



# **Alameda's Fiscal Sustainability**

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Alameda City Council Workshop  
October 21, 2025

# Goals for Tonight's Workshop

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Receive City Council Direction & Community Input:

1. Budget update
2. Potential revenue measure
3. Improved collection process
4. Draft budget and financial policy



# **1. Budget Update:** ***Revenue Increases***

The City's current financial status is stable and residual fund balance is slightly improved with one-time revenues coming in stronger than anticipated:

- **Transfer Tax** exceeded projections by \$2.7 million, a 20% increase from the prior year
- **Interest Income** exceeded projections by \$3.3 million driven by high interest rates and a strong cash balance
- **Property tax** also increased faster than expected, resulting in \$1 million more than anticipated



# **1. Budget Update: *Revenue Declines***

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- **Sales Tax** declined by \$1.6 million, or 14.5%, from FY 23-24 to FY 24-25
  - While we expected these revenues to decline, this was more than anticipated
- **Economic Uncertainty**
  - Federal grant requirements
  - Inflation/interest rate environment



# **1. Budget Update**

## ***Staff Recommendation***

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No need for significant changes to adopted  
FY 2025-27 Biennial Budget

Continue monitoring financial status

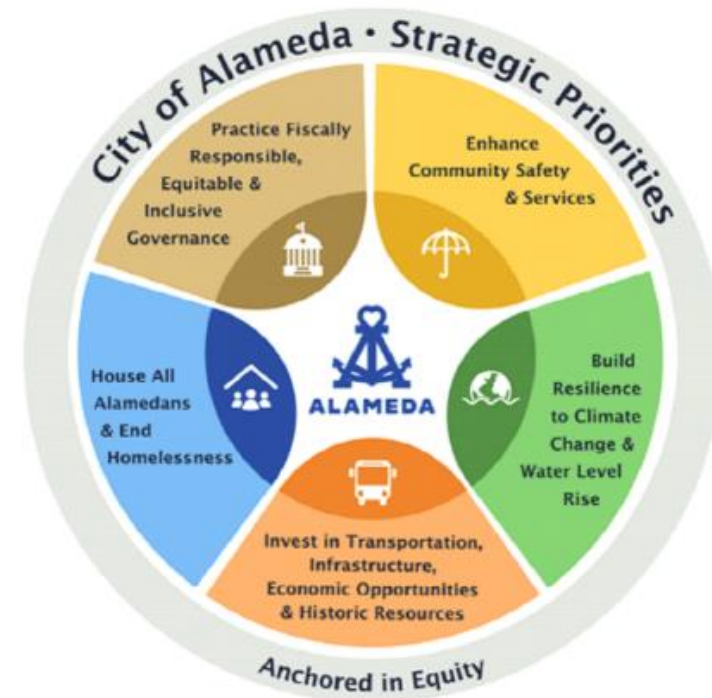


## 2. Explore Revenue Measures

The City Council's approved Strategic Plan includes projects to ensure our fiscal sustainability:

### Practice Fiscally Responsible, Equitable, & Inclusive Governance

- **GOV15:** Explore potential revenue measures that increase fiscal resilience and implement the City Council's strategic Priorities
- **GOV15b:** Explore an infrastructure bond to fund deferred maintenance and new infrastructure needs.

