



# Second Work Session: FYs 26 & 27 Proposed Biennial Budget Presentation

Finance Committee  
May 12, 2025



# Background



April 23, 2025 – Finance Committee Meeting:

- Staff Presented a Proposed FYs 2026 & 2027 Biennial Budget
- Committee provided feedback:
  - FYs 2026 & 2027 – Expenses (less transfers) should be equal to projected revenue
  - Beginning in FY 2028 – All expenses should be equal to projected revenue

# AGENDA

**1**

General Fund  
Forecast

**2**

General Fund  
Estimated Fund  
Balance

**3**

Department  
Operating  
Reductions

**4**

General Fund  
Transfers

**5**

Citywide  
Operating  
Budget

**6**

Next Steps

**7**

Discussion &  
Feedback

# General Fund 10-Year Forecast

(prior to proposed budget)

(\$ in millions)

	A	B	C	D	E	F	G	H	I	J	K	L	M
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actual	Budget	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.
1	Total Revenues	\$144.7M	\$143.4M	\$150.8M	\$153.3M	\$156.7M	\$160.5M	\$165.4M	\$170.8M	\$177.4M	\$182.4M	\$182.7M	\$185.6M
2													
3	Total Operating Expenditures	\$135.0M	\$158.2M	\$152.5M	\$158.0M	\$163.3M	\$168.5M	\$172.3M	\$175.3M	\$178.2M	\$181.2M	\$183.9M	\$186.4M
4													
5	Capital Improvement Program	6.4M	\$5.3M	\$5.4M	\$5.5M	\$5.6M	\$5.7M	\$5.9M	\$6.0M	\$6.1M	\$6.2M	\$6.3M	\$6.5M
6	Other Transfers	\$0.0M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.7M	\$0.7M	\$0.7M	\$0.7M
7	Pension	16.5M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
8	IT Fund	0.8M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
9	Fleet Fund	0.1M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
10	Insurance Fund	0.1M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
11	Total Other Sources/(Uses) - Transfers	24.0M	5.9M	6.0M	6.1M	6.2M	6.3M	6.5M	6.6M	6.8M	6.9M	7.0M	7.2M
12													
13	Total Expenditures	158.9M	164.1M	158.5M	164.1M	169.5M	174.8M	178.8M	181.9M	185.0M	188.1M	190.9M	193.6M
14													
15	Net Change in Fund Balance	-\$14.2M	-\$20.7M	-\$7.8M	-\$10.8M	-\$12.8M	-\$14.3M	-\$13.4M	-\$11.0M	-\$7.5M	-\$5.7M	-\$8.2M	-\$8.0M
16													
17	Beginning Balance	\$89.6M	\$75.5M	\$54.7M	\$47.0M	\$36.2M	\$23.4M	\$9.1M	-\$4.3M	\$15.3M	\$22.8M	\$28.5M	\$36.8M
18	Ending Balance	\$75.5M	\$54.7M	\$47.0M	\$36.2M	\$23.4M	\$9.1M	-\$4.3M	-\$15.3M	-\$22.8M	-\$28.5M	-\$36.8M	-\$44.8M
19													
20	Ending Balance as % of Expenditures	55.9%	34.6%	30.8%	22.9%	14.3%	5.4%	-2.5%	-8.7%	-12.8%	-15.8%	-20.0%	-24.0%
21	Target Fund Balance %					NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET

# General Fund 10-Year Forecast

(Proposed – April 23, 2025)

(\$ in millions)

	A	B	C	D	E	F	G	H	I	J	K	L	M
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actual	Budget	Proposed	Proposed	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.
1	<b>Total Revenues</b>	\$144.7M	\$143.4M	\$149.7M	\$154.2M	\$156.5M	\$159.1M	\$162.4M	\$173.5M	\$178.5M	\$182.4M	\$183.9M	\$186.8M
2													
3	Total Operating Expenditures	\$135.0M	\$158.2M	\$152.1M	\$158.4M	\$161.1M	\$166.3M	\$171.3M	\$175.4M	\$178.4M	\$181.6M	\$184.4M	\$187.7M
4													
5	Capital Improvement Program	\$6.4M	\$5.3M	\$5.3M	\$5.5M	\$5.6M	\$5.7M	\$5.9M	\$6.0M	\$6.1M	\$6.2M	\$6.3M	\$6.5M
6	Other Transfers	\$0.0M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.7M	\$0.7M	\$0.7M	\$0.7M
7	Pension	\$16.5M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
8	IT Fund	\$0.8M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
9	Fleet Fund	\$0.1M	\$0.0M	\$1.5M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
10	Insurance Fund	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
11	Total Other Sources/(Uses) - Transfers	\$24.0M	\$5.9M	\$7.4M	\$6.1M	\$6.2M	\$6.3M	\$6.5M	\$6.6M	\$6.8M	\$6.9M	\$7.0M	\$7.2M
12													
13	<b>Total Expenditures</b>	<b>\$158.9M</b>	<b>\$164.1M</b>	<b>\$159.5M</b>	<b>\$164.5M</b>	<b>\$167.3M</b>	<b>\$172.6M</b>	<b>\$177.8M</b>	<b>\$182.0M</b>	<b>\$185.2M</b>	<b>\$188.5M</b>	<b>\$191.4M</b>	<b>\$194.9M</b>
14													
15	<b>Net Change in Fund Balance</b>	<b>-\$14.2M</b>	<b>-\$20.7M</b>	<b>-\$9.8M</b>	<b>-\$10.2M</b>	<b>-\$10.7M</b>	<b>-\$13.5M</b>	<b>-\$15.4M</b>	<b>-\$8.5M</b>	<b>-\$6.7M</b>	<b>-\$6.0M</b>	<b>-\$7.6M</b>	<b>-\$8.1M</b>
16													
17	<b>Beginning Balance</b>	\$89.6M	\$75.5M	\$54.7M	\$45.0M	\$34.7M	\$24.0M	\$10.5M	-\$4.9M	-\$13.4M	-\$20.1M	-\$26.2M	-\$33.7M
18	<b>Ending Balance</b>	<b>\$75.5M</b>	<b>\$54.7M</b>	<b>\$45.0M</b>	<b>\$34.7M</b>	<b>\$24.0M</b>	<b>\$10.5M</b>	<b>-\$4.9M</b>	<b>-\$13.4M</b>	<b>-\$20.1M</b>	<b>-\$26.2M</b>	<b>-\$33.7M</b>	<b>-\$41.8M</b>
19													
20	<b>Ending Balance as % of Expenditure</b>	55.9%	34.6%	29.6%	21.9%	14.9%	6.3%	-2.9%	-7.7%	-11.3%	-14.4%	-18.3%	-22.3%
21	<b>Target Fund Balance %</b>					<b>NOT MET</b>	<b>NOT MET</b>	<b>NOT MET</b>	<b>NOT MET</b>	<b>NOT MET</b>	<b>NOT MET</b>	<b>NOT MET</b>	<b>NOT MET</b>

# General Fund 10-Year Forecast

(Proposed – May 12, 2025 )

(\$ in millions)

