

Mid-Cycle



Update

FY 2015/16 & 2016/17

Presentation Outline

- FY 2015-16 Highlights
- Mid-Cycle (FY 16-17) General Fund Update
- Revised 5-Year General Fund Forecast
- Budget Changes to Other Funds
- Workforce Changes
- Unfunded Requests (“Parking Lot”)
- Next step





FY 2015-16 Highlights

- General Fund (GF) revenues \$4.3 million better than original estimate
- GF expenditures (excluding those appropriated from available reserves in September 2015) were slightly under the original budget
- Reserves (GF available balance) at 6/30/16 ➡ projected 24% of expenditures and transfers out



FY 2015-16 Highlights

- Allocation of accumulated General Fund Available Reserves
 - \$0.9 million in GF appropriations
 - \$3.5 million in GF transfers out
 - \$9.5 million in GF committed reserves
- \$2.2 million loan repayment from AMP
- Rent Stabilization (new fund)
 - New program established by the City Council
 - \$300,000 General Fund seed money to start up the program



Mid-Cycle (FY 2016-17) General Fund Update

- General Fund (GF) revenues \$1.9 million over original estimate
- GF expenditures \$1.1 million over original budget
- GF Net Deficit reduced from \$1.2 million to \$0.8 million
- GF available reserve at 6/30/17 is projected to remain at 24% of expenditures and transfers out

FY 2016-17 General Fund Summary

(in millions)

	Adopted Budget	Revised Budget		
		Ongoing	One-time	Total
Beginning Fund Balance	\$ 21.1	\$ 21.1	\$ -	\$ 21.1
Revenues	\$ 81.5	\$ 82.7	\$ 0.7	\$ 83.4
Transfers In	\$ 0.5	\$ 0.5	\$ -	\$ 0.5
Expenditures & Transfers Out	\$ (83.3)	\$ (84.0)	\$ (0.7)	\$ (84.7)
Annual Operating Results	\$ (1.3)	\$ (0.8)	\$ -	\$ (0.8)
Ending Fund Balance	<u>\$ 19.8</u>	<u>\$ 20.3</u>	<u>\$ -</u>	<u>\$ 20.3</u>

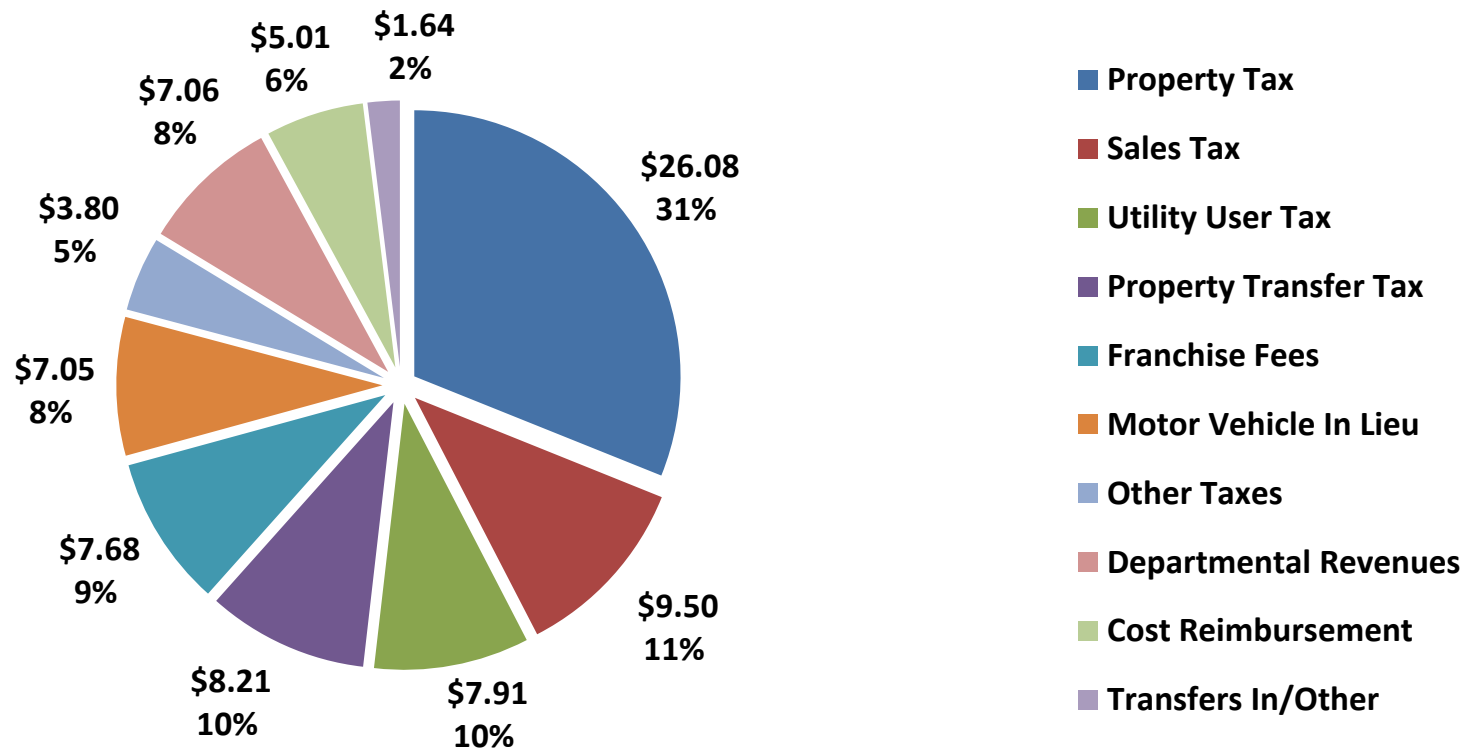
Reserve as a % of annual expenditures & transfers out

