

# **City of San Leandro 2018-19 Budget Amendments**



**City Council Meeting  
City Council Chambers  
June 4, 2018**

# Overview

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- City Council Goals
- Background
- Budget considerations
- Revenues
- Expenditures
- General Fund
- Other Funds
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- City Council Action

# City Council Goals

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- 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, 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

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- Second year of a two-year budget cycle
- January 20, 2018 - City Council Planning Session
- April 9, 2018 - City Council Worksession Budget Update
- May 7, 2018 - City Council Approval of Master Fee Schedule and Taxes for 2018-19
- June 4, 2018 – City Manager recommended budget adjustments presented to Council



# Budget Considerations

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- Continuing increases in the following:
  - CalPERS and health benefits
  - Service level demands
  - Facility and maintenance needs
  - Streets and roads deterioration
  - Unfunded liabilities
  - Fire contract services and equipment
- 16.67% reserve threshold and Prioritization Unfunded Liability Liquidation (PULL) Plan
- Goals and priorities alignment
- Implement projects and priorities established for:
  - Measure BB
  - Measure HH, OO, PP, NN

# 2018-19 All Funds Revenue Changes

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- General fund:
  - Property transfer tax increase \$0.8 million
  - Sales tax decrease \$2.4 million
  - Utility Users tax decrease \$0.5 million
  - Franchise fee increase \$0.5 million
  - Business license tax increase \$0.1 million
  - 9-1-1 tax increase \$0.1 million
- Special revenue funds increase \$0.2 million – State Highway Users Gas Tax
- CIP increase \$0.3 million – general fund transfer for Best/San Leandro Blvd improvements
- Internal service fund increase \$1 million – general fund transfer for PULL contribution

# 2018-19 All Funds Revenue Projection

*(Dollars in Thousands)*

Fund	Adopted	Projected	Change
General fund	\$111,700	\$110,212	\$ (1,488)
Special revenue	24,191	24,406	215
Capital projects	7,325	7,625	300
Debt service	2,794	2,794	0
Enterprise	17,693	17,741	48
Internal services	17,746	18,746	1,000
Successor agency	7,450	7,450	0
Total Operating	188,899	188,974	74
Use of fund balance	5,386	1,241	(4,145)
Total Revenues/Resources	\$194,285	\$190,215	

**City Manager Recommendation:  
\$1.2 Million in Targeted Expenditures matched by  
\$1 Million to PULL**

	Description	Estimated cost
1.	Financial forecast consultant	\$ 50,000
2.	Emergency preparedness supplies	65,000
3.	Personnel requests: Community Development: 1 new position Recreation & Human Services: 1 upgrade	200,000
4.	CIP - Best/San Leandro Blvd improvements **	300,000
5.	Heron Bay tree removal	50,000
6.	Boys and Girls Club support *	300,000
7.	PULL Program funding OPEB Trust **	1,000,000
8.	Election costs for November 6, 2018 ballot	250,000