	A	B	C	D	E	F	G	H	I	J	K	L	M
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actual	Budget	Proposed	Proposed	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.
1	<b>Total Revenues</b>	\$144.7M	\$143.4M	\$149.9M	\$154.4M	\$157.4M	\$160.4M	\$164.1M	\$169.5M	\$175.1M	\$181.0M	\$187.1M	\$193.4M
2													
3	Total Operating Expenditures	\$135.0M	\$158.2M	\$149.1M	\$156.1M	\$158.3M	\$163.5M	\$168.3M	\$172.3M	\$175.2M	\$178.3M	\$181.1M	\$184.2M
4													
5													
6	Capital Improvement Program	\$6.4M	\$5.3M	\$5.3M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M
7	Other Transfers	\$0.0M	\$0.6M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
8	Pension	\$16.5M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
9	IT Fund	\$0.8M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
10	Fleet Fund	\$0.1M	\$0.0M	\$1.5M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
11	Insurance Fund	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
12	Total Other Sources/(Uses) - Transfers	\$24.0M	\$5.9M	\$6.8M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M	\$4.9M
13													
14	<b>Total Expenditures</b>	\$158.9M	\$164.1M	\$155.9M	\$161.1M	\$163.2M	\$168.4M	\$173.2M	\$177.2M	\$180.1M	\$183.2M	\$186.0M	\$189.1M
15													
16	<b>Net Change in Fund Balance</b>	-\$14.2M	-\$20.7M	-\$6.0M	-\$6.7M	-\$5.8M	-\$8.0M	-\$9.2M	-\$7.7M	-\$5.0M	-\$2.2M	\$1.1M	\$4.3M
17													
18	<b>Beginning Balance</b>	\$89.6M	\$75.5M	\$54.7M	\$48.7M	\$42.1M	\$36.3M	\$28.3M	\$19.1M	\$11.4M	\$6.4M	\$4.2M	\$5.3M
19	<b>Ending Balance</b>	\$75.5M	\$54.7M	\$48.7M	\$42.1M	\$36.3M	\$28.3M	\$19.1M	\$11.4M	\$6.4M	\$4.2M	\$5.3M	\$9.6M
20													
21	<b>Ending Balance as % of Expenditures</b>	55.9%	34.6%	32.7%	27.0%	22.9%	17.3%	11.4%	6.6%	3.6%	2.3%	2.9%	5.2%
22	<b>Target Fund Balance %</b>						NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET



# General Fund Estimated Fund Balance

(Proposed – May 12, 2025)

(\$ in thousands)

	A	B	C	D	E	F
	Fund Balance by Category	FY 2024-25 Adjusted Budget	FY 2025-26 Proposed	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected
1	<b>Beginning Balance</b>	<b>\$75,454</b>	<b>\$54,733</b>	<b>\$48,750</b>	<b>\$42,096</b>	<b>\$36,312</b>
2						
3	Revenue	\$143,404	\$149,938	\$154,406	\$157,448	\$160,400
4	Expenditures	\$158,236	\$149,121	\$156,136	\$158,308	\$163,484
5	Transfers	\$5,890	\$6,800	\$4,924	\$4,924	\$4,924
6						
7	<b>Net / Use of Fund Balance</b>	<b>(\$20,721)</b>	<b>(\$5,983)</b>	<b>(\$6,654)</b>	<b>(\$5,784)</b>	<b>(\$8,009)</b>
8						
9	<b>Ending Fund Balance</b>	<b>\$54,733</b>	<b>\$48,750</b>	<b>\$42,096</b>	<b>\$36,312</b>	<b>\$28,303</b>
10	Ending Balance as % of Expenditure	34.6%	32.7%	27.0%	22.9%	17.3%
11						
12	<b>Fund Balance by Category</b>					
13	Non-spendable	(\$6,455)	(\$6,455)	(\$6,455)	(\$6,455)	(\$6,455)
14	Restricted	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)
15	Committed	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
16	Assigned	(\$6,050)	(\$6,050)	(\$6,050)	(\$6,050)	(\$6,050)
17						
18						
19	Unassigned	\$41,678	\$35,695	\$29,041	\$23,257	\$15,248
20	Compensated Absences	(\$708)	(\$708)	(\$708)	(\$708)	(\$708)
21	Major Emergencies	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
22	Available Economic Uncertainties	\$35,969	\$29,987	\$23,332	\$17,549	\$9,540
23						
24	<b>% of Expenditures for Economic Uncertainties</b>	<b>22.7%</b>	<b>20.1%</b>	<b>14.9%</b>	<b>11.1%</b>	<b>5.8%</b>



# Department Operational Reductions



# City Manager's Office



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits	(\$26,427)	(\$26,427)	Eliminate one (1) PT College Intern
Consulting	(\$50,000)	(\$85,000)	Reduction in space planning, and professional team development
Consulting	(\$73,000)	(\$73,000)	Reduction in communications
Consulting	(\$65,000)	(\$65,000)	Reduction in general consulting needs
Marketing	(\$27,000)	(\$27,000)	Reduction in digital marketing for Citywide communications
Program Supplies	(\$2,700)	(\$2,700)	Reduction of funds for community give-a-ways, and general program supplies
Marketing	(\$7,000)	(\$7,000)	Eliminate funding for outreach campaign, such as social media ads, etc.
Transportation/Training	(\$1,400)	(\$1,400)	Reduction in training/travel
Program Supplies	(\$1,500)	(\$1,500)	Reduction in media supplies
<b>TOTAL</b>	<b>(\$254,027)</b>	<b>(\$289,027)</b>	

# Community Development



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits	(\$187,714)	(\$201,171)	Freeze Plan Check Engineer (vacant)
Consulting	\$0	(\$240,000)	Reduction in planning consulting
Consulting	\$40,000	(\$80,000)	Reduction in housing consulting
Notices	(\$3,150)	(\$3,150)	Reduction in Mobile Home Noticing - Absorb
Postage	(\$1,350)	(\$3,150)	Reduction in Mobile Home Postage - Absorb
Grants	\$0	(\$18,000)	Reduction in Façade Grant Reduction - One fewer business served by program
Consulting	\$0	(\$70,000)	Reduction in Community Preservation consulting - reduced funds for special enforcement projects or abatement
Salaries & Benefits	(\$17,499)	(\$17,499)	Eliminate request for position reclassification
Salaries & Benefits	(\$17,499)	(\$17,499)	Eliminate request for position reclassification
Consulting	(\$50,000)	\$30,000	Reduction for economic development consultant; FY27 reflects budget increase for Economic Development strategy implementation
Salaries & Benefits	(\$150,038)	(\$160,777)	Eliminate Housing Program Specialist (vacant)
<b>TOTAL</b>	<b>(\$387,250)</b>	<b>(\$781,246)</b>	

# Finance



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits	(\$174,937)	(\$184,742)	Freeze Accountant II (vacant)
<b>TOTAL</b>	<b>(\$174,937)</b>	<b>(\$184,742)</b>	

# Human Resources



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits	(\$149,892)	(\$161,008)	Eliminate LTD Human Resources Technician (vacant)
<b>TOTAL</b>	<b>(\$149,892)</b>	<b>(\$161,008)</b>	

# Fire



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Fire And Emergency Services	(\$1,353,632)	(\$149,323)	Reduction in ACFD contract, including freezing three unfilled positions, 50% reduction in recruit academy size, and reduction in medical equipment replacement
<b>Total</b>	<b>(\$1,353,632)</b>	<b>(\$149,323)</b>	

