

City of San Leandro Budget Task Force

November 18, 2020
5:30 PM – 7:30 PM

Department Presentations

- A. Library Presentation
- B. General Administration Presentation
- C. Fire Presentation

Attachment(s)

Attachment 1 – Department Presentation Slides

Responses to Task Force/Member Questions and Requests

Q&A 2 – Responses to Member Questions

Q&A 3 – Responses to Member Questions

Reading Materials

City Council's Adopted Biennial Budget FY 2019-2021

The adopted budget is accessible through the following link under "References and Educational Materials":

https://www.sanleandro.org/depts/finance/city_budget/default.asp

- **Please read the following sections:**
 - General Fund Staffing Summary (pages 135-140)
 - General Fund Salary and Benefits by Function (pages 141-142)
 - Department Narratives and Budgets
 1. *Library Services (pages 201-206)*
 2. *General Government and Finance (pages 143-163 and pages 187-193)*
 3. *Fire (pages 195-199)*

Next Meeting

Wednesday, December 9, 2020



CITY OF SAN LEANDRO COMMUNITY ADVISORY BUDGET TASK FORCE

Department Presentations

November 18, 2020

Department Presentations

- Library
- General Administration
- Fire



LIBRARY DEPARTMENT



Theresa Mallon, Library Director

LIBRARY DEPARTMENT OVERVIEW

San Leandro Public Library provides quality educational programs & services that foster cultural awareness & develops a desire for lifelong learning. The Department comprises 35.59 FTE.

- **Library Divisions**
 - Information Services
 - Youth Services
 - Collection Development
 - Community Programming
 - Literacy Services
 - Outreach
- **Provides oversight to the following**
 - Main Library
 - Three neighborhood branch libraries
 - Historic house: Casa Peralta
 - San Leandro History Museum and Art Gallery
 - Project Literacy

CITY OF SAN LEANDRO
LIBRARY SERVICES

FY 2019

UP CLOSE

24,845 Library Card Holders

VISITORS TO THE LIBRARY WEBSITE

331,530

PUBLIC COMPUTER USE

142,968

OUTREACH & PROMOTION

Virtual Outlets
Media Outlets
Community Events
School Visits

- LIBRARY WEBSITE & CALENDAR
- SOCIAL MEDIA
- PRESS RELEASES
- EMAIL BLASTS
- FLYERS
- DIGITAL MONITOR SIGNS
- CHERRY FESTIVAL
- FARMER'S MARKET
- ICE CREAM SOCIAL
- BOYS & GIRLS CLUB
- SCHOOL VISITS

LIBRARY DEPARTMENT INCLUDES:

- 1 Main Library
- 3 Neighborhood Branch Libraries
- 1 Historic House
- 1 History Museum

