Government	120,200
<b>Total</b>	<b>\$2,675,200</b>

# 2016-17 General Fund Department Highlights

---

## **Police \$79,800:**

- Computer Aided Dispatch system upgrade \$44,450
- Increased cellphone service charges \$48,000
- Cell phone stipends for officers removed from budget \$(12,600)



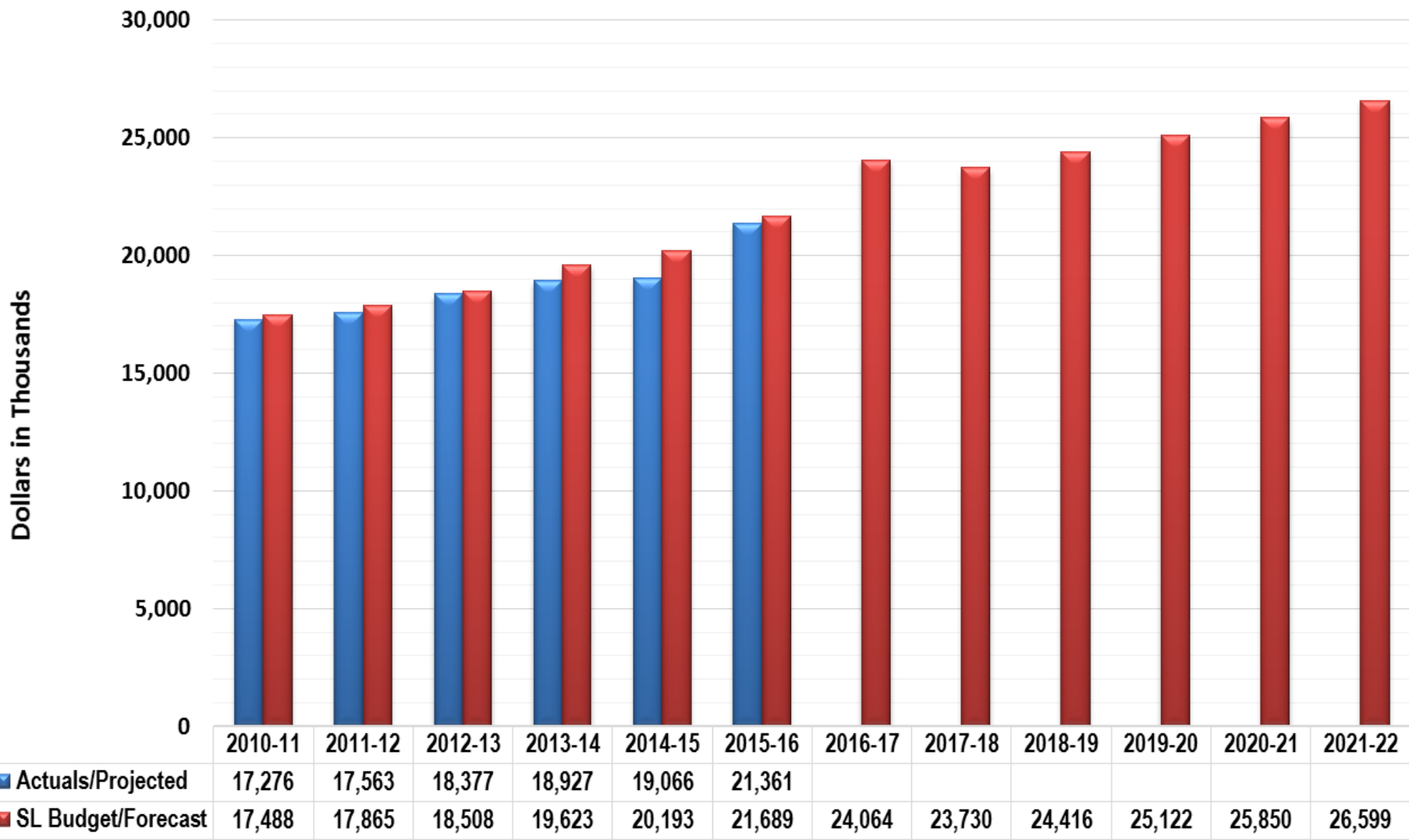
# 2016-17 General Fund Department Highlights

---

## **Fire Services \$1,809,000:**

- Service contract increase of \$1,809,000 from 2016-17 adopted budget
- Overall salary increases for ACFD greater than City's adjustments

# Fire Contract Service Actuals v Budget 2010-11 through 2021-22



# 2016-17 General Fund Department Highlights

---

## Community Development \$273,100:

- Eliminated 1 FTE – transferred to Public Works \$(150,100)
- Increased volume in Zoning, Planning, Building and Development \$221,200
- Increased grant programs for façade and other improvements \$100,000
- Housing consulting costs increase \$20,000
- New street banners (i.e. Wicks Blvd., Durant Square and Washington Manor) \$50,000
- Community benefit district assessment fee increase due to RDA property transfer to City \$32,000