# Human Services



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits		(\$179,796)	Freeze Management Analyst (vacant)
Consulting	(\$50,000)	(\$50,000)	Reduce City funding for the Winter Shelter at First United Methodist Church; pursue County funding to help sustain the program FY25 \$100K, FY26 \$50K, FY27 \$50K
Consulting	(\$100,000)	(\$100,000)	Eliminate funding for Building Futures Winter Shelter Motel Voucher program. Building Futures may continue providing this program in limited scope using other funding or may discontinue completely. Building Futures expressed capacity issues with continuing to run this program, which serves medically fragile homeless individuals. FY25 \$100K, FY26 \$0K, FY27 \$0K
Consulting	(\$50,000)	(\$50,000)	Reduce funding for Family Violence Law Center (FVLC) 24/7 Mobile Outreach program. Through this agreement, FVLC retains a portion of funding for case management for San Leandro residents, as well as subcontracts to SAVE for Health Relationship and Violence Prevention presentations in SLUSD and Building Futures for domestic violence case management. FY25 \$70K, FY26 \$50K, FY27 \$50K. <i>SAVE and Building Futures will be funded using FY25 funds to reduce impact in FY26 and FY27.</i>
Consulting	(\$50,000)	(\$50,000)	Eliminate direct allocation funding to Davis Street, which was funded through ARPA; future program funding will be awarded through the CAP grant process. Davis Street recommended for FY26/FY27 funding through CAP. FY25 \$47K, FY26K \$23K, FY27K. <i>FY25 contract savings of \$42K to be carried forward for FY26</i>

# Human Services (cont.)



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Consulting		(\$15,000)	Reduce contribution to Eden I&R (Countywide 211 service). Community members can still access this service. FY25 \$40K, FY26 \$40K, FY27 \$25K
Consulting		(\$95,000)	Eliminate FY27 funding for Vietnamese American Community Center (VACCEB). VACCEB will receive FY26 funding of \$95K. FY25 \$99K, FY26 \$95K, FY27 \$0K
Consulting		(\$24,204)	Reduce Building Futures Mobile Outreach for homelessness. FY25 \$147K, FY26 \$147K, FY27 \$122K. <i>Funding reduction may reduce outreach staff available and reduce outreach days.</i>
TOTAL	(\$250,000)	(\$564,000)	



# Information Technology



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits	(\$53,436)	(\$56,784)	Freeze Part-Time IT Technician I (Vacant).
Software Maintenance		(\$150,000)	Reduce software and license costs.
<b>TOTAL</b>	<b>(\$53,436)</b>	<b>(\$203,436)</b>	

# Legislative



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Transportation/Training	(\$2,360)	(\$2,360)	Reduce staff training.
Memberships	(\$375)	(\$375)	Reduce memberships.
Employee Recognition	(\$250)	(\$250)	Reduce employee recognition.
Uniform & Apparel	(\$205)	(\$205)	Reduce City embroidered uniforms.
Books and tapes	(\$150)	(\$150)	Reduce purchase of books and tapes.
Program Services	(\$7,700)	(\$7,700)	Reduce placement of current system for form 700s.
Notices/Publication	(\$1,000)	(\$1,000)	CPRB reduction in public notice costs / align with prior year.
Forms/Business Cards	(\$500)	(\$500)	CPRB reduction in costs for outreach efforts / align with prior year.
Event Food & Beverage	(\$7,800)	\$5,000	Reduce cost for food for events, FY 27 includes cost for Alameda County Mayor's Conference (City hosted).
Translation	(\$9,800)	(\$9,800)	Eliminate new software Wordly.
Council Technology	(\$8,400)	(\$8,400)	Reduce technology budget for City Council.
Council Transportation/Training	(\$20,000)	(\$20,000)	Reduce transportation/training for Council to align with prior year levels.
Council Travel	(\$9,000)	(\$9,000)	Reduce travel for Council to align with prior year levels.
<b>TOTAL</b>	<b>(\$67,540)</b>	<b>(\$54,740)</b>	

# Library



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits	(\$60,329)	(\$69,853)	Freeze Part-Time Museum Curator (vacant) - Remain open for school tours, supporting SLUSD curriculum.
Salaries & Benefits	(\$35,062)	(\$35,913)	Freeze three (3) Library Aides (vacant) - assignments/tasks will be distributed among current staffing levels.
Salaries & Benefits	(\$59,069)	(\$62,769)	Freeze Library Clerk and Maintenance Aide (vacant)
Salaries & Benefits	(\$109,497)	(\$109,497)	Reduction of Library hours of operation: eliminate Main and Manor Branch Sunday hours and reduce Monday open hours to 10-5pm; Freeze PT Librarian I, PT Librarian II, and two PT Clerks
Program Supplies	(\$631)	(\$631)	Reduce program supplies for Branches and Adult Services.
Uniform	(\$700)	(\$700)	Eliminate City branded shirts for Library staff.
Books	(\$20,000)	(\$20,000)	Reduce printed book purchases.
Audio Visual Materials	(\$500)	(\$500)	Reduce new & replacement of audio/visual collection.
Electronic/Digital Resources	(\$32,153)	(\$36,208)	Reduce new & replacement of eContent purchases.
Program Supplies	(\$5,000)	(\$5,000)	Reduce processing supplies for printed material.
Consulting	(\$25,000)	(\$25,000)	Reduce funding for community grants awarded by Arts, Culture & Library Commission.
<b>TOTAL</b>	<b>(\$347,941)</b>	<b>(\$366,071)</b>	

# Police



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Employee Recognition	(\$3,600)	(\$3,600)	Reduce employee recognition
Employee Education Reimbursement	(\$33,000)	(\$33,000)	Budget is captured in Salaries and Benefits
<b>TOTAL</b>	<b>(\$36,600)</b>	<b>(\$36,600)</b>	

# Public Works



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Salaries & Benefits	\$244,377	\$263,037	Amend staff allocation between General Fund / CIP
Salaries & Benefits	(\$35,096)	(\$38,329)	Reallocate Environmental Services Manager
Salaries & Benefits	(\$144,358)	(\$154,641)	Reallocate Engineering Manager
Salaries & Benefits	(\$36,259)	(\$38,079)	Reallocate Public Works Director
Salaries & Benefits	(\$123,761)	(\$129,532)	Freeze Intern Position (vacant)
Salaries & Benefits	(\$68,259)	(\$72,177)	Reallocate Maintenance Supervisor
Salaries & Benefits	(\$144,061)	(\$158,061)	Freeze (3) Maintenance Aides (vacant) and (1) Maintenance Worker (vacant); reallocate portion of Traffic Control Technician to Gas Tax Fund
Salaries & Benefits	(\$127,443)	(\$137,073)	Freeze Administrative Assistant (vacant)
<b>TOTAL</b>	<b>(\$434,860)</b>	<b>(\$464,855)</b>	

# Recreation & Parks



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Revenue	\$220,000	\$220,000	Additional program revenue
Salaries & Benefits	(\$27,920)	(\$27,920)	Eliminate staff dedicated to creek education (vacant)
Salaries & Benefits	(\$81,735)	(\$172,569)	Freeze Management Analyst II (vacant)
Salaries & Benefits	(\$88,035)	(\$88,035)	Recreation Specialist III: Beautify Coordinator, Reservation Leads
Salaries & Benefits		(\$11,922)	Recreation Specialist II: Camp Hooty, Kiddie College, Youth Sports
Salaries & Benefits	(\$35,096)	(\$74,473)	Recreation Specialist I: Customer Service, Facility Attendants, Park Specialist, Camp Hooty, Kiddie College, Youth Sports
Salaries & Benefits		(\$107,107)	Recreation Leader: Camp Hooty, Kiddie College, Youth Sports
Salaries & Benefits		(\$22,130)	Lifeguards: Farrelly Pool