YOUTH PROGRAMS

793
ATTENDANCE
41,865

LIBRARY VOLUNTEERS

317 Volunteers
More than
13,500 hours



1,638



278



507



135

F O L L O W E R S

ADULT PROGRAMS

155
ATTENDANCE
10,414

TOP CIRCULATING COLLECTIONS

- Adult Nonfiction 10%
- Picture Books 10%
- Children's Easy Fiction 6%

DIGITAL COLLECTION

	TOTAL	CHECKOUTS
eAudio	1,292	6,201
eBooks	5,596	9,505
Digital Magazines	57	3,610



730,926
visitors

57,491

QUESTIONS ANSWERED

ITEMS IN COLLECTION

378,920

NEW ITEMS ADDED

20,297

ITEMS CIRCULATED

479,452

CITY OF SAN LEANDRO LIBRARY SERVICES

UP FY 2019 CLOSE

LIBRARY CARD HOLDERS

Manor	5,307
Mulford	540
South	624

REFERENCE QUESTIONS ANSWERED

Manor	11,384
Mulford	2,579
South	2,203



LIBRARY VISITORS



Manor	159,604
Mulford	11,461
South	5,357

ITEMS IN COLLECTION



Manor	45,212
Mulford	16,773
South	12,364

TOP CIRCULATING COLLECTIONS

Manor

- Picture Books 12%
- Children's Easy Fiction 9%
- Children's Nonfiction 7%

Mulford

- Children's Paperbacks 11%
- New Adult Fiction 9%
- Picture Books 6%

South

- Adult Fiction 9%
- Children's Paperbacks 9%
- Picture Books 7%

ITEMS CIRCULATED

Manor	94,992
Mulford	6,382
South	4,633

NEW ITEMS ADDED

Manor	3,205
Mulford	941
South	530

Fiscal Year 2020-21 Budget

Division/Program	General Fund
Library Administration	5,171,120
Support Services	554,929
Project Literacy	113,169
Casa/History Museum	118,642
Bookmark Café	107,090
Friends of the SLPL	16,564
Total	6,081,514

Division/Program	Other Funds
Project Literacy (CLLS)	70,000
Early Education Programs (First 5)	10,000
Total	80,000

Opportunities & Challenges

- Aging facilities: Mulford Branch and South Branch no longer able to meet community needs.
- Deferred maintenance and improvements to Casa Peralta. Facility and grounds need improvements to meet needs for potential rental opportunities.
- Costs for library materials (print materials, electronic materials, subscriptions, etc.) continue to increase each year, but library budget has remained static for those costs for 10+ years.
- Nearing completion of RFID contract—will allow enhanced services for patrons.
- Main library facility upgrades—including new audio visual system in meeting rooms will allow for better service and potential increase in rental opportunities.



GENERAL ADMINISTRATION



Eric Engelbart, Deputy City Manager

MUNICIPAL POWERS & AUTHORITY

- San Leandro is a Charter City (120 in state)
- The City has the power to make and enforce all ordinances and regulations in respect to “municipal affairs” (Article 1, Section 130)
 - Qualifications for holding office and duties
 - Local Elections
 - Public Contracting, Ordinance Adoption, Taxing and General Police Powers
 - Budget adoption

MUNICIPAL POWERS & AUTHORITY

- All powers of the City are vested in the City Council (Article III, Section 300)
- All staff (including Department Heads) is hired and fired by the City Manager (except the City Attorney)
- The City Manager is hired and fired by the City Council



CITY COUNCIL

Mayor Pauline Cutter
Vice Mayor Pete Ballew
Council Member Deborah Cox
Council Member Ed Hernandez
Council Member Victor Aguilar
Council Member Benny Lee
Council Member Corina Lopez

CITY COUNCIL OVERVIEW

The City Council includes a Mayor and six Council members

- Adopt and enforce municipal laws and regulations
- Appoint members of the community to serve on the City's various advisory Boards and Commissions
- Appoint the City Manager and the City Attorney
- Serve on a variety of intergovernmental committees and commissions
- Implement policies to place San Leandro on a firm foundation for long-term fiscal sustainability
- Implement programs and activities to enhance the quality of life for residents



CITY MANAGER'S OFFICE

Jeff Kay, City Manager

Liz Warmerdam, Assistant City Manager

Eric Engelbart, Deputy City Manager

Leticia Miguel, City Clerk

Tony Batalla, Chief Technology Officer

Emily Hung, Human Resources Manager

CITY MANAGER'S OFFICE OVERVIEW

Department has 25 full time employees and 3 part-time employees in the following divisions:

- **City Clerk's Office** prepares Council agendas and minutes, responsible for records retention, public records requests, and local elections
- **Information Technology** delivers innovation, project management, database and apps, infrastructure, geographic information systems (GIS), cybersecurity & technical support
- **Human Resources** oversees personnel management, including recruitment, labor and employee relations, benefits, position classifications and compensation, workers' compensation, and staff support to the Personnel Relations Board
- **Community Relations, Communications, and Legislative Affairs** implements community outreach programs and major policy initiatives. Coordinates information dissemination, press releases, social media, and media relations. Reviews and analyzes state and federal legislation and/or influences legislation based on Council direction.
- **Staff Support to Mayor and Council** prepares expense reports, scheduling, conference and travel booking, preparing constituent correspondence, and budget tracking.