\* CDBG supplement \$300,000 for locker room CIP

\*\* General fund transfer to fund these expenditures is required



# 2018-19 All Funds Expenditure Projection

*(Dollars in Thousands)*

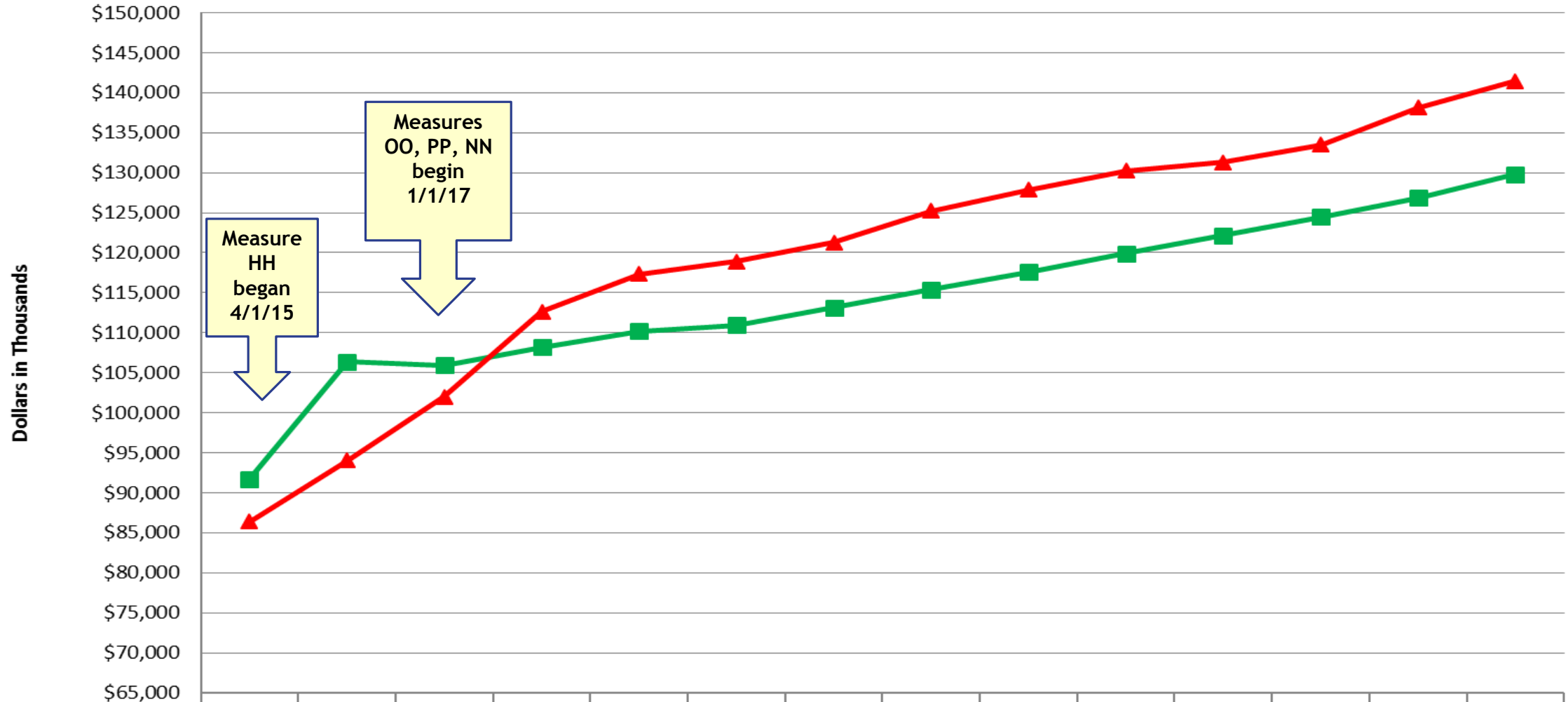
Fund	Adopted	Projected	Change
General fund	\$115,101	\$117,316	\$2,215
Special revenue	21,031	21,031	0
Capital projects	7,315	7,615	300
Debt service	2,770	2,770	0
Enterprise	19,841	19,841	0
Internal services	16,621	17,621	1,000
Successor agency	4,021	4,021	0
<b>Total Operating Expenditures</b>	<b>\$186 700</b>	<b>\$190,215</b>	

# General Fund Budget Projection 2017-18 and 2018-19

<i>(Dollars in thousands)</i>	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Projected	2018-19 Projected
<b>Revenues:</b>					
Property Tax	\$ 18,898	\$ 20,044	\$ 20,858	\$ 21,202	\$ 22,156
Sales Tax	32,948	42,337	41,728	42,183	42,900
Utility User's Tax	10,359	10,700	10,932	11,407	11,340
Real Property Transfer Tax	3,920	4,462	5,459	4,000	4,000
All Other Revenue	25,582	28,807	26,976	29,415	29,815
Total Operating Revenues	91,707	106,350	105,953	108,207	110,211
<b>Expenditures:</b>					
Salaries & Benefits	39,313	42,562	44,863	51,382	55,195
Services and Supplies	8,842	8,833	9,079	9,848	9,978
Fire Services Contract	19,666	19,893	21,925	22,372	23,350
Fire Equipment	-	526	-	1,500	-
Fire - OPEB Requirement *	(600)	-	-	-	-
Capital Outlay	220	166	307	107	107
Debt Service	4,206	4,623	4,814	5,240	5,474
Internal Service Fund Charges	11,025	10,500	10,499	11,577	13,413
Other	1,107	1,284	337	451	751
Transfers Out	2,584	5,627	10,173	10,179	9,048
Total Operating Expenditures	86,363	94,014	101,997	112,656	117,316
<b>Net Revenue (Expenditure)</b>	<b>\$ 5,344</b>	<b>\$ 12,336</b>	<b>\$ 3,956</b>	<b>\$ (4,449)</b>	<b>\$ (7,105)</b>

