



# Council Annual Planning Session – Financial Presentation

Fiscal Years  
2025 - 26 and 2026 - 27



# Financial Presentation

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# FY 2024-25 Budget Overview

July 1, 2024 through June 30, 2025

# FY 2024-25 Budgeted Expenditures

## General Fund

\$149.9 M

## Proprietary Funds

\$51.5 M

- Enterprise Funds:  
Water Pollution Control Plant,  
Shoreline
- Internal Service Funds:  
Facilities Maintenance, Information  
Technology, Insurance services,  
Equipment Maintenance

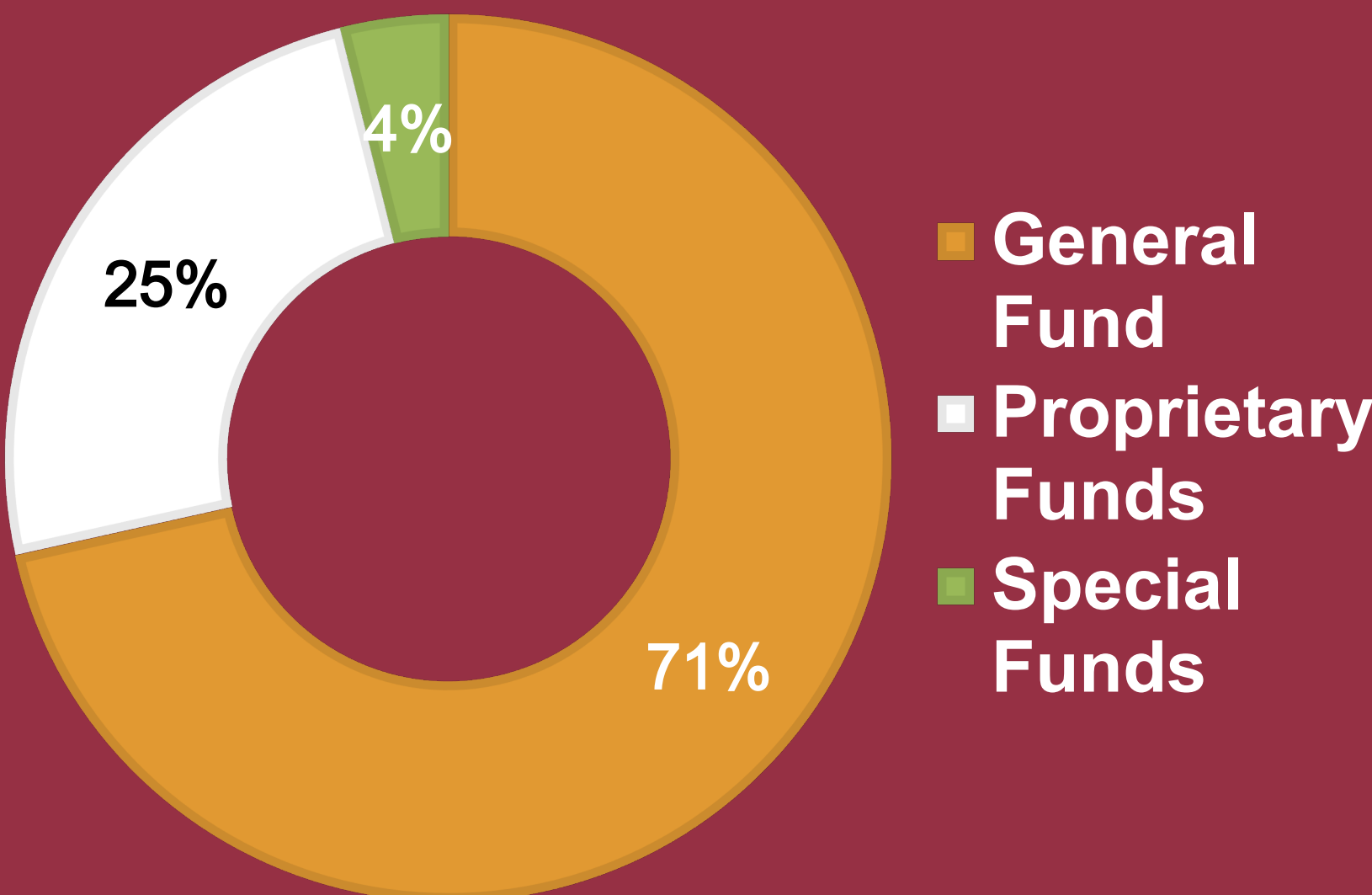
## Total Expenses

\$209.6 M

## Special Funds

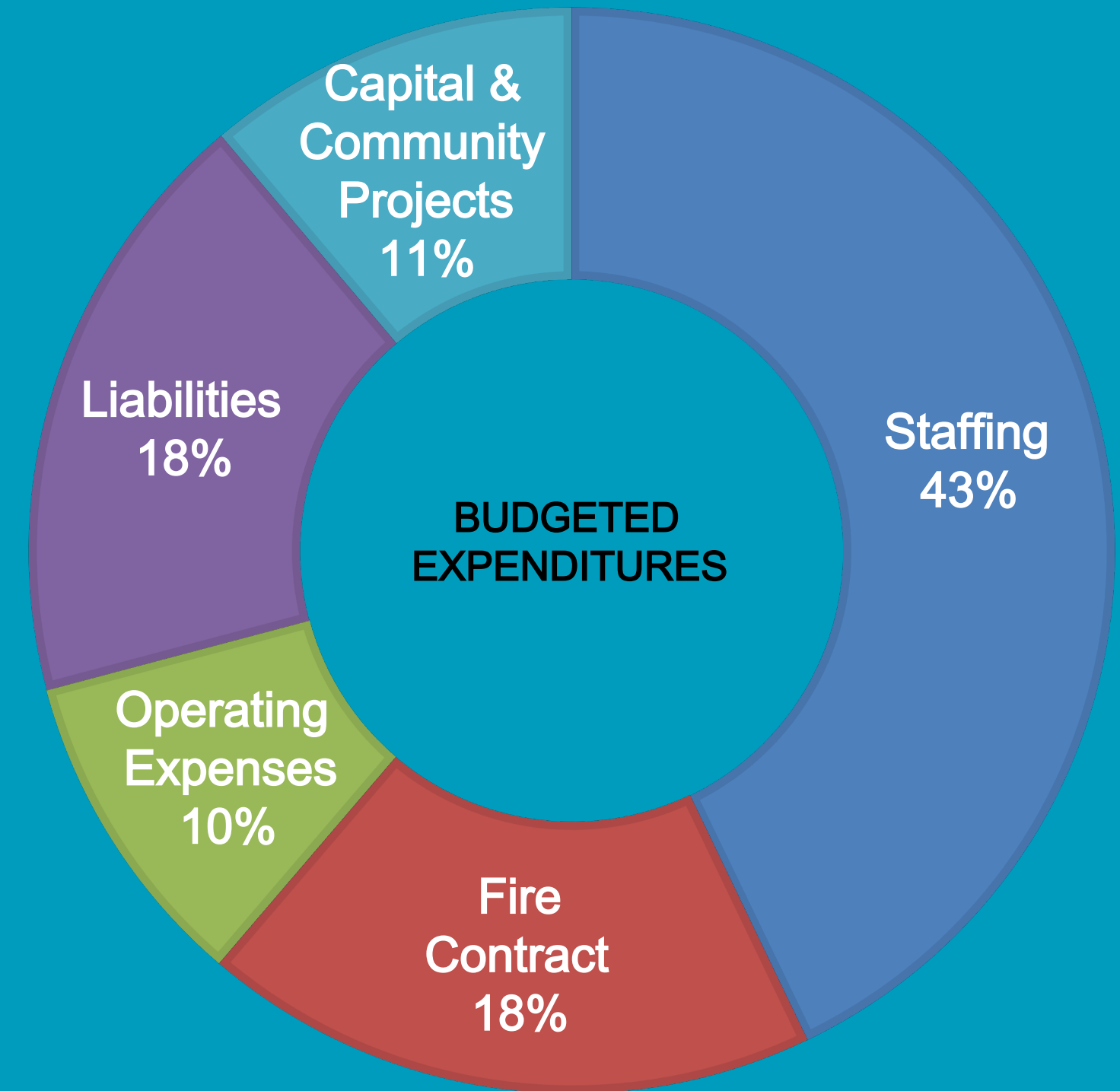
\$8.2 M

Parking, Asset Seizure,  
Transportation, Grants, Capital  
Improvement



# General Fund Expenditures

- **Ongoing \$133.9**
  - Staffing \$64.6 M
  - Fire Contract: \$27.7 M
  - Operating Expenses \$14.5 M
  - Liabilities \$27.1 M
    - Debt Service \$6.6 M
    - Pensions \$19.5 M
    - Retiree health \$1.0 M
- **One-Time \$16.8**
  - Capital Needs, Community Projects & One-time Payments