CITY ATTORNEY'S OFFICE

Richard D. Pio Roda, City Attorney

ROLE OF THE CITY ATTORNEY

**Chief legal advisor to City Council, City Manager and staff.
The City Council is the client**

- Advise upon claims and litigation; when approved by City Council, file affirmative litigation or defend City in litigation; provide City risk management support
- Provide legal advice on all aspects of municipal governance, operations, and transactions
- Write or review proposed ordinances, resolutions, regulations, and policies
- Write, review, and/or assist in the negotiation of contracts, memorandums of understanding, and other agreements
- Advise and train on public official ethics and changes to the law that affect the City



FINANCE DEPARTMENT

Susan Hsieh, Finance Director

Finance Department Overview

Finance Department has 16 full-time and part-time employees who work in the following areas:

- Accounting
- Budget Preparation and Analysis
- Comprehensive Annual Financial Report (CAFR)
- Debt Management
- Treasury/Cash Management
- Risk Management
- Business Licensing
- Master Fee Schedule Management
- Purchasing
- Payroll
- Accounts Payable (AP)
- Accounts Receivable (AR)

Fiscal Year 2020-21 Budget

Division/Program	General Fund
City Council	544,013
City Manager	1,727,202
City Clerk	954,886
Human Resources	1,442,826
City Attorney	946,618
Finance	3,829,141
Total	9,444,686

Division/Program	Other Funds
Information Technology	4,841,498
Total	4,841,498



ALAMEDA COUNTY FIRE DEPARTMENT



SERVING:

City of Dublin

City of Emeryville

City of Newark

City of San Leandro

City of Union City

Lawrence Berkeley

National Laboratory

Lawrence Livermore

National Laboratory

Unincorporated Areas
of Alameda County

Alameda County
Regional Emergency
Communications Center



William McDonald, Fire Chief
James Hoskins, Division Chief

Dedicated to Superior Service

ACFD OVERVIEW

"We will provide the highest level of service to our communities by valuing our members, promoting positive leadership and dedicating ourselves to excellence"

Overall ACFD Resources

27 Fire Stations

- 4 Battalions
- 26 Engines
- 7 Trucks

475 Employees (FTEs)

- 378 Firefighters
- 44 Dispatch Personnel
- 53 Staff
- 51 Reserves

Specialized Resources

- Type I Heavy Rescue
- Type I Hazardous Materials Team
- FEMA USAR CATF-4
- Two D-6 Bulldozer
- Two Water Tender
- Emergency Preparedness
- Type II Water Rescue Team

Resources in San Leandro

Division Chief – James Hoskins

5 Fire Stations

- Station 9: 450 Estudillo Avenue
- Station 10: 2194 Williams Street
- Station 11: 14903 Catalina Street
- Station 12: 1065 143rd Avenue
- Station 13: 637 Fargo Avenue