24%

24%

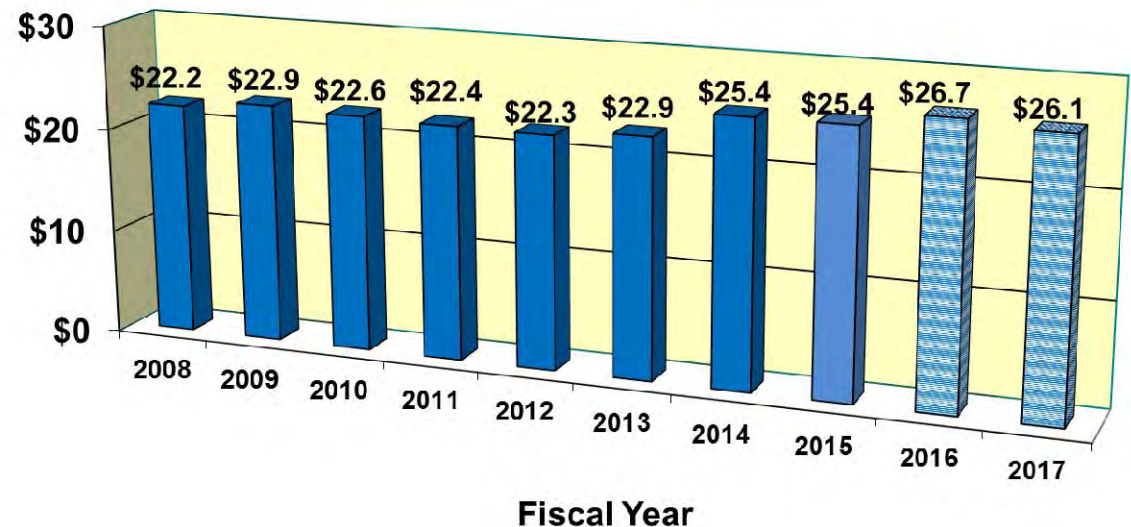
FY 2016-17 General Fund Revenue

(in millions)



Property Tax Revenue

- ❖ Property Tax (excluding “waterfall funds” from former RDA) is expected to increase \$0.7 million from prior year
- ❖ “Waterfall funds” are estimated at \$0.9 million in FY 2016-17
- ❖ The City receives about 25% of the 1% *ad valorem* tax