# General Fund Forecast

The General Fund 10-year Forecast is updated as needed by City Management for projection and project purposes



# 10-Yr General Fund Forecast

	2025 Budget	2026 Est.	2027 Est.	2028 Est.	2029 Est.	2030 Est.	2031 Est.	2032 Est.	2033 Est.	2034 Est.	2035 Est.
<b>Revenues</b>											
Property Taxes	31.3	30.3	31.3	32.5	33.5	34.7	36.0	37.5	39.0	40.4	41.7
Sales & Use Taxes	55.4	58.7	60.4	62.1	63.7	65.7	67.8	70.8	72.5	71.8	72.5
Other Taxes	31.8	32.6	32.4	32.7	33.3	34.4	35.5	36.8	37.8	37.4	37.8
Franchise Taxes	6.9	7.1	7.1	7.1	7.3	7.5	7.6	7.9	8.1	8.1	8.2
Licenses & Permits	11.1	11.4	11.4	11.5	11.8	12.0	12.3	12.7	13.0	13.1	13.2
Other Revenue	10.4	10.6	10.7	10.8	11.0	11.2	11.5	11.7	12.0	12.0	12.2
<b>Total Revenues</b>	<b>\$147.0M</b>	<b>\$150.8M</b>	<b>\$153.3M</b>	<b>\$156.7M</b>	<b>\$160.5M</b>	<b>\$165.4M</b>	<b>\$170.8M</b>	<b>\$177.4M</b>	<b>\$182.4M</b>	<b>\$182.7M</b>	<b>\$185.6M</b>
Salaries	43.2	45.9	49.0	51.6	53.7	54.7	55.7	56.6	57.5	58.5	60.2
Benefits	31.9	35.4	36.7	37.7	38.9	39.5	40.0	39.4	39.5	39.2	37.8
<b>Total Personnel Costs</b>	<b>\$75.2M</b>	<b>\$81.3M</b>	<b>\$85.7M</b>	<b>\$89.3M</b>	<b>\$92.6M</b>	<b>\$94.2M</b>	<b>\$95.7M</b>	<b>\$96.0M</b>	<b>\$97.0M</b>	<b>\$97.7M</b>	<b>\$98.0M</b>
% change year-over-year	18.9%	8.2%	5.4%	4.2%	3.7%	1.7%	1.6%	0.3%	1.1%	0.7%	0.3%
<b>Total Non-personnel Costs</b>	<b>\$70.5M</b>	<b>\$69.3M</b>	<b>\$71.2M</b>	<b>\$72.9M</b>	<b>\$74.7M</b>	<b>\$77.1M</b>	<b>\$79.6M</b>	<b>\$82.2M</b>	<b>\$84.2M</b>	<b>\$86.3M</b>	<b>\$88.4M</b>
<b>Total Expenditures</b>	<b>\$145.6M</b>	<b>\$150.6M</b>	<b>\$156.9M</b>	<b>\$162.2M</b>	<b>\$167.4M</b>	<b>\$171.2M</b>	<b>\$175.3M</b>	<b>\$178.2M</b>	<b>\$181.2M</b>	<b>\$183.9M</b>	<b>\$186.4M</b>
<b>Surplus/(Deficit) of Revenue over Expend.</b>	<b>\$1.3M</b>	<b>\$0.2M</b>	<b>-\$3.6M</b>	<b>-\$5.5M</b>	<b>-\$6.8M</b>	<b>-\$5.8M</b>	<b>-\$4.4M</b>	<b>-\$0.7M</b>	<b>\$1.2M</b>	<b>-\$1.2M</b>	<b>-\$0.8M</b>
<b>Other Sources/(Uses)</b>											
Capital Improvement Program	-\$5.3M	-\$5.4M	-\$5.5M	-\$5.6M	-\$5.7M	-\$5.9M	-\$6.0M	-\$6.1M	-\$6.2M	-\$6.3M	-\$6.5M
Other Transfers	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.7M	-\$0.7M	-\$0.7M	-\$0.7M
<b>Total Other Sources/(Uses)</b>	<b>-5.9M</b>	<b>-6.0M</b>	<b>-6.1M</b>	<b>-6.2M</b>	<b>-6.3M</b>	<b>-6.5M</b>	<b>-6.6M</b>	<b>-6.8M</b>	<b>-6.9M</b>	<b>-7.0M</b>	<b>-7.2M</b>
<b>Net Change in Fund Balance</b>	<b>-\$4.6M</b>	<b>-\$5.8M</b>	<b>-\$9.7M</b>	<b>-\$11.7M</b>	<b>-\$13.1M</b>	<b>-\$12.3M</b>	<b>-\$11.0M</b>	<b>-\$7.5M</b>	<b>-\$5.7M</b>	<b>-\$8.2M</b>	<b>-\$8.0M</b>
<b>Beginning Balance</b>	<b>\$83.1M</b>	<b>\$78.6M</b>	<b>\$72.7M</b>	<b>\$63.0M</b>	<b>\$51.3M</b>	<b>\$38.2M</b>	<b>\$25.9M</b>	<b>\$14.9M</b>	<b>\$7.3M</b>	<b>\$1.6M</b>	<b>-\$6.6M</b>
<b>Ending Balance</b>	<b>\$78.6M</b>	<b>\$72.7M</b>	<b>\$63.0M</b>	<b>\$51.3M</b>	<b>\$38.2M</b>	<b>\$25.9M</b>	<b>\$14.9M</b>	<b>\$7.3M</b>	<b>\$1.6M</b>	<b>-\$6.6M</b>	<b>-\$14.6M</b>
<b>Ending Balance as % of Expenditures</b>	<b>53.9%</b>	<b>48.3%</b>	<b>40.2%</b>	<b>31.6%</b>	<b>22.8%</b>	<b>15.1%</b>	<b>8.5%</b>	<b>4.1%</b>	<b>0.9%</b>	<b>-3.6%</b>	<b>-7.8%</b>
<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>