# Recreation & Parks (cont.)



Account Title	FY 2026 Reduction	FY 2027 Reduction	Details & Potential Impact
Consulting	(\$18,000)	(\$18,000)	Suspend the purchase of Active Net Dashboard
Postage & Delivery	(\$2,500)	(\$2,500)	Eliminate postage; absorb in current budget
Employee Recognition	(\$3,000)	(\$3,000)	Reduce the employee recognition fund
Subscription	(\$4,500)	(\$4,500)	Eliminate professional develop subscriptions
Uniforms & Apparel	(\$5,500)	(\$5,500)	Reduce program uniform and apparel budgets
Program Supplies	(\$16,500)	(\$24,000)	Reduce program supply budgets for various programs/camps
Transportation/Training	(\$5,500)	(\$6,000)	Reduce staff training budgets
Notices/ Publication	(\$1,000)	(\$2,000)	Reduce program translation and printing services
Department Supplies	(\$1,000)	(\$1,000)	Reduce general department / office supplies
Entertainment	(\$2,500)	(\$2,500)	Reduce the special event entertainment
Notices/ Publication	(\$750)	(\$750)	Reduce outscoring of fliers
Transportation	(\$16,000)	(\$16,000)	Eliminate transportation for field trips, Camp Hooty
Field Trip Admission	(\$6,000)	(\$6,000)	Eliminate field trip admission funding from Camp Hooty
Security - MCC,SCC, SLFAC	(\$10,000)	(\$10,000)	Eliminate funding for security guard at SFLAC
<b>TOTAL Reductions</b>	<b>(\$325,536)</b>	<b>(\$605,907)</b>	



# General Fund Transfers

	A	B	C	D	E
	Description	FY 2024 Actuals	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY 2027 Proposed Budget
1					
2	Capital Funds				
3	City Building Major Maintenance	\$600,000	\$600,000	\$600,000	\$600,000
4	City Park Major Maintenance	\$475,000	\$475,000	\$475,000	\$475,000
5	Street Overlay Rehab	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000
6	ADA Transition Plan	\$150,000	\$150,000	\$150,000	\$150,000
7	Capital General Fund	\$513,211	\$0	\$0	\$0
8	Operating Funds				
9	Links Shuttle Service	\$50,000	\$50,000	\$50,000	\$50,000
10	Parking Fund Subsidy	\$400,425	\$376,178	\$376,178	\$0
11	Street Maintenance	\$635,826	\$638,826	\$0	\$0
12	Fleet Fund	\$100,000	\$0	\$1,500,000	\$0
13	IT Fund	\$836,500	\$0	\$0	\$0
14	Insurance Fund	\$128,915	\$0	\$0	\$0
15	Pension Fund	\$16,460,225	\$0	\$0	\$0
16	<b>Total General Fund Transfers</b>	<b>\$23,950,102</b>	<b>\$5,890,004</b>	<b>\$6,751,178</b>	<b>\$4,875,000</b>

# Long-Range Financial Forecast

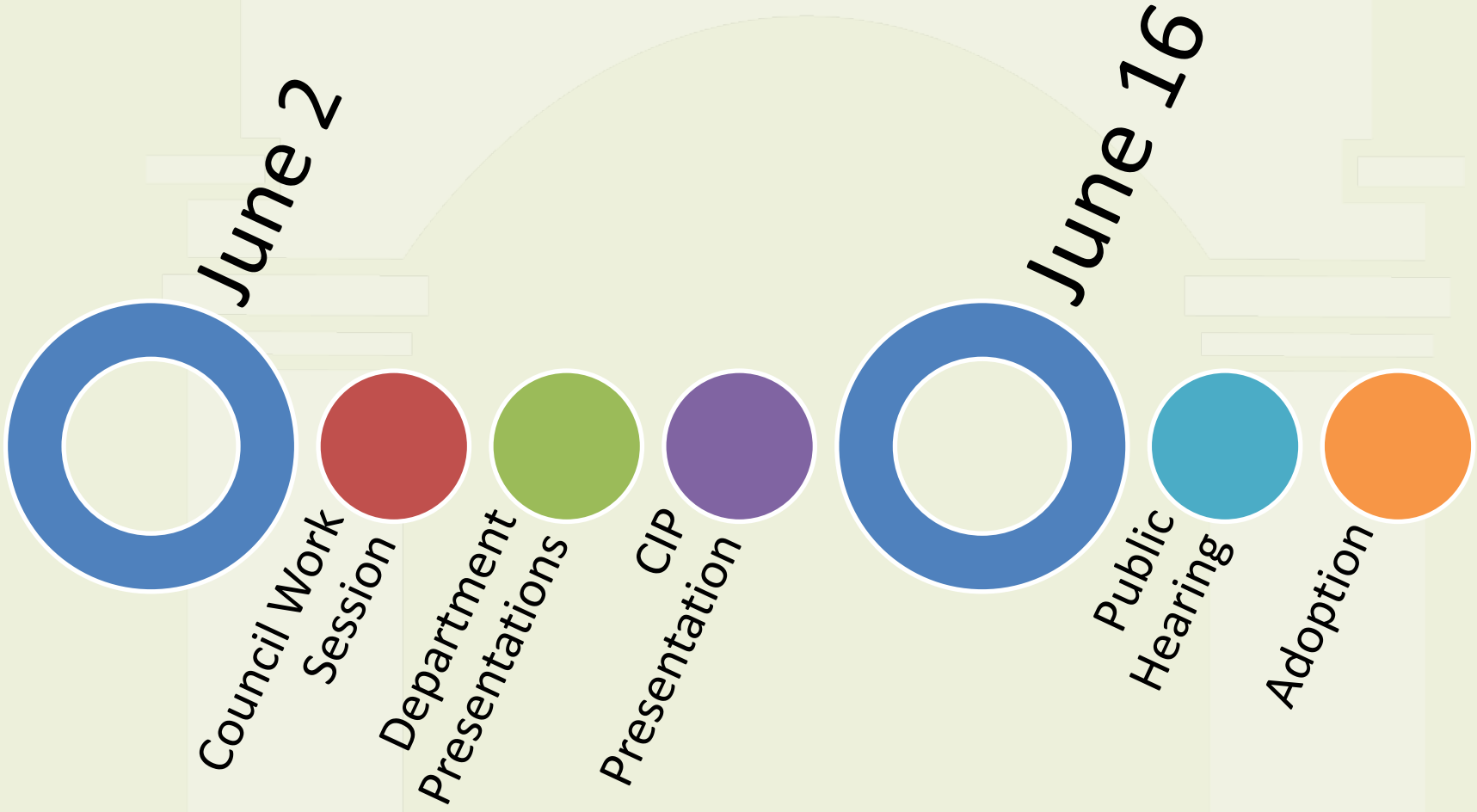
- Long-range financial forecast continues to project a structural deficit, but efforts made to reduce ongoing operational expenses have significantly improved the fiscal outlook.
- Strategic evaluation of ongoing reductions to General Fund operating expenses are still needed to ensure that the City is meeting the City Council Fund Balance Policy.
- Remain focused on core services.
- Continued General Fund support for Infrastructure / capital needs is growing and unsustainable.
- Advance toward the exploration of revenue measure to support growing infrastructure / capital needs.
- **Council Ask: Increase FYs 26 & 27 by \$500,000 for polling and campaign support in preparation of a potential revenue measure.**

# Citywide Operating Budget

(\$ in millions)

	A	B	C	D	E
1		FY 2025-26		FY 2026-27	
2	(\$ in millions)	Revenue	Expenditures	Revenue	Expenditures
3	General Fund	\$149.9	\$155.9	\$154.4	\$161.1
4	Special Revenue Funds	8.9	10.1	7.7	7.8
5	Internal Service Funds	23.9	32.1	27.9	27.3
6	Enterprise Funds	30.7	35.1	32.8	35.1
7	Other Funds	3.4	4.2	3.4	3.7
8	<b>Total - All Funds</b>	<b>\$216.8</b>	<b>\$237.4</b>	<b>\$226.2</b>	<b>\$235.0</b>

# Next Steps



# Discussion & Feedback



Consider Additional Funding to  
Support Revenue Measure  
Campaign

Recommend  
Proposed Budget to  
Council

Appendix A:

**First Work Session:  
FYs 26 & 27 Proposed Biennial Budget Presentation\***

Finance Committee  
April 23, 2025

*\*Slides 39 and 44 have been updated for corrections.*



# City of San Leandro

## FYs 26 & 27 Proposed Biennial Budget Presentation

Finance Committee  
April 23, 2025





# AGENDA

1

Key Driving  
Factors

2

Budget Strategies

3

General Fund  
Forecast

4

Budget  
Overview

5

General Fund  
Reductions

6

Capital Funding  
Needs

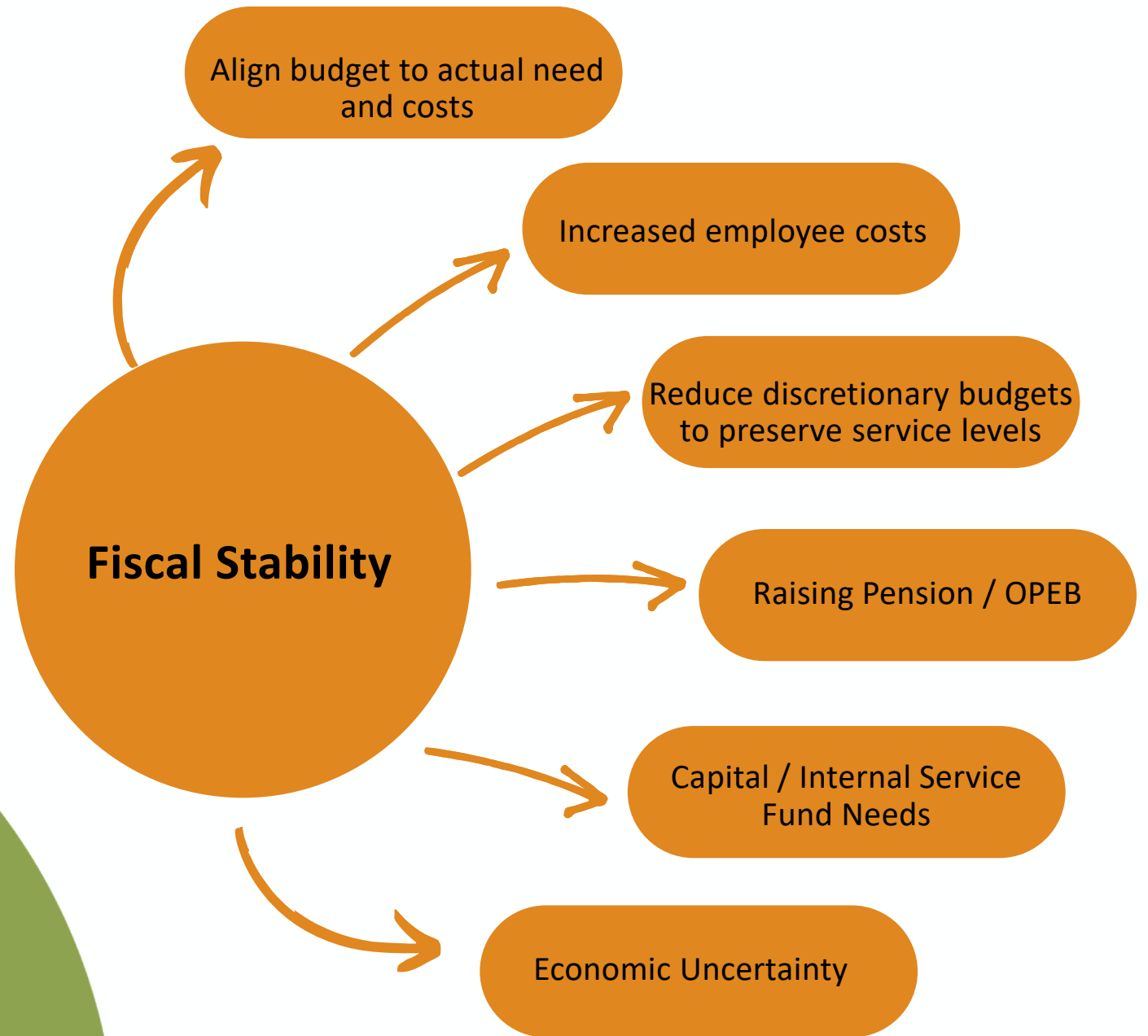
7

Pension &  
OPEB

8

ARPA

# Key Driving Factors Impacting FY26 & FY27 Budget



# Budget Strategies

## Discretionary Costs

Reduce services and supplies; preserve service levels

## Internal Service Fund

Prioritize fleet replacement; defer technology enhancements; align budget with need and costs

## Fixed Assets

Temporarily remove all budget allocations for fixed assets

## Personnel Costs

Establish realistic onboarding of vacant positions, including anticipation of attrition through retirements

# What is Fund Balance?

## ➤ What is Fund Balance?

- Represents the difference between the City's totals assets and current/future liabilities. It essentially shows the net available resources in that fund at a given point in time.
- Categories of Fund Balance:
  - **Non-spendable** – Resources that cannot be spent.
  - **Restricted** – Resources with external restrictions (i.e. grants).
  - **Committed** – Set aside for specific purposes by formal government action.
  - **Assigned** – Intended for specific purposes but not legally restricted (i.e. encumbrances).
  - **Unassigned** – Available for any purpose.

## ➤ What is a Targeted Fund Balance?

- A targeted fund balance percentage refers to the desired level of reserves a government or organization aims to maintain in its General Fund.
- The Government Finance Officers Association (GFOA) recommends that general-purpose governments maintain unrestricted fund balance in their General Fund of at least two months (or approximately 20%) of regular operating expenditures (excluding transfers).

# What is Fund Balance? (cont.)

## ➤ Why is a targeted 20% fund balance important?

- Ability to pivot for unexpected expenses without resulting in direct to significant service reductions or borrowing.
- Improved ability to weather economic downturns.
- Ability to remain operational during natural disasters.
- May impact / improve credit ratings, leading to lower borrowing cost.
- Enhanced financial stability and resilience.

## ➤ What is the City Fund Balance Policy?

- \$5M for Major Emergencies
- 20% of Total Expenditures for Economic Uncertainties
- Set policy meets and exceed industry best practice

# What is a Structural Deficit?

## ➤ What is structural deficit?

- A structural deficit is a persistent imbalance where a government's spending consistently outpaces its revenue.

## ➤ What are some causes that attribute to a structural deficit?

- Insufficient revenue or fluctuating revenue
- Unpredictable rate changes to pensions
- Growing infrastructure needs
- Economic instability/uncertainties
- Excessive spending

## ➤ Why is a structural deficit is bad?

- Persistent structural deficits are unsustainable.
- Eventually, all available funds are expended, which can put the City in a position of filing for bankruptcy.