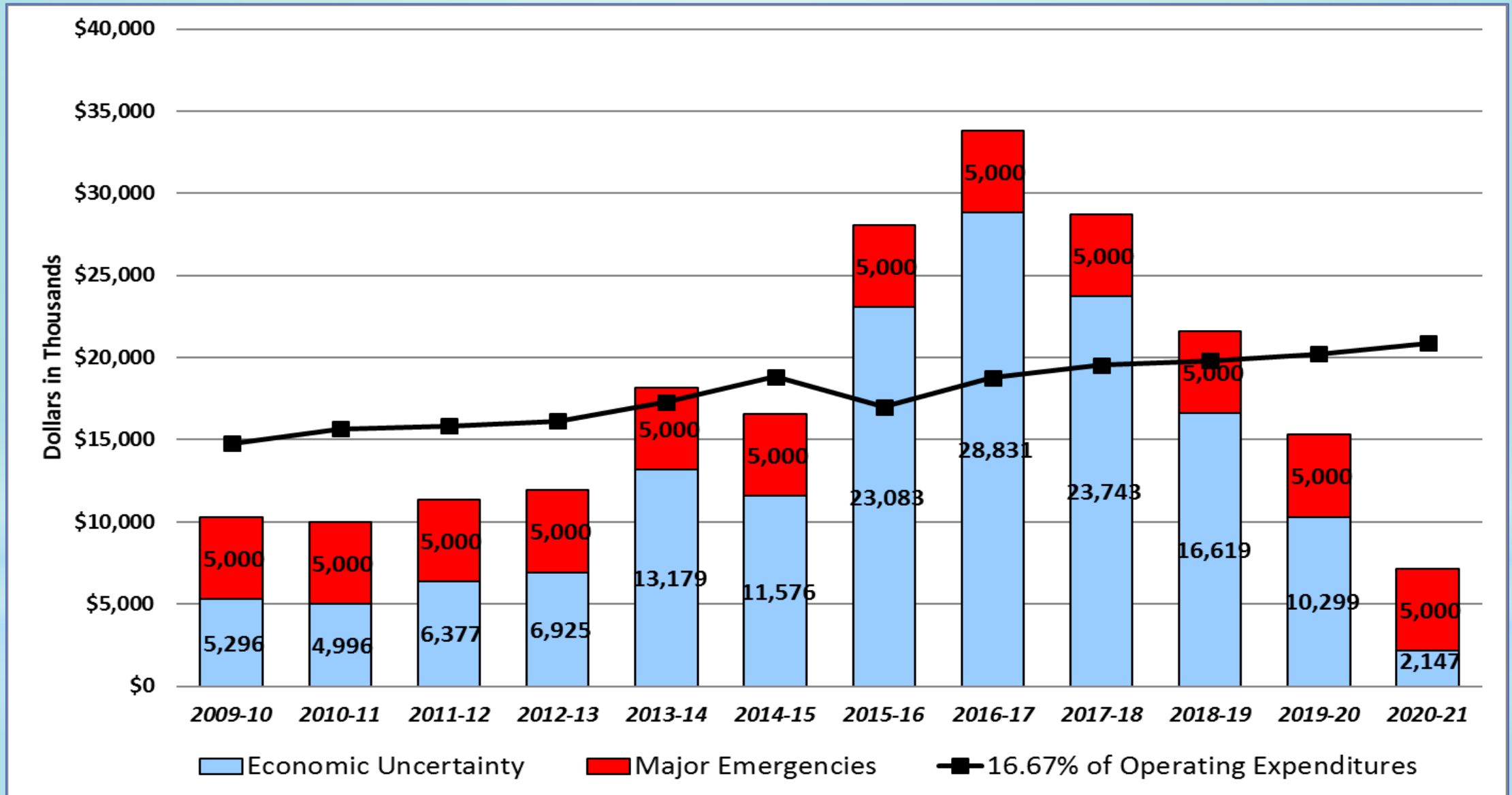
\* ACFD OPEB set aside actuals and budget reflected in reserves instead of operating expenditures

# General Fund Forecast 2014-15 thru 2027-28



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
■ Revenues	91,707	106,350	105,953	108,207	110,211	110,918	113,129	115,375	117,602	119,880	122,154	124,479	126,858	129,779
▲ Expenditures	86,363	94,014	101,997	112,656	117,316	118,872	121,280	125,208	127,844	130,224	131,274	133,496	138,120	141,428

# General Fund Reserves 2009-10 thru 2020-21



# Net Post Employment Liabilities

	Description	% of ARC	2018-19 Annual Required Contribution (ARC)	Overall
1	Miscellaneous unfunded CalPERS	100%	\$ 8.1M	\$ 82.4M
2	Safety unfunded CalPERS	100%	7.2M	74.1M
3	Miscellaneous/Safety unfunded OPEB	176%	0.96M	5.2M
4	Fire Department unfunded OPEB * City's portion, ACFD pays difference	35%	2.75M	27.1M
	<b>Total</b>		<b>\$19.01M</b>	<b>\$188.8M</b>



# Recommended City Council Action - Revenues

City Council adopt proposed resolution for City Manager Recommended Amendments to the 2018-19 Budget:

<b>Fund</b>	<b>Revenue Amendment</b>	<b>2018-19 Proposed Revenue</b>
General Fund	\$ (1,488,682)	\$ 110,211,073
Special Revenue	214,820	24,406,034
Capital Projects	300,000	7,625,000
Debt Service	0	2,793,911
Enterprise Funds	48,250	17,741,404
Internal Service Funds	1,000,000	18,746,359
Successor Agency	0	7,450,000
<b>Total Operating</b>	<b>74,388</b>	<b>188,973,781</b>

# Recommended City Council Action - Expenditures

City Council adopt proposed resolution for City Manager Recommended Amendments to the 2018-19 Budget:

<b>Fund</b>	<b>Expenditure Amendment</b>	<b>2018-19 Proposed Expenditures</b>
General Fund	\$ 2,215,000	\$ 117,315,922
Special Revenue	0	21,031,002
Capital Projects	300,000	7,615,000
Debt Service	0	2,769,786
Enterprise Funds	0	19,841,418
Internal Service Funds	1,000,000	17,620,816
Successor Agency	0	4,021,258
<b>Total Operating</b>		<b>\$ 190,215,202</b>