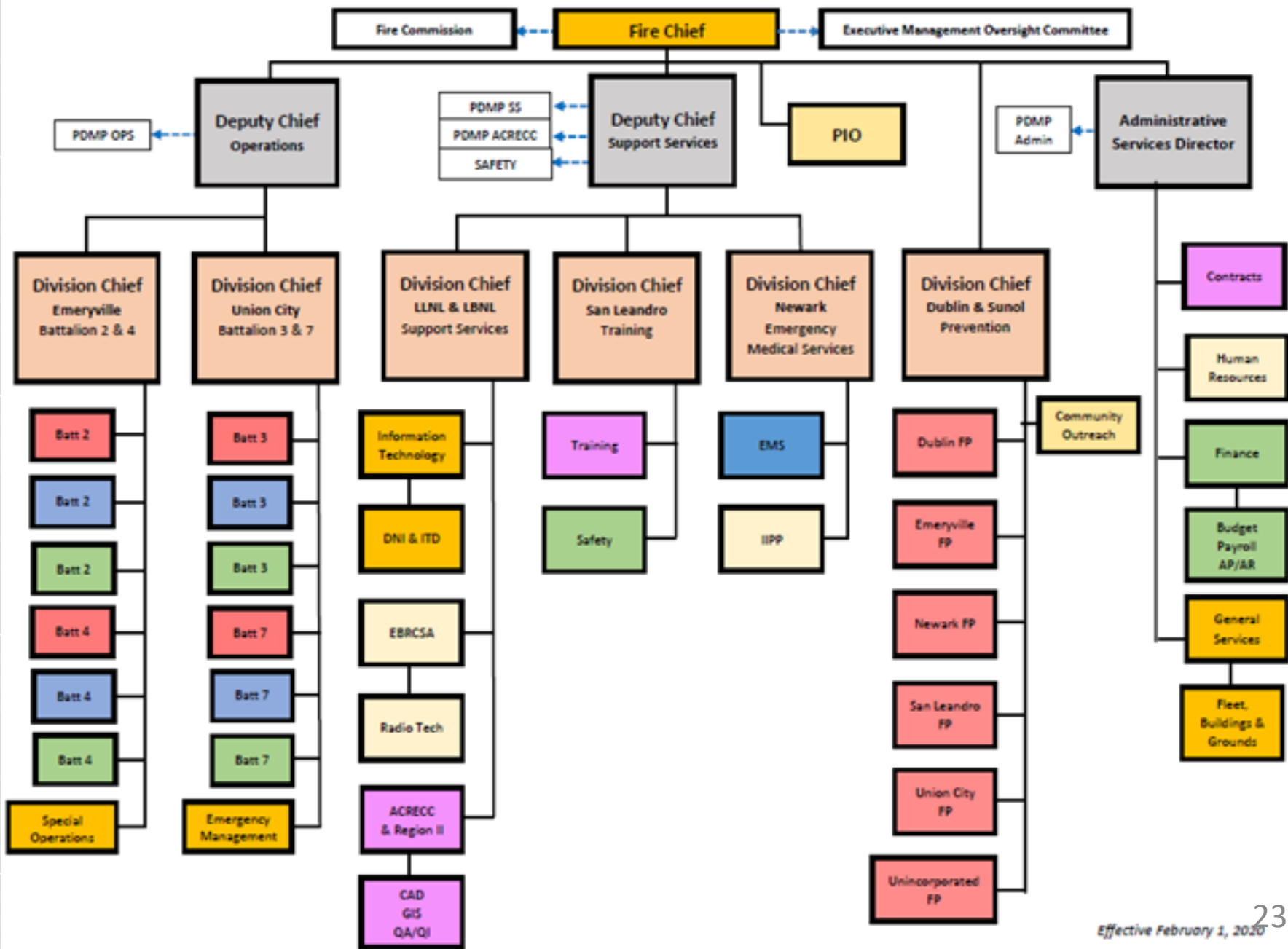
- 1 Battalion Chief
- 5 Engines
- 2 Trucks
- 21 Firefighters

Fire Prevention

- 1 Deputy Fire Marshal
- 1 Code Compliance Officer

ACFD Training Facility

- 890 Lola Street



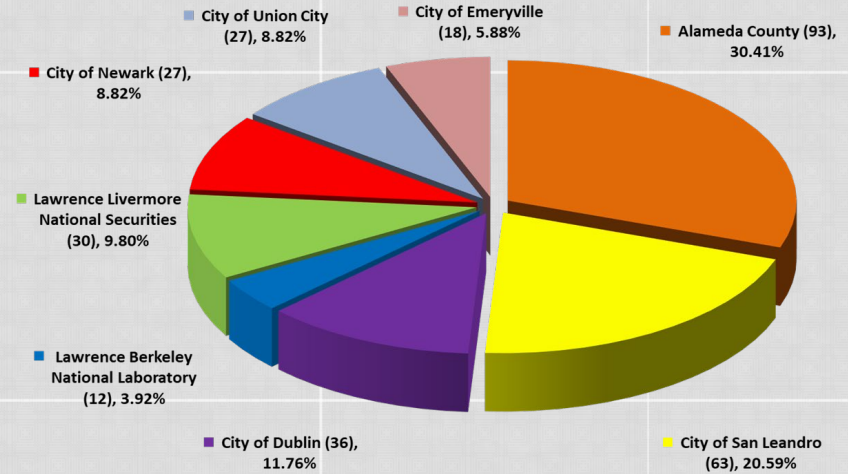


ACFD Governance

- Dependent Special District with the County Board of Supervisors as its Board of Directors
- Performance based fire and emergency service contracts
- Fire Advisory Commission
 - Appointed by the Board of Directors
 - City Council Member from each city
- Executive Management Oversight Committee
 - County Administrator, City Managers and Contract Managers
- Participation in County and each contract agency's budget process
- A Chief Officer is assigned as liaison to each contract agency