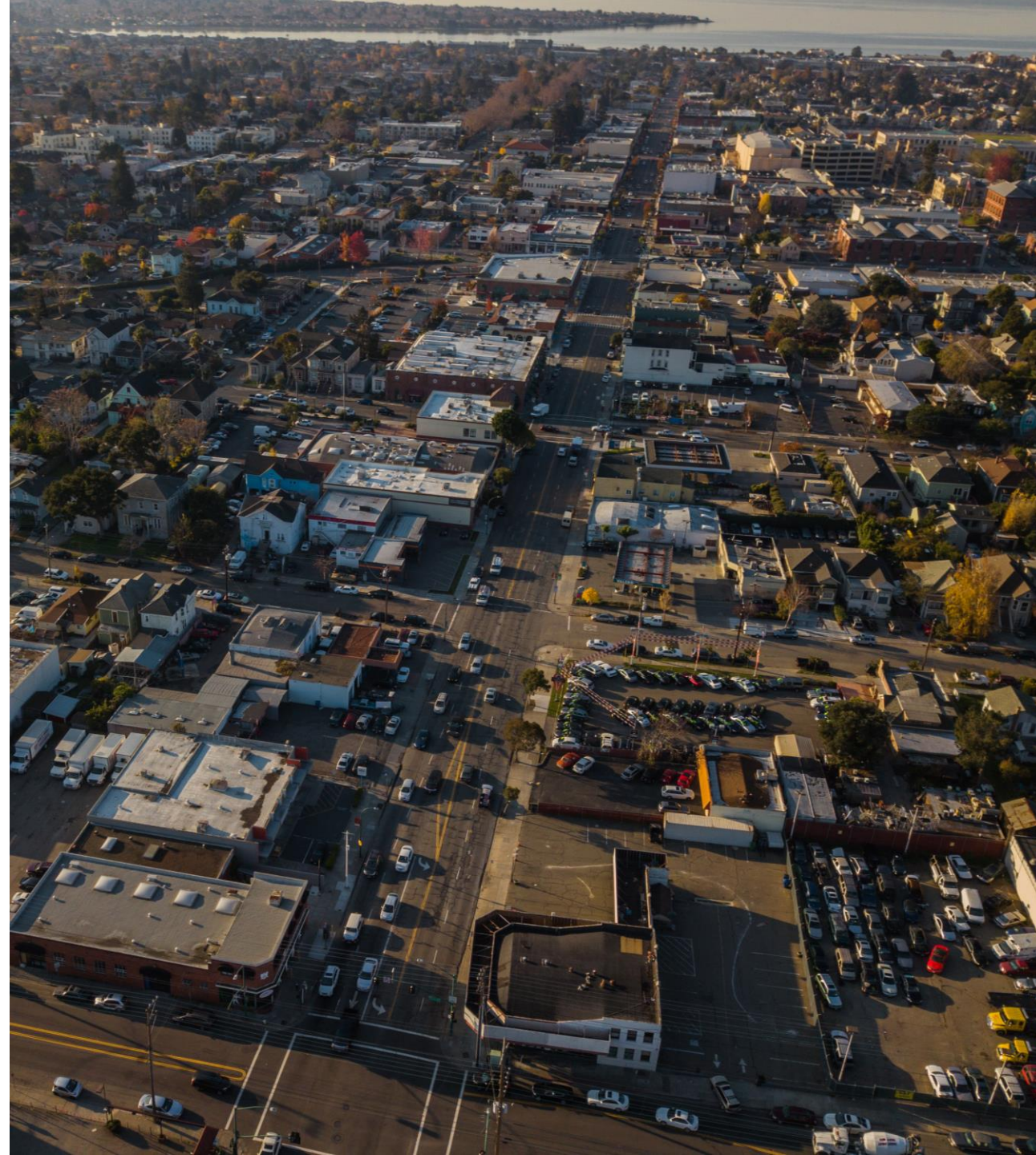


# Hundreds of Millions in Infrastructure Needs

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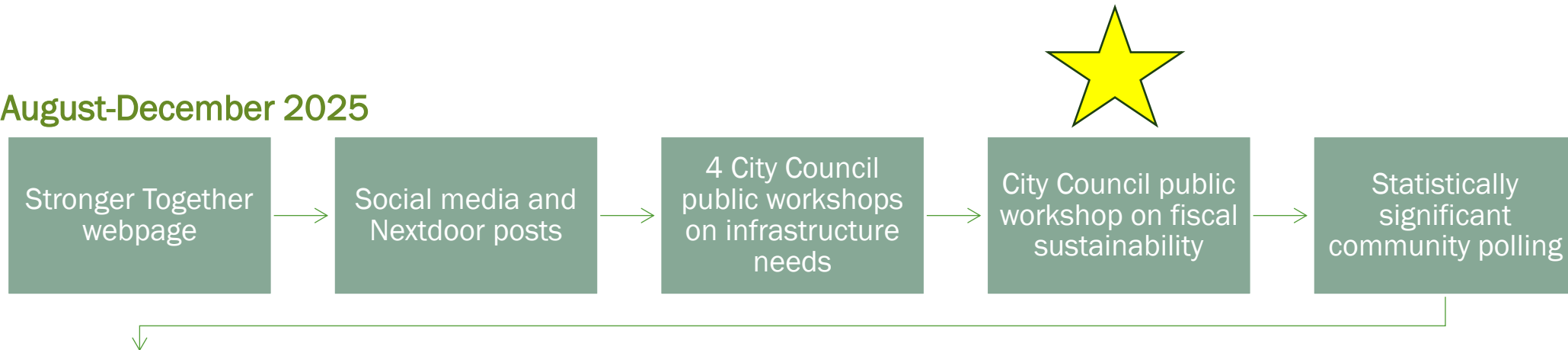
The City has a significant backlog of maintenance needs and facility upgrades to meet current standards. We want to hear your input.

