

Budget Request 2016/17



May 16, 2016



City Council Goals 2015-16

- 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

Background

- Second year of two year cycle
- 2015-2016
- 2016-2017
- City Council Planning Session Jan 30th

Budget Requests

- May 16 – City Council Initiatives
- June 2 – City Manager Recommended Budget Adjustments

City Budget Considerations

- Labor Contract Implementation
- Unfunded Liabilities (PULL)
- Measure HH Revenues
- 6 Year Projection

General Fund Forecast Assumptions 2015-16 to 2021-22

REVENUES

| Description | PROJECTIONS <i>(Dollars in thousands)</i> | | | | | | |
|----------------------|---|---------|---------|---------|---------|---------|---------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Sales Tax | 31,610 | 30,919 | 32,476 | 34,105 | 35,810 | 37,594 | 39,420 |
| Transaction tax | 9,952 | 10,224 | 10,611 | 11,013 | 11,430 | 11,857 | 12,296 |
| Total sales tax | 41,562 | 41,143 | 43,087 | 45,118 | 47,240 | 49,451 | 51,716 |
| Total sales tax % | | -1% | 5% | 5% | 5% | 5% | 5% |
| Property tax | 20,239 | 21,319 | 21,745 | 22,180 | 22,624 | 23,076 | 23,538 |
| Property tax % | | 5% | 2% | 2% | 2% | 2% | 2% |
| UUT | 10,964 | 11,661 | 11,708 | 11,756 | 11,835 | 11,954 | 12,073 |
| UUT % | | 6% | 0% | 0% | 1% | 1% | 1% |
| Business license | 5,150 | 5,253 | 5,358 | 5,465 | 5,574 | 5,686 | 5,800 |
| Business license % | | 2% | 2% | 2% | 2% | 2% | 2% |
| All Other revenues | 20,937 | 21,130 | 21,314 | 21,501 | 21,690 | 21,882 | 22,075 |
| All Other revenues % | | 1% | 1% | 1% | 1% | 1% | 1% |

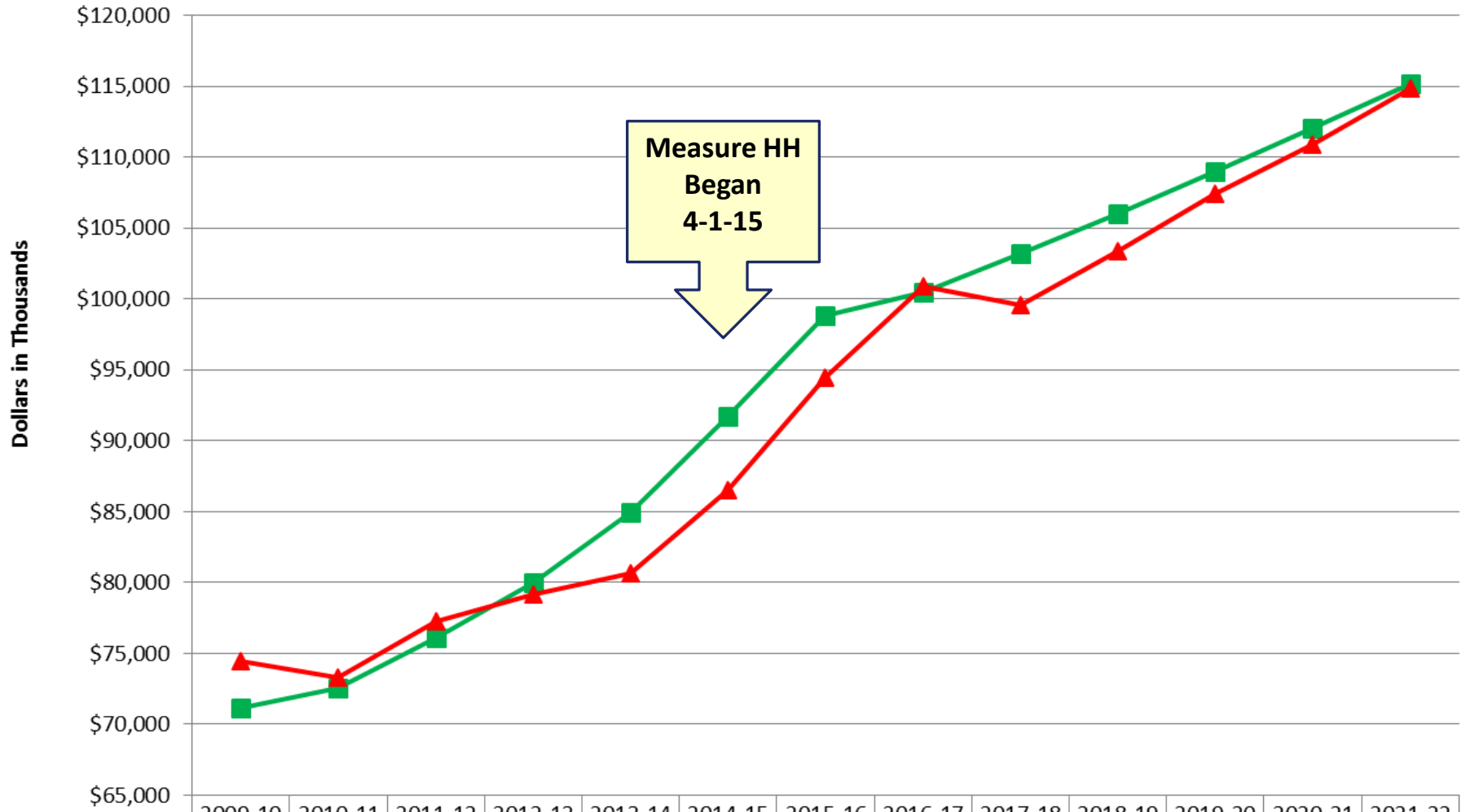
General Fund Forecast Assumptions 2015-16 to 2021-22