Shared Allocation



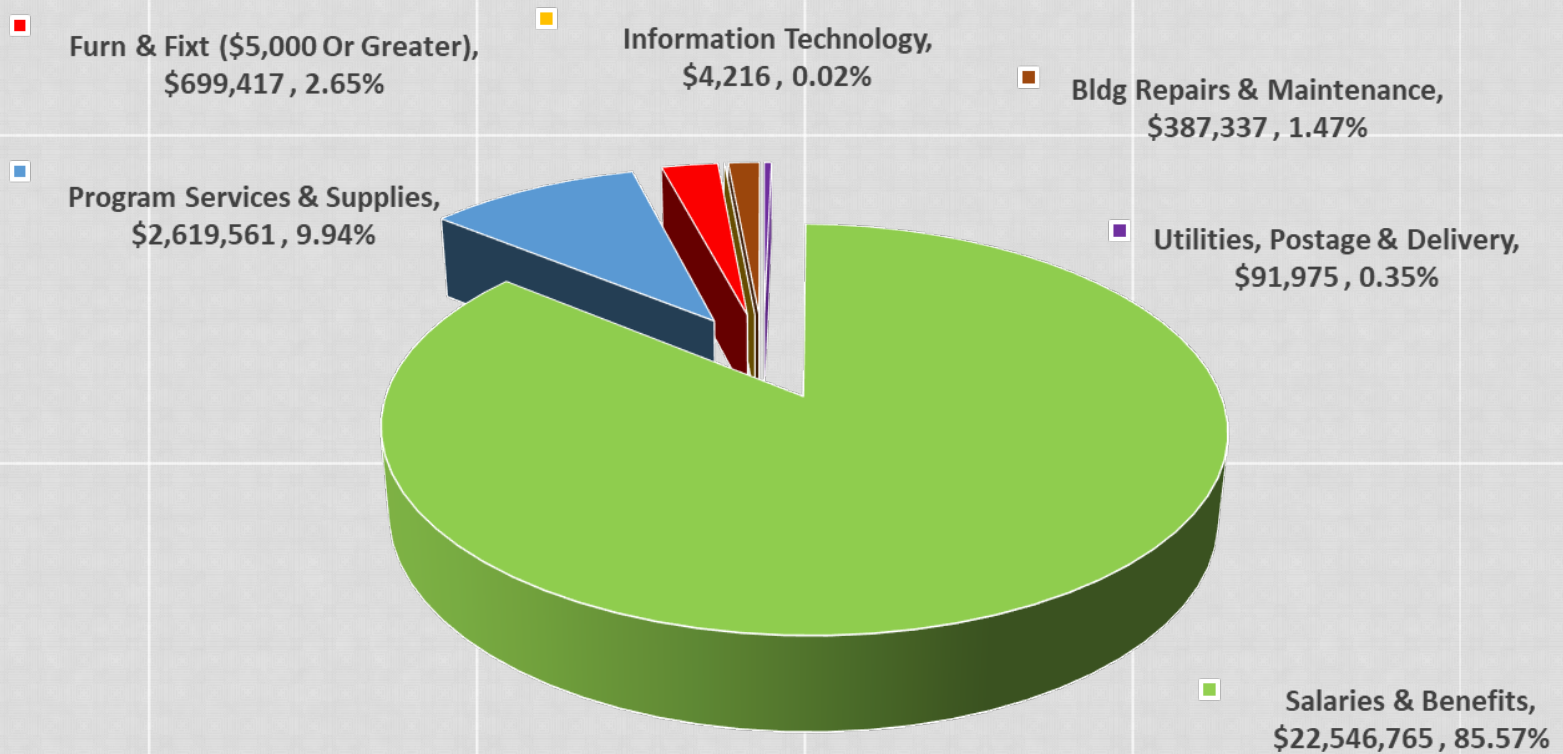
*Percentage is based on 102 firefighters per day.