# General Fund 10-Year Forecast

(prior to proposed budget)

(\$ in millions)

	A	B	C	D	E	F	G	H	I	J	K	L	M
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actual	Budget	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.
1	Total Revenues	\$144.7M	\$143.4M	\$150.8M	\$153.3M	\$156.7M	\$160.5M	\$165.4M	\$170.8M	\$177.4M	\$182.4M	\$182.7M	\$185.6M
2													
3	Total Operating Expenditures	\$135.0M	\$158.2M	\$152.5M	\$158.0M	\$163.3M	\$168.5M	\$172.3M	\$175.3M	\$178.2M	\$181.2M	\$183.9M	\$186.4M
4													
5	Capital Improvement Program	6.4M	\$5.3M	\$5.4M	\$5.5M	\$5.6M	\$5.7M	\$5.9M	\$6.0M	\$6.1M	\$6.2M	\$6.3M	\$6.5M
6	Other Transfers	\$0.0M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.7M	\$0.7M	\$0.7M	\$0.7M
7	Pension	16.5M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
8	IT Fund	0.8M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
9	Fleet Fund	0.1M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
10	Insurance Fund	0.1M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M	0.0M
11	Total Other Sources/(Uses) - Transfers	24.0M	5.9M	6.0M	6.1M	6.2M	6.3M	6.5M	6.6M	6.8M	6.9M	7.0M	7.2M
12													
13	Total Expenditures	158.9M	164.1M	158.5M	164.1M	169.5M	174.8M	178.8M	181.9M	185.0M	188.1M	190.9M	193.6M
14													
15	Net Change in Fund Balance	-\$14.2M	-\$20.7M	-\$7.8M	-\$10.8M	-\$12.8M	-\$14.3M	-\$13.4M	-\$11.0M	-\$7.5M	-\$5.7M	-\$8.2M	-\$8.0M
16													
17	Beginning Balance	\$89.6M	\$75.5M	\$54.7M	\$47.0M	\$36.2M	\$23.4M	\$9.1M	-\$4.3M	\$15.3M	\$22.8M	\$28.5M	\$36.8M
18	Ending Balance	\$75.5M	\$54.7M	\$47.0M	\$36.2M	\$23.4M	\$9.1M	-\$4.3M	-\$15.3M	-\$22.8M	-\$28.5M	-\$36.8M	-\$44.8M
19													
20	Ending Balance as % of Expenditures	55.9%	34.6%	30.8%	22.9%	14.3%	5.4%	-2.5%	-8.7%	-12.8%	-15.8%	-20.0%	-24.0%
21	Target Fund Balance %					NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET



# General Fund 10-Year Forecast

## (Proposed)

(\$ in millions)

	A	B	C	D	E	F	G	H	I	J	K	L	M
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actual	Budget	Proposed	Proposed	Est.	Est.	Est.	Est.	Est.	Est.	Est.	Est.
1	<b>Total Revenues</b>	\$144.7M	\$143.4M	\$149.7M	\$154.2M	\$156.5M	\$159.1M	\$162.4M	\$173.5M	\$178.5M	\$182.4M	\$183.9M	\$186.8M
2													
3	Total Operating Expenditures	\$135.0M	\$158.2M	\$152.1M	\$158.4M	\$161.1M	\$166.3M	\$171.3M	\$175.4M	\$178.4M	\$181.6M	\$184.4M	\$187.7M
4													
5	Capital Improvement Program	\$6.4M	\$5.3M	\$5.3M	\$5.5M	\$5.6M	\$5.7M	\$5.9M	\$6.0M	\$6.1M	\$6.2M	\$6.3M	\$6.5M
6	Other Transfers	\$0.0M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.6M	\$0.7M	\$0.7M	\$0.7M	\$0.7M
7	Pension	\$16.5M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
8	IT Fund	\$0.8M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
9	Fleet Fund	\$0.1M	\$0.0M	\$1.5M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
10	Insurance Fund	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
11	Total Other Sources/(Uses) - Transfers	\$24.0M	\$5.9M	\$7.4M	\$6.1M	\$6.2M	\$6.3M	\$6.5M	\$6.6M	\$6.8M	\$6.9M	\$7.0M	\$7.2M
12													
13	<b>Total Expenditures</b>	\$158.9M	\$164.1M	\$159.5M	\$164.5M	\$167.3M	\$172.6M	\$177.8M	\$182.0M	\$185.2M	\$188.5M	\$191.4M	\$194.9M
14													
15	<b>Net Change in Fund Balance</b>	-\$14.2M	-\$20.7M	-\$9.8M	-\$10.2M	-\$10.7M	-\$13.5M	-\$15.4M	-\$8.5M	-\$6.7M	-\$6.0M	-\$7.6M	-\$8.1M
16													
17	<b>Beginning Balance</b>	\$89.6M	\$75.5M	\$54.7M	\$45.0M	\$34.7M	\$24.0M	\$10.5M	-\$4.9M	-\$13.4M	-\$20.1M	-\$26.2M	-\$33.7M
18	<b>Ending Balance</b>	\$75.5M	\$54.7M	\$45.0M	\$34.7M	\$24.0M	\$10.5M	-\$4.9M	-\$13.4M	-\$20.1M	-\$26.2M	-\$33.7M	-\$41.8M
19													
20	<b>Ending Balance as % of Expenditure</b>	55.9%	34.6%	29.6%	21.9%	14.9%	6.3%	-2.9%	-7.7%	-11.3%	-14.4%	-18.3%	-22.3%
21	<b>Target Fund Balance %</b>					NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET

# General Fund 5-Year Forecast (Proposed)

(\$ in thousands)

A		B	C	D	E	F
		2025-26	2026-27	2027-28	2028-29	2029-30
1	Revenue					
2	Property Tax	\$33,776	\$35,392	\$36,277	\$37,184	\$38,114
3	Sales Tax	\$54,874	\$56,521	\$56,944	\$57,547	\$58,792
4	Other Tax	\$29,893	\$30,835	\$31,452	\$32,081	\$32,723
5	Other Revenue	\$31,195	\$31,458	\$31,868	\$32,300	\$32,747
6	Total Revenue	\$149,738	\$154,206	\$156,542	\$159,112	\$162,375
7						
8	Expenditures					
9	Salaries & Benefits	\$75,812	\$80,709	\$83,875	\$87,551	\$90,823
10	Operating Expenses	\$76,293	\$77,644	\$77,200	\$78,787	\$80,454
11	Transfers	\$7,400	\$6,100	\$6,200	\$6,300	\$6,500
12	Total Expenditures	\$159,504	\$164,453	\$167,275	\$172,638	\$177,776
13						
14	Net / Use of Fund Balance	(\$9,766)	(\$10,247)	(\$10,733)	(\$13,526)	(\$15,401)
15						
16	Beginning Balance	\$54,733	\$44,967	\$34,720	\$23,987	\$10,461
17	Ending Balance	\$44,967	\$34,720	\$23,987	\$10,461	(\$4,940)
18						
19	Ending Balance as % of Expenditure	29.6%	21.9%	14.9%	6.3%	-2.9%

# General Fund Estimated Fund Balance

(\$ in thousands)

	A	B	C	D	E	F
	Fund Balance by Category	FY 2024-25 Adjusted Budget	FY 2025-26 Proposed	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected
1	<b>Beginning Balance</b>	<b>\$75,454</b>	<b>\$54,733</b>	<b>\$44,967</b>	<b>\$34,720</b>	<b>\$23,987</b>
2						
3	Revenue	\$143,404	\$149,738	\$154,206	\$156,542	\$159,112
4	Expenditures	\$158,236	\$152,104	\$158,353	\$161,075	\$166,338
5	Transfers	\$5,890	\$7,400	\$6,100	\$6,200	\$6,300
6						
7	<b>Net / Use of Fund Balance</b>	<b>(\$20,721)</b>	<b>(\$9,766)</b>	<b>(\$10,247)</b>	<b>(\$10,733)</b>	<b>(\$13,526)</b>
8						
9	<b>Ending Fund Balance</b>	<b>\$54,733</b>	<b>\$44,967</b>	<b>\$34,720</b>	<b>\$23,987</b>	<b>\$10,461</b>
10	Ending Balance as % of Expenditure	34.6%	29.6%	21.9%	14.9%	6.3%
11						
12	<b>Fund Balance by Category</b>					
13	Non-spendable	(\$6,455)	(\$6,455)	(\$6,455)	(\$6,455)	(\$6,455)
14	Restricted	(\$50)	(\$50)	(\$50)	(\$50)	(\$50)
15	Committed	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)
16	Assigned	(\$6,050)	(\$6,050)	(\$6,050)	(\$6,050)	(\$6,050)
17						
18	Unassigned	\$41,678	\$31,912	\$21,665	\$10,932	(\$2,594)
19	Compensated Absences	(\$708)	(\$708)	(\$708)	(\$708)	(\$708)
20	Major Emergencies	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
21	Available Economic Uncertainties	\$35,969	\$26,203	\$15,957	\$5,223	(\$8,302)
22						
23	<b>% of Expenditures for Economic Uncertainties</b>	<b>22.7%</b>	<b>17.2%</b>	<b>10.1%</b>	<b>3.2%</b>	<b>-5.0%</b>