# 2016-17 General Fund Department Highlights

---

## **Engineering and Transportation \$10,500:**

- Vehicle equipment increase \$5,500
- Accela software technical consulting increase \$5,000

# 2016-17 General Fund Department Highlights

---

## **Public Works \$198,100:**

- Added .8 FTE – transferred from Community Development for Sustainability program \$140,500
- Increased part-time staff, services and equipment for graffiti abatement, trash removal, weed abatement, parks \$57,600

# 2016-17 General Fund Department Highlights

---

## **Recreation and Human Services \$159,500:**

- Expanded Senior classes at Senior Community Center \$56,000
- Continuation of Older Adult Education classes in partnership with San Leandro Unified School District \$30,000
- Continuation of Teen Takeover summer program \$7,000
- Increased utilities for pools and Senior Community Center \$66,500

# 2016-17 General Fund Department Highlights

---

## **Library Services \$25,000:**

- Additional digital subscription services \$15,000
- Purchase of 40 Chromebooks for after school programs \$10,000

# 2016-17 General Fund Department Highlights

---

## General Government \$120,200:

- General Government includes
  - City Council
  - City Attorney
  - City Manager
  - City Clerk
  - Human Resources
  - Finance
- Election costs \$80,000
- Labor MOU agreements reimbursement increases \$27,000
- Position upgrade for Deputy City Manager \$13,200



# 2016-17 General Fund Department Highlights

---

## **Non-departmental/Debt Service:**

- No significant increase in expenditures
- Category includes the following:
  - Leased facilities and equipment
  - Community investment and events
  - POB refinancing
  - Retiree medical and termination pay-out

# 2016-17 General Fund Department Highlights

---

## Additional Transfers Out of General Fund \$2,657,000:

- Marina Mulford library design \$300,000
- Traffic calming \$250,000\*
- Marea Alta childcare \$800,000\*
- Shoreline development \$1,000,000\*
- Vehicle and equipment replacement \$307,000

\* *City Council approved on May 16, 2016*

# 2016-17 Special Revenue Fund Highlights

---

- Gas tax – Streets
  - Provided labor costs for traffic lanes striping
- Community Policing development grant
  - 980 part-time hours, \$75,000 for one year

# 2016-17 Enterprise and Internal Service Fund Highlights

---

- Minimal changes to Enterprise fund
- Internal Service Fund:
  - Increased insurance premiums \$171,000
  - Increased insurance settlements \$400,000
  - Increased vehicle purchases and replacement \$761,000
  - Purchase new paving equipment \$193,000
  - Increased police vehicle leasing repairs \$50,000