FY 19-20 Incidents by Type

EMS/Rescue	28,782
False Calls	2,695
Service Calls	3,101
Good Intent	2,215
Hazardous Condition	705
Other Fires	839
Structure Fire	508
All ACFD Total	42,363

Fiscal Year 2020-21 Budget

General Fund : \$26,349,271



Opportunities & Challenges

- Diversity and Inclusion
- Emergency Medical Services
- Furthering Regional and Interagency Cooperation
- Infrastructure
- Department Structure

QUESTIONS

Staff responses to CABTF questions/comments during Session 2

Budget Task Force

November 6, 2020

	QUESTION	STAFF RESPONSE						
1. SE	Describe the Unfunded Liability related to the City' retirement program.	<p>Unfunded liabilities refer to significant future obligations not currently covered or backed by assets. A retirement plan, or future health care exposure or similar obligations having future debt exceeding current capital, projected contributions, and investment returns, has “unfunded liabilities.” In other words, future liability is the difference between the total amount due (for pensions or health care) and the amount of money a fund has for making payments (in the future). Unfunded liabilities reflected on the City’s financial statements include retirement benefits through CalPERS and post-retirement health care (OPEB).</p> <p>Beginning in 2012, the Governmental Accounting Standards Board (GASB) modified various reporting requirements for pensions and Other Postemployment Benefits leading public agencies to integrate “unfunded liabilities” into financial statements. GASB pronouncements covering disclosure and presentation of these liabilities allows for the fair represent of the financial position of the agency.</p> <p>The City financial statements as of June 30, 2019 include in the Statement of Net Position the following:</p> <table data-bbox="589 1094 1159 1188"> <tr> <td colspan="2">Noncurrent Liabilities</td> </tr> <tr> <td>Net pension liability</td> <td>\$175,296,078</td> </tr> <tr> <td>Net OPEB liability</td> <td>\$6,077,481</td> </tr> </table> <p>These Noncurrent liabilities makeup 60% of total liabilities of \$301,891,184 (see page 23 of the Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019). Notes 13 and 14 provide detailed narrative on the pension plan and OPEB. The CAFR is available at https://www.sanleandro.org/civicax/filebank/blobdload.aspx?BlobID=31286</p> <p>CalPERS collects employer contributions (as a % of payroll) for Normal Costs and separately toward the unfunded liability. The City’s net pension liability for the Safety and Miscellaneous plans is measured by the total pension liability, less the plans’ fiduciary net position. The Safety plan is set up as part of a state-wide pool.</p> <p>OPEB benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. In 2008-09, the City established an irrevocable trust (through PARS) to accumulate and invest assets necessary to pay retiree health care costs. The current balance in the trust amounts to \$19.8 million.</p>	Noncurrent Liabilities		Net pension liability	\$175,296,078	Net OPEB liability	\$6,077,481
Noncurrent Liabilities								
Net pension liability	\$175,296,078							
Net OPEB liability	\$6,077,481							

