

FYs 24 & 25 Biennial Budget Presentation

Finance Committee

April 26, 2023

Key Factors

- Aligning budget to actual needs and costs
- Realistic onboarding of vacant positions
- Conservative revenue given economic climate
- Increased labor costs

Key Investments

- Human Capital
 - Staffing
 - Training and Development
 - Recognition
- Infrastructure Assessment
- Revenue Exploration
- Community Engagement – including limited English communities
- Housing and Economic Development
 - Implementation of Housing Element
 - Creation and Implementation of Economic Development Plan
- Public Safety
 - Fire Station Alerting
 - Mental Health Response Unit
 - Phone and Radio Replacements

Citywide Budget

(\$ in millions)

	FY 2023-24		FY 2024-25	
	Revenues	Expenditures	Revenues	Expenditures
General Fund	138.0	144.3	140.9	147.1
Other Funds	76.0	72.5	77.5	70.0
Total - All Funds	214.0	216.9	218.4	217.1

General Fund 5-Year Forecast

(\$ in 000)	2023-24	2024-25	2025-26	2026-27	2027-28
Revenue					
Property Tax	28,959	29,807	30,946	32,128	32,722
Sales Taxes	55,848	57,416	59,290	58,153	58,394
Utility Users Tax	11,281	11,400	11,082	11,205	11,330
Other Tax/Franchise	28,119	28,369	29,875	33,512	33,449
Other Revenue	13,787	13,948	13,339	13,174	13,093
Total Revenue	137,993	140,939	144,532	148,172	148,988
Expenditures					
Salaries & Benefits	65,503	70,321	70,294	73,106	75,299
Operating Expenses	79,136	77,546	75,225	77,000	78,540
Total Expenditures	144,639	147,867	145,519	150,106	153,839
Transfer In From Available Undesignated Funds	6,646	6,928	987	1,934	4,851
Total Fund Balance	72,859	59,286	58,298	56,364	51,513
Available Undesignated Funds	11,711	8,666	1,092	574	(2,277)
Undesignated Funds after draw	5,065	1,738	105	(1,360)	(7,128)
Change to Economic Unvertainties Reserve	3,600	(646)	470	(917)	(747)
Net Available Undesignated Funds	8,666	1,092	574	(2,277)	(7,875)

General Fund Estimated Fund Balance

(in thousands)

Fund Balance By Category	FY 2022-23 Adjusted Budget	FY 2023-24 (Projected)	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)
Beginning Balance	101,415	72,859	66,213	59,286	58,298
Revenues	134,083	137,993	140,939	144,532	148,172
Expenditures	(162,639)	(144,639)	(147,867)	(145,519)	(150,106)
Net	(28,556)	(6,646)	(6,928)	(987)	(1,934)
Ending Fund Balance	72,859	66,213	59,286	58,298	56,364
Fund Balance By Category					
Nonspendable	7,219	7,219	7,219	7,219	7,219
Restricted	5,692	5,692	5,692	5,692	5,692
Assigned	9,437	9,437	9,437	9,437	9,437
Unassigned*	50,511	43,865	36,938	35,950	34,016
	72,859	66,213	59,286	58,298	56,364
Unassigned*	50,511	43,865	36,938	35,950	34,016
Set Assigned for:					
Compensated Absences	(1,272)	(1,272)	(1,272)	(1,272)	(1,272)
Economic Uncertainties	(32,528)	(28,928)	(29,573)	(29,104)	(30,021)
Emergencies	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
	(38,800)	(35,200)	(35,845)	(35,376)	(36,293)
Available Undesignated Funds	11,711	8,665	1,092	574	(2,277)

Budget Task Force Recommendations

- Create Navigation Center
- Create Civilian Police Review Board
- Look into mental health crisis response team
- Redirect activities handled by sworn officers to other staff
- Hire grant writer to expand grant program
- Prioritize and increase funding for city building and roads
- Study potential revenue options for capital projects
- Establish performance measures for each department
- Create community engagement in budget process
- Pilot safety liaison/ambassador program
- Increase funding for community resiliency

Performance Measures

- Began the process of metrics and measurement
- Empower departments to own and convey what should be measured
- Understand what data is available
- Periodic review of metrics and reporting
- Process improvement

City Manager

Performance Objective	FY24 Target	FY25 Target
Percent of Council priority workplan commitments completed on time	80%	80%
Positive % increase in community satisfaction survey (FM3)	5%	5%
Overall city employee engagement increase	5%	5%
Number of trees planted	600	600