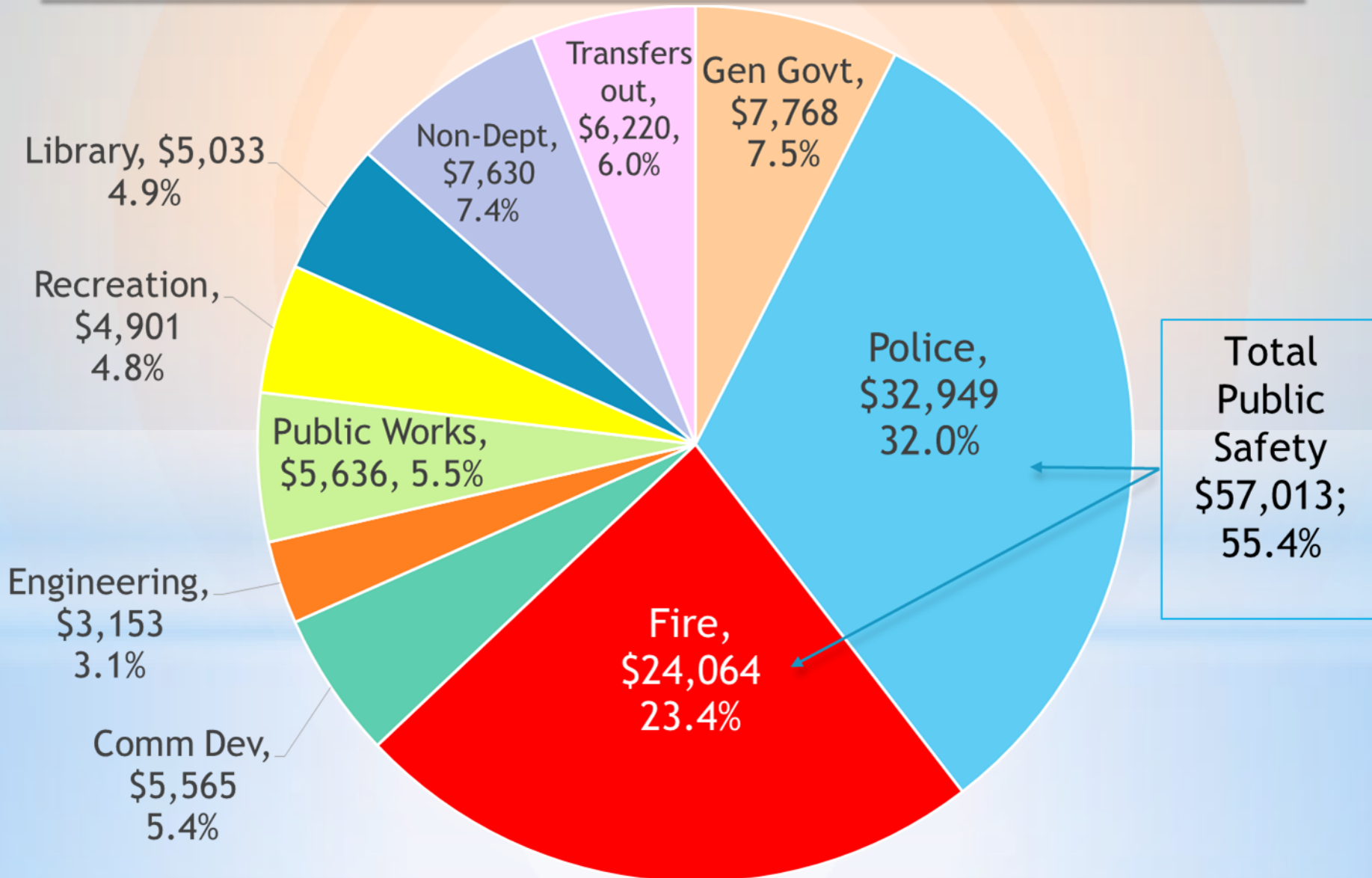
# 2016-17 Capital Improvement Projects (CIP) Highlights

---

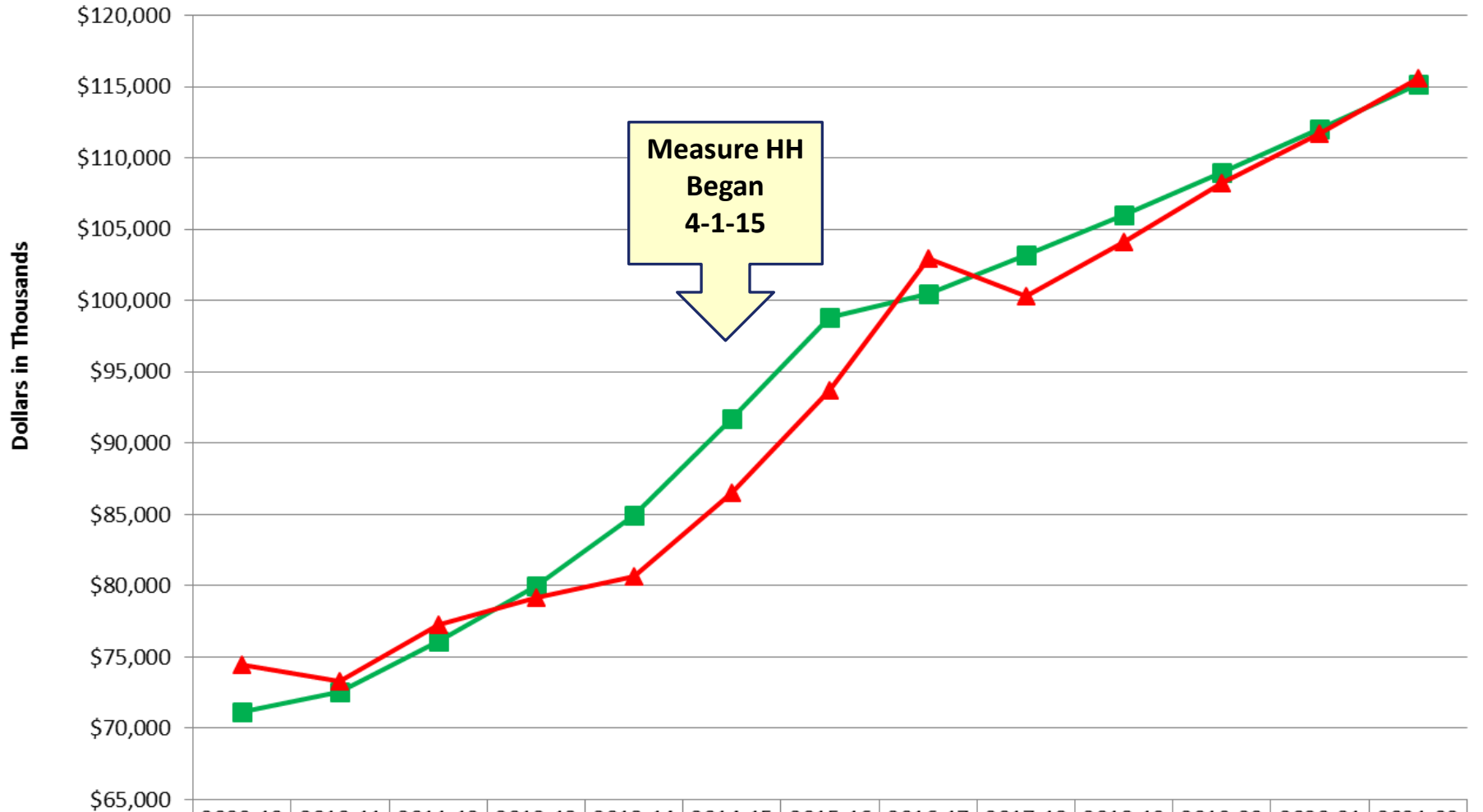
- Eight new CIP projects:
  - Marina Mulford Library design \$300,000
  - MacArthur/Superior traffic circle \$1,274,134
  - Bike and pedestrian improvements and master plan update \$50,000
  - Annual neighborhood traffic calming \$100,000
  - Pedestrian crossing improvements \$380,000
  - Bicycle network west \$250,000
  - Speed limit re-certification \$70,000
  - Update Bike and Ped master plan \$70,000