<p>2. JP AL JG</p>	<p>Describe the system of the Self Insurance Fund including department charges and the payment of losses.</p>	<p>Self-insurance is the arrangement in which the City avoids taking out third-party commercial insurance policies, choosing to directly bear a level of risk. The City's self-insured retention limit (deductible) for workers compensation is \$250,000 per claim. For liability losses, the City's is self-insured for the first \$500,000.</p> <p>The City retains the Self-Insurance Fund for accounting of all insurance related costs coming from City operations. Insurance premiums allocated to each operating department provide required revenue to the fund. Fund expenditures include premiums, loss payments, and case adjusting arising from workers compensation, general liability, unemployment, and property coverage.</p> <p>The City is a member of the Local Agency Workers Compensation Excess Joint Powers Authority (LAWCX). Coverage includes limits of \$45 million for excess workers compensation, \$5 million for employer's liability, and a statutory excess layer of \$50 million. The City is also a member of the California Joint Powers Risk Management Authority (CJPRMA). General liability coverage is an aggregate of \$40 million.</p> <p>All operating departments are annually allocated charges (premiums) providing resources to the Self-Insurance Fund. Loss experience and departments' percent of the total payroll factor into the department allocations:</p> <ul style="list-style-type: none"> • Police Department (\$2,949,000) • Public Works (\$669,700) • General government departments (\$80,400) • Community Development (\$76,000) • Library (\$58,300) • Engineering & Transportation (\$45,700) • Recreation & HS (\$44,900) <p>These General Fund departments' annual total allocation amounts to \$3,924,000. Significant allocations paid from other Funds include Water Pollution Control (\$1,141,300) and Building Maintenance (\$254,700). Liability and workers compensation loss experiences determine 60% of the total General Fund department allocations (impacting Police and Public Works). The remaining 40% of the total allocation is based on percent of total payroll.</p>
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3.	How many vacancies exist in the City organization?	<p>The 2020-21 City budget includes 364 full time positions. The number assigned to the General Fund totals 273, eight fewer than authorized in 2005-06.</p> <p>The Human Resources Manager provided the following related to vacancies and vacant positions.</p> <p>The City experiences ongoing vacancies throughout the year, as employees are separated and hired. Below is an overview of full-time personnel transactions over the last two years. Transactions for part-time employees are difficult to quantify into a FTE since many part-time employees work variable hours while others are hired seasonally. However, the City has held off filling many part-time positions in 2020 due to the closure of the library and cancellation of recreation programs.</p> <p>As positions are vacated, they are reviewed by an internal Position Review Committee to ensure City funds are used in an effective manner and support the City’s goal and priorities. In recommending to the City Manager to fill or modify a position, the Committee evaluates:</p> <ul style="list-style-type: none"> •How does the position support essential community services? •How does the position advance City Council goals? •What is the source of funding (General Fund, Enterprise Fund, grant, etc.)? •Is the position needed for a limited or ongoing period? •What are the impacts of not filling the position (i.e. liability, loss of revenue or lost opportunity)? <table border="1" data-bbox="592 1075 1416 1346"> <thead> <tr> <th></th> <th>Calendar year 2019</th> <th>Calendar 2020 (est. thru Dec)</th> </tr> </thead> <tbody> <tr> <td>Full-time employees separated (retired, resigned, released)</td> <td>43</td> <td>33</td> </tr> <tr> <td>Full-time employees hired</td> <td>39</td> <td>25</td> </tr> <tr> <td>Full-time vacancies unfilled or on hold</td> <td>27</td> <td>35</td> </tr> </tbody> </table> <p>The City Manager is administering a soft hiring freeze policy to offset adverse COVID-19 impacts on General Fund revenues in 2020-21.</p>		Calendar year 2019	Calendar 2020 (est. thru Dec)	Full-time employees separated (retired, resigned, released)	43	33	Full-time employees hired	39	25	Full-time vacancies unfilled or on hold	27	35
	Calendar year 2019	Calendar 2020 (est. thru Dec)												
Full-time employees separated (retired, resigned, released)	43	33												
Full-time employees hired	39	25												
Full-time vacancies unfilled or on hold	27	35												