# City Fund Balance Policy

## City's Current Fund Balance Policy:

- \$5M for Major Emergencies
- 20% of Total Expenditures for Economic Uncertainties

## Proposed Revision to Other Policies FY 25 & FY 26

- Suspend PULL policy; and
- All unspent funds go toward rebuilding fund balance to meet City Fund Balance Policy in future years

# Service & Supplies Net Change

	A	B	C
1	Department	FY26 Change	FY27 Change
2	Community Development	\$63,490	\$170,000
3	City Manager's Office	(\$140,882)	(\$14,000)
4	Finance	(\$172,764)	\$0
5	Human Resources	(\$68,600)	\$66,000
6	Human Services	(\$1,292,545)	(\$293,983)
7	Legislative	(\$786,964)	(\$11,555)
8	Library	(\$206,351)	\$25,000
9	Police	(\$253,095)	\$102,250
10	Public Works	(\$161,864)	\$51,000
11	Recreation & Parks	\$83,425	\$0
12	<b>Total Net Change</b>	<b>(\$2,936,150)</b>	<b>\$94,712</b>

# Fixed Asset Net Change

	A	B	C
1	Department	FY26 Change	FY27 Change
2	City Manager's Office	(\$177,700)	(\$177,000)
3	Finance	(\$10,931)	(\$10,931)
4	Human Services	(\$1,000)	(\$1,000)
5	Information Technology	(\$607,409)	(\$682,000)
6	Police	(\$166,747)	(\$166,747)
7	Community Development	(\$50,000)	
8	Public Works	(\$81,526)	
9	Recreation & Parks	(\$91,500)	(\$91,500)
10	<b>Total Net Change</b>	<b>(\$579,404)</b>	<b>(\$447,178)</b>

# Fixed Asset Reductions

General office  
furniture / redesign  
(new and  
replacement)

Reduction in  
equipment rental for  
events

Replacement of  
tables and chairs at  
community facilities

Replacement of park  
and tree  
maintenance  
equipment

Deferred technology  
enhancements

# General Fund Transfers

Estimated Available General Fund Allocation to CIP Funds or Other Operating Funds: \$5.9M

Estimated Available General Fund Allocation to Fleet: \$1.5M

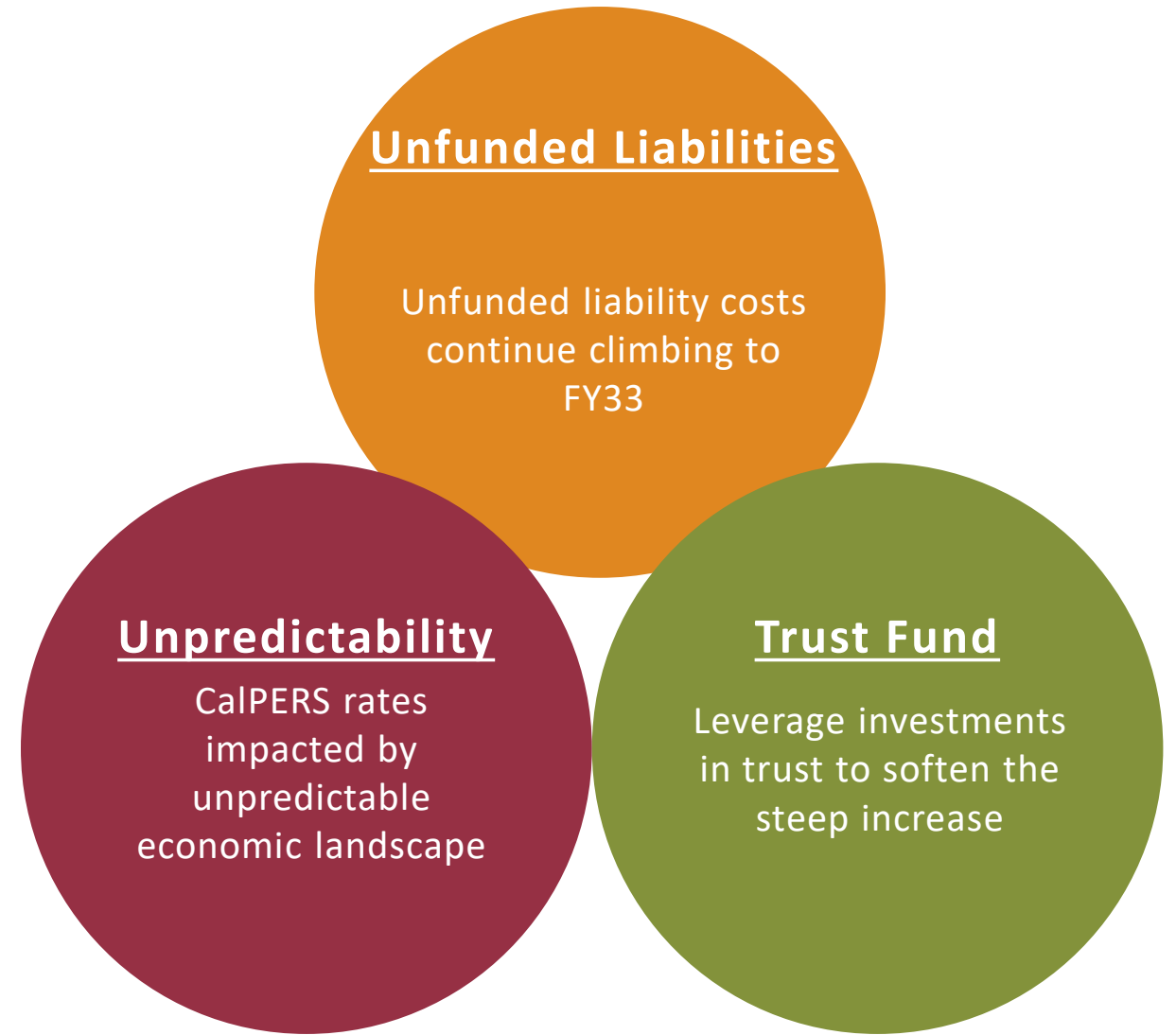
	A	B
1	<b>Description</b>	<b>Proposed Transfer Amount</b>
2	Links Shuttle Service	\$50,000 (requested \$99,000)
3	City Building Major Maintenance	\$600,000
4	City Park Major Maintenance	\$475,000
5	Street Overlay Rehab	\$3,600,000
6	Street Maintenance	\$638,826
7	Parking Fund Subsidy	\$376,178
8	ADA Transition Plan	\$150,000
9	<b>General Fund Transfer</b>	<b>\$5,890,004</b>
10	<b>Description</b>	<b>Proposed Transfer Amount</b>
11	Fleet Fund	\$1,500,000
12	<b>General Fund Transfer</b>	<b>\$1,500,000</b>