EXPENDITURES

| Description | PROJECTIONS | | | | | | |
|-----------------------|-------------|---------|---------|---------|---------|---------|---------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| Salary adjustments | 4.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| Medical rates | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| CalPERS rates: | | | | | | | |
| Safety | 42.5% | 48.4% | 50.8% | 53.2% | 55.6% | 58.0% | 60.4% |
| Miscellaneous | 27.0% | 29.4% | 31.5% | 33.6% | 35.7% | 35.8% | 36.5% |
| Retiree medical * | \$ 1M | \$ 1M | \$ 1M | \$ 1M | \$ 1M | \$ 1M | \$ 1M |
| Services & supplies | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Consulting | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Legal fees | 3% | 3% | 3% | 2% | 2% | 2% | 2% |
| Fire service fees | 2.5% | 3% | 3% | 3% | 3% | 3% | 3% |
| OPEB trust account * | \$ 2.5M | \$ 750k | \$ 750k | \$ 750k | \$ 750k | \$ 750k | \$ 750k |

** The ARC is \$1,377,000 per year and is fully funded in the Retiree Medical and OPEB trust accounts.*

General Fund Forecast 2009-10 thru 2021-22



| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenues | 71,180 | 72,548 | 76,079 | 79,988 | 84,942 | 91,707 | 98,852 | 100,518 | 103,224 | 106,032 | 108,975 | 112,061 | 115,215 |
| Expenditures | 74,466 | 73,271 | 77,289 | 79,159 | 80,618 | 86,517 | 94,463 | 100,874 | 99,584 | 103,358 | 107,455 | 110,906 | 114,839 |
| Income/(Loss) | (3,286) | (723) | (1,210) | 829 | 4,324 | 5,190 | 4,389 | (356) | 3,640 | 2,674 | 1,520 | 1,156 | 376 |

One-Time Revenues

- \$1.78 million Redevelopment Loan paid to General Fund
- \$1.1 million CVS Lot Sale
- \$2.88 million One-Time Revenues
- Align one-time revenues with one-time expenses when possible

General Fund Focus

(Dollars in thousands)

Requests for funding:

| | Description | Estimated cost | 2016-17 |
|----|--|-----------------------|----------------|
| 1. | Child Care at Marea Alta | \$ 800 | One-Time |
| 2. | Community Traffic Calming | 250 | One-Time |
| 3. | Multilingual Outreach | 50 | Ongoing |
| 4. | Disaster Preparedness | 100 | Ongoing |
| 5. | Code Enforcement/Community Compliance for Overtime and Abatement | 50 | One-Time |
| 6. | Quality of Life (Shoreline Improvements) | 1,000 | TBD |
| | Total | \$ 2,250 | |

Next Steps

- City Manager recommended budget adjustments on June 6
- City Council review of Finance Committee Recommendation
 - * Medical Cannabis Tax
 - * Transient Occupancy Tax
 - * Business Equalization Shift
 - Small business relief
 - Large business impacts
 - Parking lot equalization

Purpose of additional revenue – public safety facilities, human services, playground & park equipment, art & culture