

Budget in Brief

Fiscal Year 2016 - 2017

CITY OF SAN LEANDRO, CALIFORNIA



OVERVIEW

On June 1, 2015, the San Leandro City Council adopted the Biennial Budget for fiscal years 2015-16 and 2016-17. June 6, 2016 the City Council approved amendments to the 2016-17 adopted budget. The amended budget continues to reflect the vision and goals of the City Council, re-established on January 30, 2016, and is the product of a focused and successful effort to meet the challenges of increasing costs while responding to the community's service needs.

Council directed staff to focus on a sustainable budget that lives within the City's available revenue, so future budgets may also be balanced, while maintaining existing service levels. The 2016-17 amended budget highlights include the following:

- *\$2.25 million in City Council initiatives*
- *Labor contract implementation*
- *Prioritizing Unfunded Liabilities Liquidation (PULL)*
- *Alameda County Fire contract services*
- *City deferred vehicle and equipment*

The new sales tax revenue from voter approved Measure HH (sales and use transaction tax) and Measure BB (Alameda County streets, roads and transportation improvements) are critical to maintaining existing service levels. The City's forecasts indicate that we will likely face budget challenges in future years, especially if City revenues do not improve beyond the conservative projections. However, planning has begun so City Council may make informed choices as we strive toward a sustainable City budget.

CITY COUNCIL GOALS for 2016 - 17

- *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*

REVENUES

Total revenues for 2016-17 are estimated to be \$159 million. The major reasons for overall revenues increasing relate to property tax revenues and Utility Users' tax increasing. Sales tax revenue constitutes 41% of the total General fund revenues and is considered highly volatile should economic conditions weaken.

General Fund revenues are 63% of the total City revenues for the amended budget and are used to provide services such as public safety, libraries, public works, engineering and transportation and general government services.

REVENUE BY FUND	Adopted 2016 - 17	Projected 2016 - 17
General Fund	\$95,509,510	\$100,518,448
Special Revenue Funds	12,466,028	12,403,429
Capital Project Funds	3,260,000	3,550,000
Debt Service Funds	2,948,319	2,948,319
Enterprise Funds	17,545,121	17,545,121
Internal Service Funds	13,376,418	13,978,418
Successor Agency Fund	4,613,081	4,613,081
Total Operating Revenues	\$149,718,477	\$155,556,816
Use of Fund Balance	1,514,559	4,118,262
Total Revenues/Resources	\$151,233,036	\$159,675,078

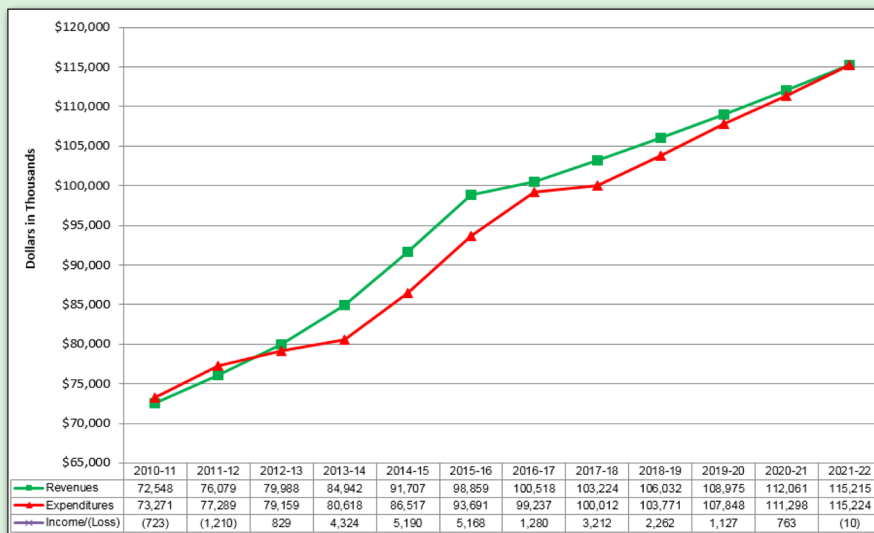
The Total Sales Tax Rate for the City of San Leandro is Currently 10% and Distributed as Follows:

AGENCY	%
State of California	5.50%
State Public Safety Fund (<i>Proposition 172</i>)	0.50%
State Public Education Fund (<i>Proposition 30</i>)	0.25%
Alameda County	0.25%
Alameda County Transportation Authority	1.00%
Alameda County Essential Health Care Services	0.50%
Alameda County BART	0.50%
City of San Leandro (<i>includes .25% Triple Flip reimbursement</i>)	1.00%
City of San Leandro Temporary Transaction & Use Tax	0.50%
Total Sales Tax in San Leandro	10.00%

Allocation of a Property Tax Dollar Collected in San Leandro



GENERAL FUND



Forecast for Fiscal Years 2010-11 through 2021-22

(General Fund Forecast is reviewed every six months.)

EXPENDITURES

Expenditures for the 2016-17 amended budget are estimated to increase due to the following reasons:

- *fire service contract*
- *pension costs*
- *equipment replacement costs*
- *infrastructure repairs and maintenance*
- *capital improvement projects*

General Fund expenditures are projected to increase by \$4 million. The 4.2% increase in costs for 2017 are attributed to the reasons cited above.

Therefore, a multi-year forecast for the General Fund and other key operating funds is a critical budgetary tool. This forecasting model enables the City Council to act strategically and understand the long-term impact of its decisions. The General Fund forecast reflects the value of the newly passed Measure HH funds for sales use and transaction tax.