- ~~Streets, Traffic Safety: Sept 2~~
- ~~City Facilities, Public Safety: Oct 7~~
- Libraries, Recreation and Parks: Nov 4
- Flood Protection, Sea Level and Ground Water Rise, Disaster Preparedness: Dec 2

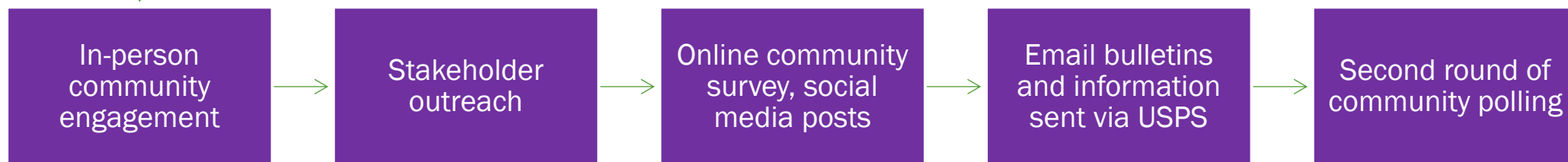


# Stronger Together Campaign

August-December 2025



January-April 2026



# Approved Revenue Measures

- ✓ **2016:** 72.9% of voters approved updating the Utility Users Tax (UUT)
  - Increases annual revenues by over \$1 million
- ✓ **2018:** 61.5% of voters approved a Sales Tax measure
  - Increases annual revenues by over \$400,000
- ✓ **2019:** 57% of voters adopted a new Stormwater Fee
  - Increases annual revenues by over \$2.5 million (*not General Fund*)
- ✓ **2022:** 58% of voters approved a Transient Occupancy Tax (TOT) increase measure
  - Increases annual revenues by over \$900,000

**These revenue measures result in over \$4.8 million each year, including \$2.3 million in General Fund revenues**



# Potential New Revenue Measures

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- Staff is actively exploring potential revenues measure to address critical funding gaps, including infrastructure needs and ongoing public safety service demands.
- The City will be conducting a statistically valid community poll to understand the priorities of Alameda voters when it comes to the mechanics of a potential revenue measure and the projects and programs that could be funded.



# Infrastructure Bond

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- In June 2024, 68% of respondents were supportive or leaning in that direction of a local funding measure dedicated to City infrastructure improvements
- For a \$150 million General Obligation Bond, property owners would pay an average of \$29 per \$100,000 of assessed value per year while the bonds are outstanding



# Revenue Measure to Address Ongoing Public Safety Needs

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- In 2020, City of Berkeley voters passed Measure FF, a parcel tax that generates \$8.5 million annually to fund fire services, emergency medical response, 9-1-1 communication, hazard mitigation, and wildfire prevention
- The tax is based on the square footage of improvements on a property, and funds can be used for personnel, equipment, and infrastructure related to public safety
- The City of Alameda has never considered such a tax; however, it would help fund critical ongoing public safety needs



# **Revenue Measure** ***Staff Recommendation***

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Provide direction on revenue measure opportunities to consider

Explore potential voter support for revenue measures and projects in upcoming poll



# 3. Improved Collection Process

As of June 30, 2025, the City had more than \$1.4 million in outstanding unpaid receivables across multiple revenue streams.