# Economic Context



# Economic Considerations

The City factors in local, state, and national economic trends when preparing forecasts and budget estimates

## Interest Rates

Unusually high interest rates

- Good for investments
- Bad for lending

Rates have been decreasing

## Unemployment

San Leandro has had a stable labor market since emerging from the pandemic. Unemployment rates have been consistently below the State average.

## Geopolitical

Supply chain management is recovering from pandemic disruptions however staff are consistently monitoring geopolitical conflict for potential future disruptions.

## Federal Changes

Staff monitor federal policy changes such as regulatory updates and any potential tariffs that would affect the cost of goods procured by the City.

## Natural Disasters

Not only must the City prepare for a potential disaster event within the area, staff monitor disasters around the world to determine any potential supply chain or monetary impacts to the City.

## Structural Deficits

City staff work to reduce the cost of services however inflation dictates certain increases to both labor and materials. Securing additional revenue sources is key to maintaining long-term fiscal stability.



# Human Capital

# Staffing Considerations

Doing more with less

Department	Full Time
Pre-Great Recession	388
During Pandemic	318
Fiscal Year 202223	313
Today	337

# Ongoing Considerations

## Unfunded Liabilities

### Pensions (CalPERS)

#### Valuation

- Total Pension Liability- \$719,702,437
- Market Value of Assets—  
\$468,120,615 (65% Funded)
- Pension Trust Value—  
\$33,318,316 (69.7% Funded)

#### Budget

- Normal Cost:  
Est. FY26 contributions - \$5.7 M
- Unfunded Liability (UAL):  
FY26 \$20.5 M – FY30 \$25.86 M

### Other Post -Employment Benefits (OPEB)

#### Valuation

- Total OPEB Liability-  
\$22,737,594
- Fiduciary Net Position -  
\$21,662,830 (95.27% Funded)