EXPENDITURES BY DEPARTMENT

DEPARTMENT	Adopted 2016 - 17	Projected 2016 - 17
General Government	\$4,855,587	\$5,164,544
Finance	2,680,759	2,751,164
Police	32,077,487	32,722,997
Fire	22,623,423	24,432,461
Community Development	6,102,021	6,490,823
Engineering and Transportation	3,024,019	3,191,322
Public Works	7,651,363	8,093,951
Recreation and Human Services	5,163,927	5,405,343
Library	4,926,005	5,079,584
Non-Department	4,403,977	1,864,469
Successor Agency	4,593,650	4,596,105
Enterprise Activities	13,289,376	13,351,447
Internal Services	13,662,662	15,268,446
Capital Improvements	11,082,716	13,576,850
Debt Service	8,515,001	11,104,509
Transfers to Other Funds	3,695,782	3,695,782
Total Department Expenditures	\$148,347,755	\$156,789,797

EXPENDITURES • *continued*

CAPITAL PROJECTS	Adopted 2016 - 17	Projected 2016 - 17
ADA Transition Plan Construction	\$150,000	\$150,000
Annual Overlay Rehabilitation	5,965,000	5,965,000
Annual Sidewalk Repair Program	570,000	570,000
Annual Street Sealing	1,500,000	1,500,000
E. 14th Underground - Phases 2.1 & 2.2	70,000	70,000
Internal Service Charges	90,733	90,733
Marina Blvd Streetscape Conceptual Design	542,000	–
Police Building and South Office Modifications	1,574,983	2,116,983
Public Works Maintenance Projects	100,000	100,000
Sanitary Sewer Line Replacement and Repair	500,000	500,000
Traffic Studies and Signal Equipment	20,000	20,000
Annual Bike and Ped Improvements	–	50,000
Annual Neighborhood Traffic Calming	–	250,000
Speed limit Re-certification Citywide	–	70,000
Update Bike and Ped Master Plan	–	70,000
Pedestrian Crossing Improvements	–	120,000
Bicycle Network West	–	103,065
Child Care at Marea Alta	–	800,000
Shoreline Improvements	–	1,000,000
Total Capital Improvement Projects	\$11,082,716	\$13,545,781

Capital Improvement Projects continue to focus on streets, roads, bicycle and sidewalk improvements, and Shoreline improvements as well as critical infrastructure repair and improvements amounting to \$13.5 million.

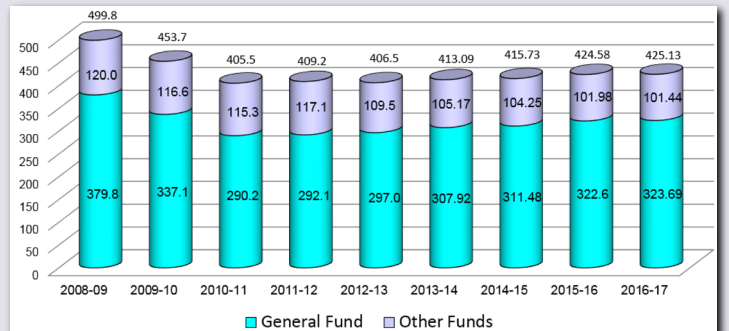
EXPENDITURES BY FUND	Adopted 2016 - 17	Projected 2016 - 17
General Fund	\$95,167,698	\$99,236,631
Special Revenue Funds	11,942,948	12,595,747
Capital Project Funds	3,250,000	5,300,000
Debt Service Funds	2,947,319	2,947,319
Enterprise Fund	16,783,478	16,845,549
Internal Service Funds	13,662,662	15,268,446
Successor Agency Funds	4,593,650	4,596,105
Total Operating Expenditures	\$148,347,755	\$156,789,797

EXPENDITURES BY TYPE	Adopted 2016 - 17	Projected 2016 - 17
Salaries and Benefits	\$56,692,647	\$58,303,177
Services	53,922,403	59,694,476
Supplies	3,642,262	3,677,762
Capital Outlay	1,981,968	3,005,907
Internal Service Charges	14,830,096	14,830,096
Other	13,582,597	13,582,597
Transfers	3,695,782	3,695,782
Total Operating Expenditures	\$148,347,755	\$156,789,797

STAFFING

STAFFING BY DEPARTMENT	Adopted 2016 - 17	Projected 2016 - 17
General Government	33.97	34.98
Finance	16.19	15.90
Police	142.71	142.74
Engineering & Transportation	31.39	30.38
Community Development	25.85	25.08
Public Works	101.67	103.76
Library Services	34.21	33.63
Recreation & Human Services	38.59	38.66
Total Staffing	424.58	425.13

HISTORICAL CITY STAFFING



*Fire Department is a contract service

CITY OF SAN LEANDRO



Pictured left to right, back row:

*City Attorney Richard Pio Roda, Councilmember Deborah Cox,
Councilmember Benny Lee, Councilmember Corina López,
Councilmember Lee Thomas and City Manager Chris Zapata*

Pictured left to right, front row:

*Councilmember Jim Prola, Mayor Pauline Russo Cutter
and Vice Mayor Ursula Reed*



**The City of San Leandro's
2016 - 2017 Adopted Budget
and Capital Improvement Program
are available on the City's website at
www.sanleandro.org
at the Main Library, and at the
Finance Department**

**City Hall
835 East 14th Street
San Leandro, California 94577**