Department/Program	FY 23-24	FY 24-25	Total
Business License (General Fund)	\$219,455	\$38,614	\$258,069
Fire Prevention (General Fund)	\$73,000	\$302,000	\$375,000
APD False Alarms (General Fund)	\$10,000	\$17,000	\$27,000
Rent Program	\$209,000	\$261,000	\$470,000
Traffic Mitigation*	\$183,000	\$0	\$183,000
Zero Waste Program	\$0	\$40,000	\$40,000
Code Enforcement	\$5,000	\$10,000	\$15,000
Sidewalk Program**	N/A	\$86,000	\$86,000
Clean Water Program	TBD	TBD	TBD
Total:	\$699,455	\$754,614	\$1,454,069



# Uncollected Revenues (FY 25 Year-End Balances)

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## Unsecured

Fire Prevention fees \$ 375,000  
Police False Alarm fines \$ 27,000  
Traffic Mitigation fees \$ 183,000  
Zero Waste Citations \$ 40,000  
Clean Water Citations  
Business License Tax \$ 258,000



## Secured

Rent Program fees \$470,000  
Code Enforcement Citations



## Authorized

Sidewalk Program \$ 86,000

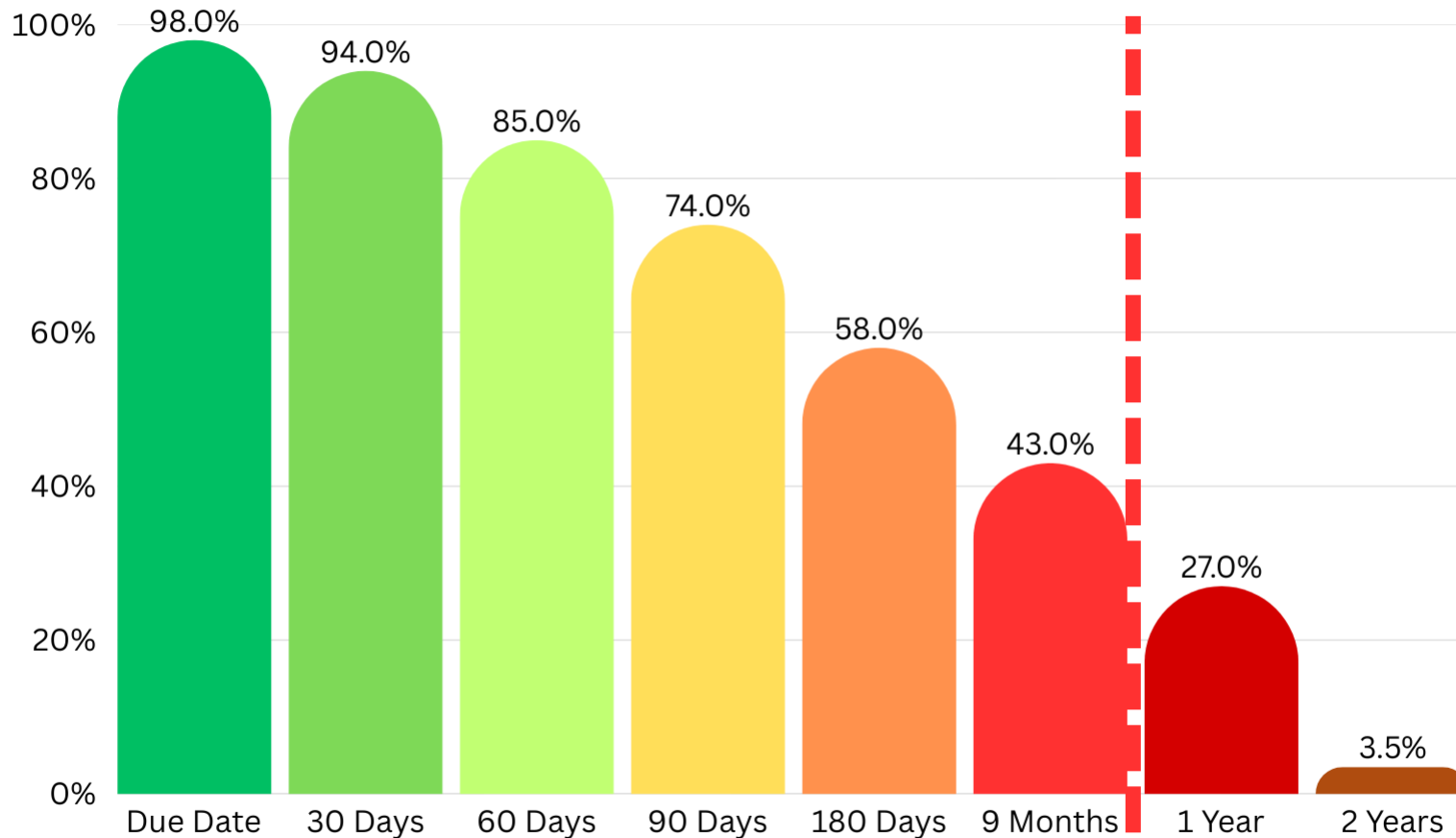


# Collection Policies Around the Bay

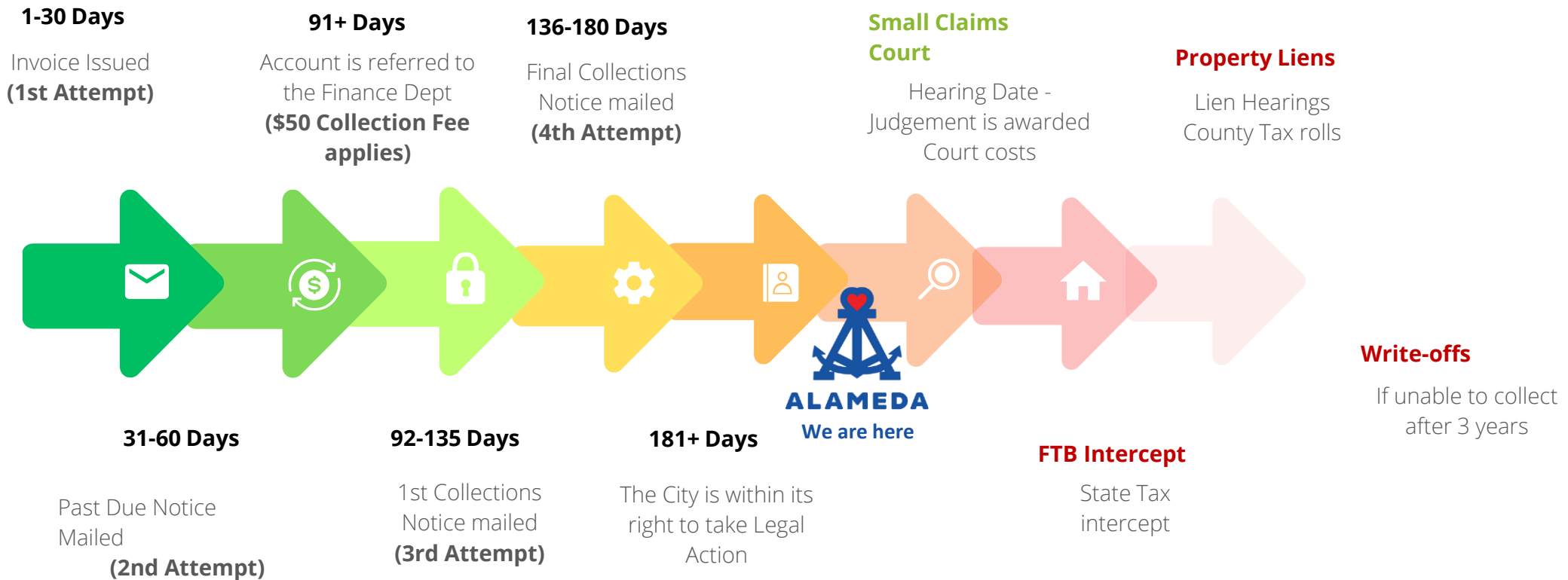