#### Budget

- Est. FY26 costs- \$765,351

**Total Unfunded Retiree Benefits:**  
**\$219,338,270**



# Capital Asset Considerations

# Capital Improvement Plan

## Facilities

34 Facilities  
\$19 M Backlog by FY28

## Parks

Parks Master Plan being  
presented in February,  
estimated capital costs  
approximately \$14 M over 10 years

## Stormwater

71 Mile System  
\$79.6 M

## WPCP

125 miles of pipe  
\$58.85 M over the next 5 years, \$91.5  
M over the next 10 years

## Streets

182 centerline miles  
Maint. PCI - \$12.5 M/year (first 5 years)  
\$8 M/year to maintain



# Internal Service Funds

## Building

Capital Replacements  
estimated at \$19 million  
by 2030

## IT

City has just kicked off  
an IT assessment,  
Estimated \$6.8 million  
in asset replacements  
by 2030, \$11.5 million  
by 2035

## Vehicles and Equipment

Estimated replacement  
costs of \$21.9 million,  
\$6 million by 2030



# American Rescue Plan Act (ARPA)

# Ongoing Projects

## Enhanced Street Cleanliness

Staffing and Contractor costs for increased street cleaning and encampment cleanup

\$780,000 over three years (\$260,000/year)

## Volunteer SL

Supports volunteer opportunities for City sponsored events

\$250,000 over three years (\$83,333/year)

## Alternative Response Unit

A collaborative pilot program designed to efficiently utilize behavioral health and medical care services

\$1.19M over two years (\$595,000/year)

## Median Maint. & Tree Trimming

Staffing and Contractor costs for both current and backlogged service in maintenance and trimming of City rights-of-way

\$575,000 over two years (\$287,500/year)

# \$1.2 M per year



# General Fund Forecast Update

# 10-Yr General Fund Forecast

	2025 Budget	2026 Est.	2027 Est.	2028 Est.	2029 Est.	2030 Est.	2031 Est.	2032 Est.	2033 Est.	2034 Est.	2035 Est.
Total Revenues	\$147.0M	\$150.8M	\$153.3M	\$156.7M	\$160.5M	\$165.4M	\$170.8M	\$177.4M	\$182.4M	\$182.7M	\$185.6M
Total Personnel Costs	\$75.2M	\$81.3M	\$85.7M	\$89.3M	\$92.6M	\$94.2M	\$95.7M	\$96.0M	\$97.0M	\$97.7M	\$98.0M
Total Non-personnel Costs	\$70.5M	\$69.3M	\$71.2M	\$72.9M	\$74.7M	\$77.1M	\$79.6M	\$82.2M	\$84.2M	\$86.3M	\$88.4M
Total Expenditures	\$145.6M	\$150.6M	\$156.9M	\$162.2M	\$167.4M	\$171.2M	\$175.3M	\$178.2M	\$181.2M	\$183.9M	\$186.4M
Surplus/(Deficit) of Revenue over Expend.	\$1.3M	\$0.2M	-\$3.6M	-\$5.5M	-\$6.8M	-\$5.8M	-\$4.4M	-\$0.7M	\$1.2M	-\$1.2M	-\$0.8M
Other Sources/(Uses)											
Capital Improvement Program	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Other Transfers	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.6M	-\$0.7M	-\$0.7M	-\$0.7M	-\$0.7M
Total Other Sources/(Uses)	-0.6M	-0.6M	-0.6M	-0.6M	-0.6M	-0.6M	-0.6M	-0.7M	-0.7M	-0.7M	-0.7M
Net Change in Fund Balance	\$0.7M	-\$0.4M	-\$4.2M	-\$6.1M	-\$7.4M	-\$6.4M	-\$5.0M	-\$1.4M	\$0.5M	-\$1.9M	-\$1.5M
Beginning Balance	\$83.1M	\$83.9M	\$83.4M	\$79.2M	\$73.1M	\$65.7M	\$59.3M	\$54.3M	\$52.8M	\$53.3M	\$51.4M
Ending Balance	\$83.9M	\$83.4M	\$79.2M	\$73.1M	\$65.7M	\$59.3M	\$54.3M	\$52.8M	\$53.3M	\$51.4M	\$49.9M
ARPA Funded Programs	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M	\$1.2M
Streets and Roads	\$12.5M	\$12.5M	\$12.5M	\$12.5M	\$12.5M	\$8.0M	\$8.0M	\$8.0M	\$8.0M	\$8.0M	\$8.0M
Parks	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M
Facilities	\$3.8M	\$3.8M	\$3.8M	\$3.8M	\$3.8M	\$3.8M	\$2.0M	\$2.0M	\$2.0M	\$2.0M	\$2.0M
IT Infrastructure	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$1.4M	\$0.9M	\$0.9M	\$0.9M	\$0.9M	\$0.9M
Vehicles and Equipment	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M
Net Change in Fund Balance	-\$21.8M	-\$22.9M	-\$26.7M	-\$28.6M	-\$29.9M	-\$24.4M	-\$20.8M	-\$17.2M	-\$15.3M	-\$17.7M	-\$17.3M
Beginning Balance	\$83.1M	\$61.4M	\$38.4M	\$11.8M	-\$16.8M	-\$46.7M	-\$71.1M	-\$91.9M	-\$109.1M	-\$124.4M	-\$142.1M
Ending Balance	\$61.4M	\$38.4M	\$11.8M	-\$16.8M	-\$46.7M	-\$71.1M	-\$91.9M	-\$109.1M	-\$124.4M	-\$142.1M	-\$159.3M
Ending Balance as % of Expenditures	42.1%	25.5%	7.5%	-10.4%	-27.9%	-41.5%	-52.4%	-61.3%	-68.6%	-77.2%	-85.5%
Target Fund Balance %			NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET	NOT MET