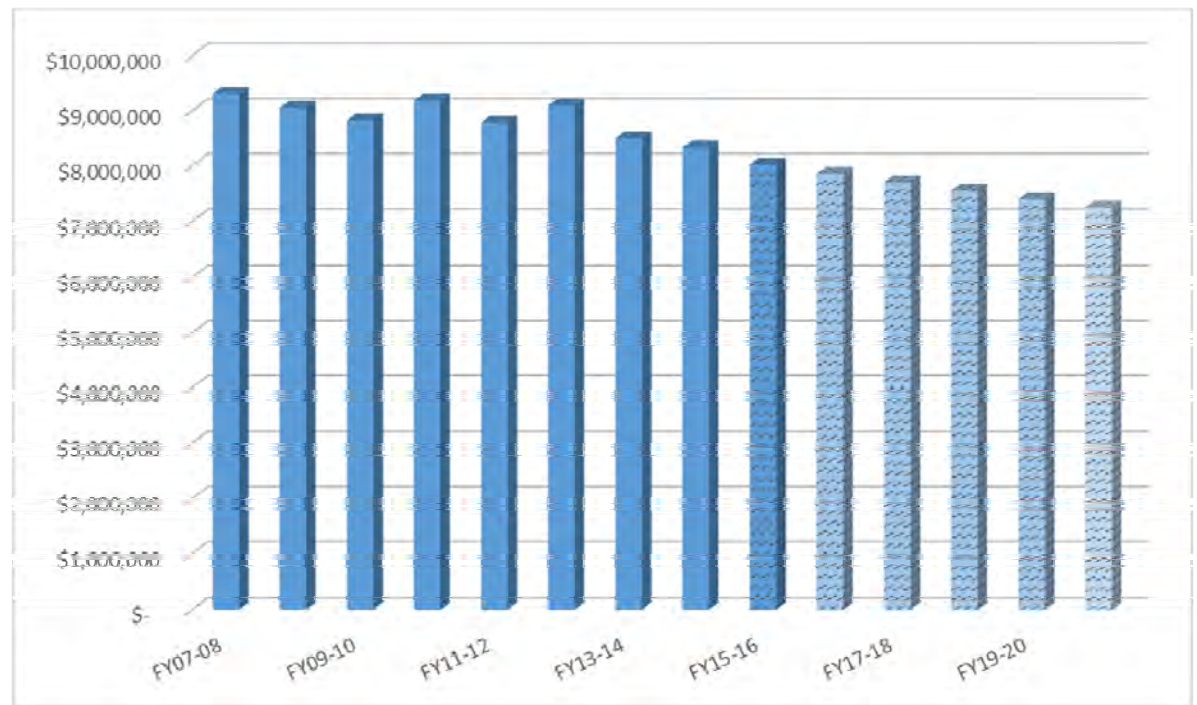
Sales Tax Revenue

- ❖ Sales Tax is expected to increase 3% or \$0.3 million from prior year
- ❖ The City receives 95% of the 1% Bradley Burns tax. 5% goes to the Alameda County.



Utility Users' Tax Revenue

- ❖ UUT is expected to decrease \$0.1 million compared to prior year
- ❖ Current projection does not include potential UUT increase.
- ❖ Modernization of the Ordinance requires voter approval and is expected to result in net benefit of \$1.5 million (back to FY 2007-08 level)