# 2016-17 General Fund

## \$102,919,000 Expenditures by Department



# General Fund Forecast 2009-10 thru 2021-22



	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
■ Revenues	71,180	72,548	76,079	79,988	84,942	91,707	98,859	100,518	103,224	106,032	108,975	112,061	115,215
▲ Expenditures	74,466	73,271	77,289	79,159	80,618	86,517	93,691	102,919	100,334	104,112	108,210	111,682	115,633
✕ Income/(Loss)	(3,286)	(723)	(1,210)	829	4,324	5,190	5,168	(2,402)	2,890	1,920	765	379	(418)

# Unfunded Project-based and Deferred Maintenance

*(Dollars in Thousands)*

	Description	Frequency	Amount
1	Deferred Streets and Road improvements (PCI 70)	On-going	\$ 100,000
2	Capital Improvement Program (CIP)	On-going	244,640
3	Deferred Parks maintenance and repair	On-going	8,470
4	Deferred building maintenance and repair	On-going	1,660
5	Deferred vehicle and equipment replacements (45 vehicles)	On-going	1,900
	<b>TOTAL</b>		<b>\$356,670</b>



# Recommended City Council Action

---

- Council adopt proposed resolution for City Manager Recommended Amendments for FY 2016-17
  - Revenue amendments for:
    - General fund \$5,008,938
    - Special Revenue funds \$(62,599)
    - Capital Project funds \$290,000
    - Internal Service funds \$601,114
    - Use of Fund Balance \$2,604,588

# Recommended City Council Action (cont.)

- And City Manager Recommended Expenditure Amendments:

Department	Adopted 2016-17	Projected 2016-17	Change
General Government	\$ 4,855,587	\$ 5,134,012	\$ 278,425
Finance	2,680,759	2,745,830	65,071
Police	32,077,487	32,727,587	650,100
Fire	22,623,423	24,432,461	1,809,038
Community Development	6,102,021	6,708,870	606,849
Engineering and Transportation	3,024,019	3,037,253	13,234
Public Works	7,651,363	7,917,570	266,207
Recreation and Human Services	5,163,927	5,405,332	241,405
Library	4,926,005	5,079,582	153,577
Successor Agency	4,593,650	4,596,105	2,455
Enterprise Activities	13,289,376	13,471,088	181,712
Internal Services	13,662,662	15,342,496	1,679,834
Capital Improvements	11,082,716	13,276,850	2,194,134
Debt Service/Non-department	12,918,978	12,918,978	-
Transfers to Other Funds	3,695,782	3,995,782	300,000
<b>Total Expenditures</b>	<b>\$148,347,755</b>	<b>\$156,789,797</b>	<b>\$8,442,042</b>

# Next Steps

---

- City Manager recommended budget adjustments on June 6
- City Council review of Finance Committee Recommendation
  - \* Medical Cannabis Tax
  - \* Transient Occupancy Tax
  - \* Business Equalization Shift
    - Small business relief
    - Large business impacts
    - Parking lot equalization

Purpose of additional revenue – public safety facilities, human services, playground & park equipment, art & culture