# Fleet Replacement Needs

- Ongoing Fleet Replacement Needs
  - City Fleet
  - Police Fleet
  - Fire Fleet
- Procurement Challenges
  - Public safety fleet
  - Fire Fleet - Estimated date of delivery is approximately 4-5 years from date of order
- Legislative Requirements
  - Transition to Electric Vehicles (EV)
  - Increase costs for EV
- Continue efforts to establish sustainable fund balance for future purchases

# Pension & OPEB Costs



# Supplemental Trust Information

- A pension trust fund established by a city, like San Leandro's, is a separate entity to manage assets for future pension payments. This trust helps stabilize pension costs, mitigate budget challenges, and ensures future financial obligations are met.
- Can only be used to:
  - Reimburse City for CalPERS contributions
  - Make payments directly to CalPERS
- More flexibility than paying CalPERS directly
  - City decides if and when and how much money to put into the Trust
  - City decides if and when and how much to withdraw to pay CalPERS or reimburse the City
- Current funding ratio (including supplemental trust)
  - Miscellaneous Plan - 72.5% Funded
  - Safety (Police) Plan – 70.9% Funded

# ARPA Projects – Funding Needs

	A	B	C	D
	Program Name	FY26 GF Needed Allocation	FY27 GF Needed Allocation	Potential Impact
1				
2	Alternative Response Unit	\$303,000	\$909,999	Program would be discontinued.
3	Encampment Cleanup	\$430,000	\$430,000	Limit ability to respond to encampments cleanup and dispose of abandoned RVs and boats.
4	Beautify San Leandro		\$95,000	These funds would cover annual events and beautification initiative grants to 10 community organizations. If not awarded, the Beautify San Leandro program will end on June 30, 2026.
5	Landscape Maintenance	\$110,000	\$110,000	Reduce the frequency and level of service citywide.
6	Lewelling Weed Abatement	\$48,000	\$48,000	Weed abatement on Lewelling would be discontinued.
7	Tree Maintenance & Planting	\$50,000	\$50,000	Reduce ability to purchase and install trees citywide. Service levels would be based on replacement as needed.
8	Small Business Technical Assistance Program	\$85,000	\$85,000	Program would be discontinued, resulting in no support to four (4) Agreements with diverse business providers - serving 95 small businesses
9	<b>TOTAL</b>	<b>\$1,026,000</b>	<b>\$1,727,999</b>	

# Long-Range Financial Forecast

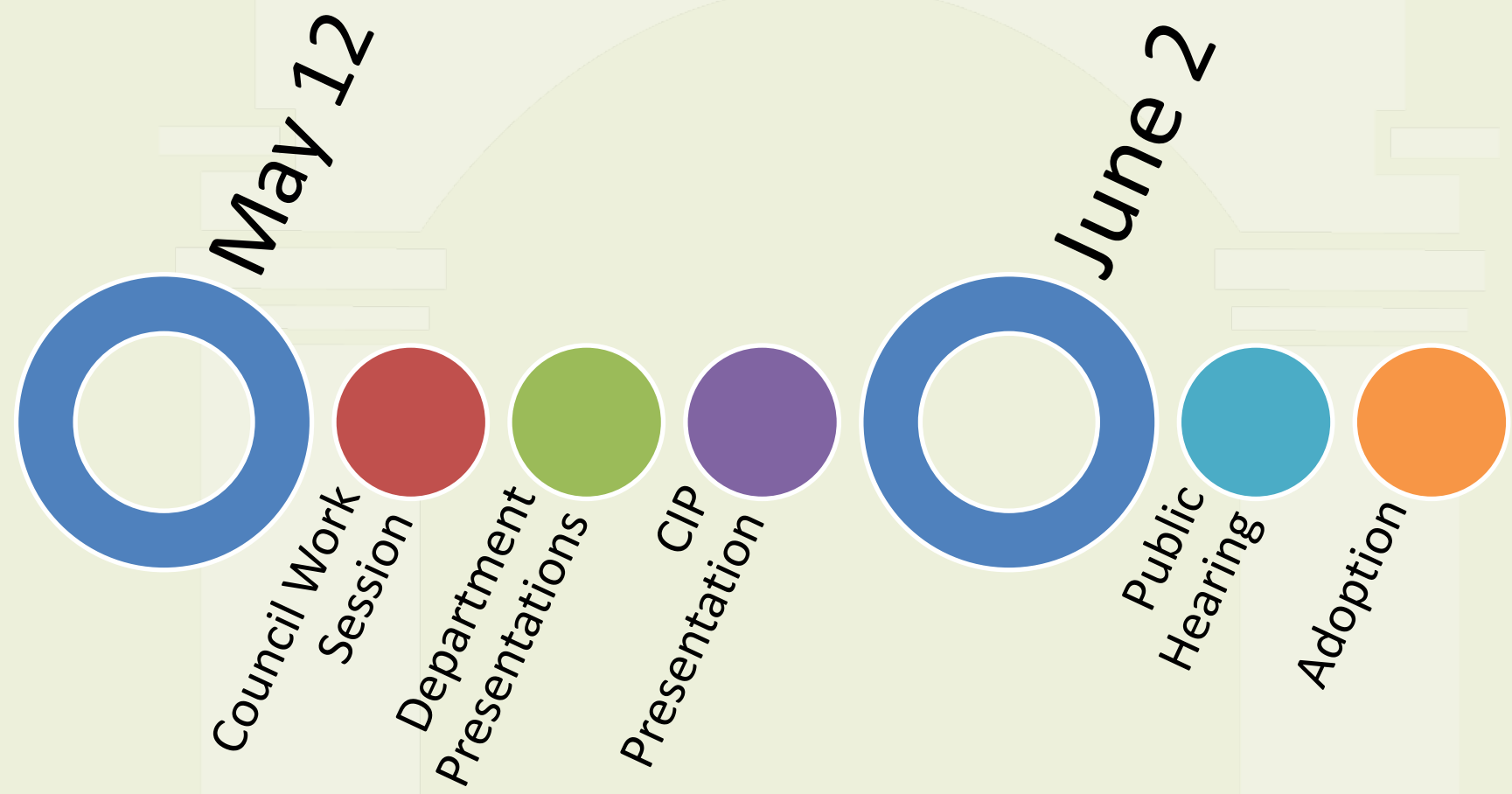
- Long-range financial forecast continues to project a structural deficit.
- Continue to explore budget balancing strategies, including expenditure control and revenue enhancements
- Remain focused on core services
- Continued General Fund support for Infrastructure / capital needs is growing and unsustainable
  - Roadways
  - Fleet
  - Facilities
  - Information Technology
- Advance toward the exploration of revenue measure to support growing infrastructure / capital needs
- Council Ask: Increase FYs 26 & 27 by \$500,000 for polling and campaign support in preparation of a potential revenue measure

# Citywide Operating Budget

(\$ in millions)

	A	B	C	D	E
1		FY 2025-26		FY 2026-27	
2	(\$ in millions)	Revenue	Expenditures	Revenue	Expenditures
3	General Fund	\$149.7	\$159.5	\$154.2	\$163.9
4	Special Revenue Fund	\$5.4	\$5.5	\$6.1	\$5.9
5	Internal Service Fund	\$23.5	\$27.6	\$27.9	\$32.2
6	Enterprise Funds	\$30.7	\$34.7	\$32.8	\$34.7
7	Other Funds	\$3.4	\$4.2	\$3.4	\$3.4
8	<b>Total – All Funds</b>	<b>\$212.7</b>	<b>\$231.5</b>	<b>\$224.4</b>	<b>\$240.1</b>

# Next Steps



# Discussion & Feedback



Recommend Proposed Budget to Council

Suspend  
PULL Policy in  
FY25 & FY26

FY25 & FY26 All Unspent Funds Go  
Directly to General Fund  
Fund Balance