City	Internal Collections Process	Third Party Collection Agency	Types of Delinquent Revenue	Use of Property Tax Liens	State Tax Intercept Program
<b>Berkeley</b>	Revenue Collection Division	None	<ul style="list-style-type: none"> <li>• Taxes &amp; Fees</li> <li>• Citations</li> <li>• Fines &amp; Penalties</li> </ul>	Yes	Yes
<b>Concord</b>	Finance Dept	HdL	<ul style="list-style-type: none"> <li>• Taxes &amp; Fees</li> <li>• Citations</li> <li>• Fines &amp; Penalties</li> </ul>	Yes	Yes
<b>Dublin</b>	Finance Dept	HdL	<ul style="list-style-type: none"> <li>• Taxes &amp; Fees</li> <li>• Citations</li> <li>• Fines &amp; Penalties</li> </ul>	Yes	Yes
<b>Emeryville</b>	Finance Dept	HdL, MuniServices/ Avenue	<ul style="list-style-type: none"> <li>• Taxes &amp; Fees</li> <li>• Citations</li> <li>• Fines &amp; Penalties</li> </ul>	Yes	Yes
<b>Hayward</b>	Finance Dept	RFP issued in 2024	<ul style="list-style-type: none"> <li>• Taxes &amp; Fees</li> <li>• Citations</li> <li>• Fines &amp; Penalties</li> </ul>	Yes	Yes
<b>San Leandro</b>	Finance Dept	HdL	<ul style="list-style-type: none"> <li>• Taxes &amp; Fees</li> <li>• Citations</li> <li>• Fines &amp; Penalties</li> </ul>	Yes	Yes