# Strengthening our Financial Foundation

## Reserve Policies

Current:

- GF Fund Balance Policy (20%)
  - Debt Policy
- Upcoming:
  - Reserve Policy
- Pension/OPEB Funding Policies

## Pension/OPEB

Balance funding future obligations and drawing down on trust funds to reduce General Fund expenditures in future years

## 10-Year Forecast

Leverage revenue and expense projections for future planning

## Internal Controls

- Internal Quarterly Budget Reviews
- Finalization of Master and Capital Improvement Plans
- Refined Performance Measures

## ERP Replacement

Currently implementing WorkDay; HR/Payroll being implemented first, then moving to financials

## Fee Study

Currently being reviewed by Finance Committee on a Department basis. Coming to Council for adoption in May.



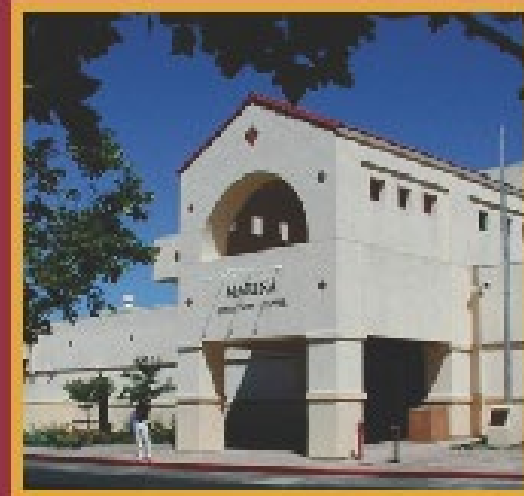
FISCAL YEAR 2025-26 &  
2026-27

# BUDGET ENGAGEMENT FORUMS



**YOUR VOICE  
MATTERS!**

BUDGET ENGAGEMENT  
MEETING



**MARINA COMMUNITY  
CENTER**

**THURSDAY, FEBRUARY 27,  
2025  
6:00PM - 8:00PM  
15301 WICKS BLVD,  
SAN LEANDRO, CA**

BUDGET ENGAGEMENT  
MEETING



**SURLENE GRANT  
COMMUNITY ROOM**

**SATURDAY, MARCH 1, 2025  
9:30AM - 11:30AM  
999 E. 14TH STREET,  
SAN LEANDRO, CA**

CITY MANAGER  
TOWNHALL



**VIRTUAL MEETING**

**TUESDAY, APRIL 29, 2025  
1:00PM - 3:00PM  
FOR MEETING LINK, PLEASE USE  
QR CODE BELOW:**



**EVERYONE IS  
WELCOME**

**Questions?**



**510.577.3376**



**[budget@sanleandro.org](mailto:budget@sanleandro.org)**