Staff responses to CABTF questions prior to Session 3

Budget Task Force

November 11, 2020

	QUESTION	STAFF RESPONSE
1. SE	Explain the differences between the 3 Miscellaneous line-item accounts.	<p>Identifying usage of budget line item requires familiarity with the structure of Finance’s Chart of Accounts. The various miscellaneous accounts are within various series of line-items. Individual line items are generally used by multiple departments but can be department specific.</p> <p>5100 Professional Services</p> <ul style="list-style-type: none"> ▪ 5110 Legal ▪ 5120 Consulting ▪ 5130 Medical ▪ 5190 Miscellaneous—For professional services not fitting one of the other series line-items—e.g. subscription services, K-9 training, CAM at Plaza Center, and online tutoring services. <p>5800 Miscellaneous Services</p> <ul style="list-style-type: none"> ▪ 5820 Bank Service Charges ▪ 5830 Other Gov Agency Fees ▪ 5850 Technology and Processing Fees ▪ 5890 Miscellaneous Used for miscellaneous services not fitting one of the other series line items—e.g. towing services, COVID-19 services, grant payments, rentals, and hauling services. <p>6100 Repair and Maintenance Supplies</p> <ul style="list-style-type: none"> ▪ 6120 Electrical ▪ 6130 Plumbing & Irrigation ▪ 6140 Horticulture ▪ 6160 Signs ▪ 6180 Fuel & Oil ▪ 6190 Miscellaneous—Used for miscellaneous repair and maintenance supplies not fitting one other series line items—e.g. forensic supplies, face masks, nitrile gloves, wood fiber, and bollards. <p>6200 Operating Supplies</p> <ul style="list-style-type: none"> ▪ 6210 Books & Tapes ▪ 6211 Audio/Visual ▪ 6220 Laboratory Supplies ▪ 6230 Recreation Program Supplies ▪ 6240 Film & Development ▪ 6250 First Aid & Safety ▪ 6260 Ammo & Firearms ▪ 6270 Uniform & Safety Apparel

		<ul style="list-style-type: none"> ▪ 6271 Uniform Allowance ▪ 6272 Police Supplies ▪ 6290 Miscellaneous—Used for miscellaneous operating supplies not fitting other series line items—e.g. bottle water, traffic cones, pop-up tents, lightbar, and book display material.
<p>2. SE</p>	<p>What is the excess of Vacancy Salary Savings line-items?</p>	<p>In 2019, 43-City positions became vacant through retirements, resignations, or releases. In 2020 the number is projected at 33 positions. These vacancies are out of a total of 364 authorized positions.</p> <p>All large organizations experience sizable annual personnel turnover. This turnover rate impacts year-end expenditure totals and generally the budget itself. In the Position Control process, expenditures for each authorized position are calculated based on the position remaining filled and functioning every day of the year. This approach conservatively calculates the maximum expenditure exposure. However, based on historic vacancy rates clearly overstates salary and benefit cost for the organization. As a result, the Position Control procedure also calculates a “vacancy salary savings” for each position. The approach reflects a 5% saving based on regular salary and benefit rates (excluding Cal PERS). In 2020-21, the aggregate General Fund vacancy salary savings amounts to \$5,915,000—a budget offset in line-item 4301. This practice is consistent with both reasonable and conservative budget development.</p> <p>In 2020-21, an additional \$2,000,000 in vacancy savings is projected in Non-Departmental (identified as Dept 14 on Member Erb’s spreadsheet) in the amended budget. The City Manager is administering a soft hiring freeze policy to offset COVID-19 impacts on General Fund revenues.</p>
<p>3. SE</p>	<p>Is there a rough breakdown of sales tax revenue? Is there a geographic summary?</p>	<p>Sales and Transaction/Use tax revenues combined amount to 36% of total General Fund revenue. The current sale tax rate in the city is 9.75%—the City collects 1% of the 9.75% (about 10% of amount paid). Voters approved the additional transaction/use tax of 0.50% in 2015. The amended 2020-21 City budget includes pooled sales and transactions/use tax revenue of \$38,900,000. Categories of total sales tax revenue breakdown as shown in the following—(transaction/use tax looks similar):</p> <ul style="list-style-type: none"> • General retail—23% • Food products—12% • Transportation—20% • Construction—19% • Business to business—25%

		<p>The top 100 sales tax generators account for 73% of the total revenue collected annually. The top 25 generators account for 49% of the total.</p> <p>Principal sales tax producers include:</p> <ul style="list-style-type: none">• Beacon Roofing• Costco Wholesale• Ferguson Enterprises• F H Dailey Chevrolet• Home Depot• Peterson Power System• Peterson Tractor• San Leandro Chrysler Jeep Dodge• The Ford Store• Wal-Mart Stores
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