# Probability of Recovering Debt with Age



# Accounts Receivable Process



# **Why Enforce Revenue Collections?**

- **Equitable:** Establishing and enforcing collections discourages non-payment and promotes fairness among taxpayers and fee payers.
- **Revenue Opportunity:** Helps recover funds due to the City that would otherwise be lost and could be used to fund services.
- **Best Practice:** All cities maintain a delinquent revenue process and a GFOA best practice.
- **Flexibility:** Includes hardship policies, payment plans, and appeal processes, ensuring residents and businesses have fair opportunities to resolve outstanding balances.



### **3. Improve Collections Process** ***Staff Recommendation***

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Provide direction on improving the City's collections process

Staff will return to Council later this year with formal next steps needed to implement



# **4. Budget Policy**

## **PURPOSE:**

- To help the City attain and maintain financial sustainability & accountability
- To identify and maintain best practices in budgeting, reserves, and grants
- To set up a clear policy and accountability measures to ensure compliance
- To instill a culture of fiscal prudence citywide



# **Section 1. Budget Practices**

## **HIGHLIGHTED POLICIES:**

- Budget will be structurally balanced
- 5-year fiscal forecasting is a part of Biennial Budget Process
- One-time revenues used only for one-time purposes
- Capital Projects will be budgeted for both capital and operating costs



# **Section 2. Reserves & Revenue Practices**

## **HIGHLIGHTED POLICIES:**

- Adequate reserves will be maintained
- Revenue projections will use a reasonably conservative methodology
- Only the stable portion of revenues will be used for ongoing operations
- Grants that are deemed appropriate will be actively sought out



# **Section 3. Reporting & Planning Practices**

## **HIGHLIGHTED POLICIES:**

- Financial status of major City funds will be periodically reviewed
- Long-term General Financial Plan will be produced and maintained
- Financial policies will be periodically reviewed



## **4. Budget Policy**

### ***Staff Recommendation***

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Provide feedback on draft budget and financial accountability policy

Staff will return to Council for formal approval



# Other Fiscal Sustainability Measures

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Staff will continue to monitor expenditures and maximize new and existing funding:

- Continue pursuing grant funding, such as Water Resources Development Act (WRDA) approved \$15 million for coastal adaptation projects
- Closely review and monitor City contracts, especially major contracts funded by General Fund
- Monitor risks of federal funding losses, including loss of Medicaid funding for reimbursement of local fees
- Explore new funding opportunities for Strategic Plan projects that are not fully funded
- Renegotiate marina and pier leases to include performance standards and capital investment to reduce City's ongoing liability
- Implement Community Facilities Districts to fund ongoing fiscal impacts of new, large-scale development areas



# **When Alameda is fiscally sustainable, we:**

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- Are better positioned to maintain a high-level of operational performance and customer service for the Alameda community
- Achieve City Council's Strategic Priorities
- Are efficient with limited resources
- Attract and retain an exceptional workforce
- Successfully weather economic downturns, federal uncertainty, emergencies and disasters, and other unforeseen circumstances



# Join the Conversation

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Attend A Workshop:

- ~~September 2: Streets, Traffic Safety~~
- ~~October 7: City Facilities, Public Safety~~
- November 4: Libraries, Recreation and Parks
- December 2: Flood Protection, Sea Level and Ground Water Rise, Disaster Preparedness

Visit our website to read more and share your feedback:

- [www.alamedaca.gov/strongertogether](http://www.alamedaca.gov/strongertogether)



# **Council Discussion**

Receive City Council Direction & Community Input:

1. Budget update
2. Potential revenue measure
3. Improved collection process
4. Draft budget and financial policy