Community Development

Performance Objective	FY24 Target	FY25 Target
Issue consolidated comments for 70% of permit applications within 30 days of submission.	70%	70%
Inspect 75% of new Mobile 311 requests within 3 weeks of submission.	75%	75%
Review 50% of Business License applications within one week of submission.	50%	50%

Engineering

Performance Objective	FY24 Target	FY24 Target
Inspect 90% of 311 sidewalk repair requests within 8 weeks of submission.	90%	90%
Review and comment on 70% of Encroachment Permits within 6 weeks of application.	70%	70%
Review and comment on 80% of Grading Permit Applications within 4 weeks of each submittal.	80%	80%

Finance

Performance Objective	FY24 Target	FY25 Target
Investments meet safety, liquidity, and reasonable return requirements	\$198M total cash and investments, 95% pooled investment and 1.5% market yield rate of return	\$200M total cash and investments, 95% pooled investment and 1.7% market yield rate of return
Meet statutory state submission deadline with no findings by external auditors	Meet deadline with no audit findings	Meet deadline with no audit findings
Percent of business licenses issued within 14 days	98%	98%

Human Resources

Performance Objective	FY24 Target	FY25 Target
Increase in number of job specifications reviewed and updated	50	50
Increase in employee engagement survey results	85%	85%
Decrease in the City's vacancy rate	11%	11%

Human Services

Performance Objective	FY24 Target	FY25 Target
Support the operations of cooling/warming center to support the needs of up to 25 people a day when the temperature reaches a level that becomes a health and safety hazard for the unhoused.	25	25
Provide emergency services to assist those who are at risk of or who are already experiencing homelessness to support their reintegration in the community.	95/year	95/year
Provide mobile outreach and case management services to individuals and families at risk of or who are already experiencing homelessness.	30/week	30/week

Information Technology

Performance Objective	FY24 Target	FY25 Target
Overall Customer Satisfaction on Incident Response	95%	95%
Overall Customer Satisfaction on Service Request Fulfillment	80%	80%
Percentage of Software Applications Supported Citywide	90%	90%

Legislative

Performance Objective	FY24 Target	FY25 Target
Percent of time Council meeting minutes are docketed for City Council approval within three weeks of meeting date	85%	85%
Percent of time docket information is uploaded on Wednesday by 12:00pm the week prior to the Council meeting on Monday	100%	100%
Percent of time updates to status changes to boards and commissions are made and posted within 48 hours of notification	100%	100%
Number of City Council and Policy Committee meetings attended by City Attorney	160	160

Library

Performance Objective	FY24 Target	FY25 Target
Increase library card holders from 29% to 31% of San Leandro's population.	31%	31%
Increase Library Visits to 244,000	244,000	244,000
Increase total circulation of physical and electronic items by 10%	365,743	365,743
Increase program attendance by 10%	9,370	9,370

Police

Performance Objective	FY24 Target	FY25 Target
Decrease the overall number of San Leandro Police Department Sworn vacancies by 25% by June 30 th , 2025.	18	18
Reduce property crimes by 5% in the calendar year 2024.	4,185	3,976
Implement CordicoShield Law Enforcement Wellness Application by January 1, 2024.	Implemented 1/1/2024	N/A

Public Works

Performance Objective	FY24 Target	FY25 Target
Solid Waste Regulations and Contracts: Ensure that all businesses and multi-family properties have recycling and organics service in compliance with SB 1383; establish community compost distribution program; determine a solid waste franchise procurement pathway and solicit/negotiate services (including community cleanup services).	Procure 3,167 tons of compost by 12/31/23	N/A
Complete Stormwater Rates Study/Implement Proposition 218 Vote; Obtain Council direction to proceed with 218 vote process	Update tax rolls with new rate charges (IT staff involved) and send to Assessor's Office by 8/10/23	Look at options to have consultant perform tax roll work for FY 25)
Infrastructure Assessments/CIP Planning: Assess condition of 25 city facilities; establish PM program and annual service contracts to maintain assets; implement Capital Predictor tool to identify replacement schedules for assets based on condition and replacement costs; provide data to City Engineer for CIP plan; create 10-year CIP plan for WPCP Division	Key annual service contracts and WPC CIP consultant approved by Council in July 2023; PM schedules assets active by 10/31/23; Capital Predictor online by 11/30/23; WPC plan complete and presented to Council (if necessary) by 1/31/24	N/A

Recreation

Performance Objective	FY24 Target	FY25 Target
Increase Program Participant Registration	20,000	20,000
Increase Facility Rentals	1,750	1,750

Performance Metrics Next Steps

- Monitor metrics
- Work with departments on data
- Incorporate review with budget monitoring
- Provide updates to Finance Committee

Questions and Comments