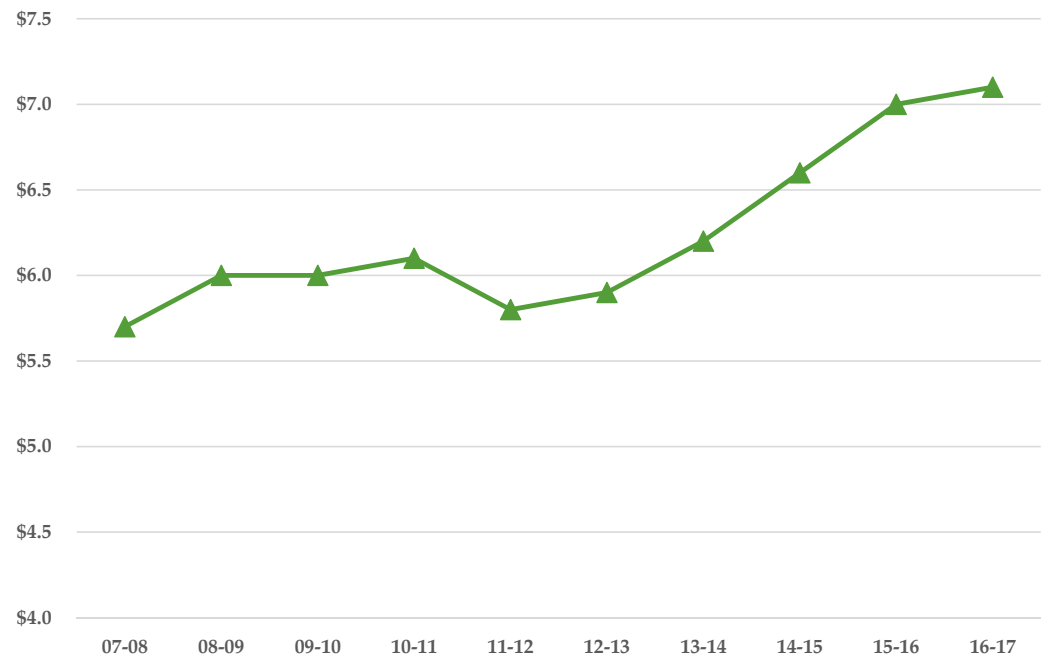
Property Transfer Tax Revenue

- ❖ Property Transfer Tax is expected to decrease \$0.8 million from prior year
- ❖ Includes \$0.2 million in one-time receipts for large commercial sales (Alameda Point property)



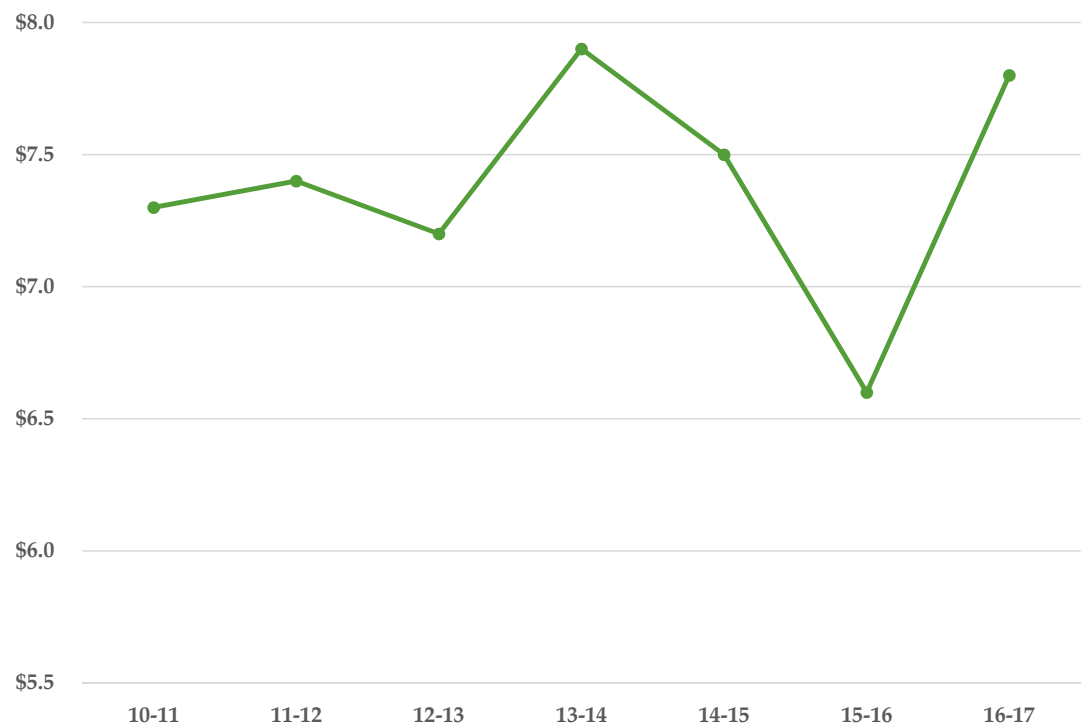
Motor Vehicle In-Lieu Revenue

- ❖ MVIL is collected through property tax and is expected to increase \$0.1 million from prior year



Franchise Fee Revenue

- ❖ Franchise fee is expected to increase \$1.1 million from prior year
- ❖ Collected on gas, cable TV and garbage
- ❖ Includes AMP and Sewer Funds PILOT and AMP Transfer per Charter
- ❖ Current projection assumes AMP Transfer to continue





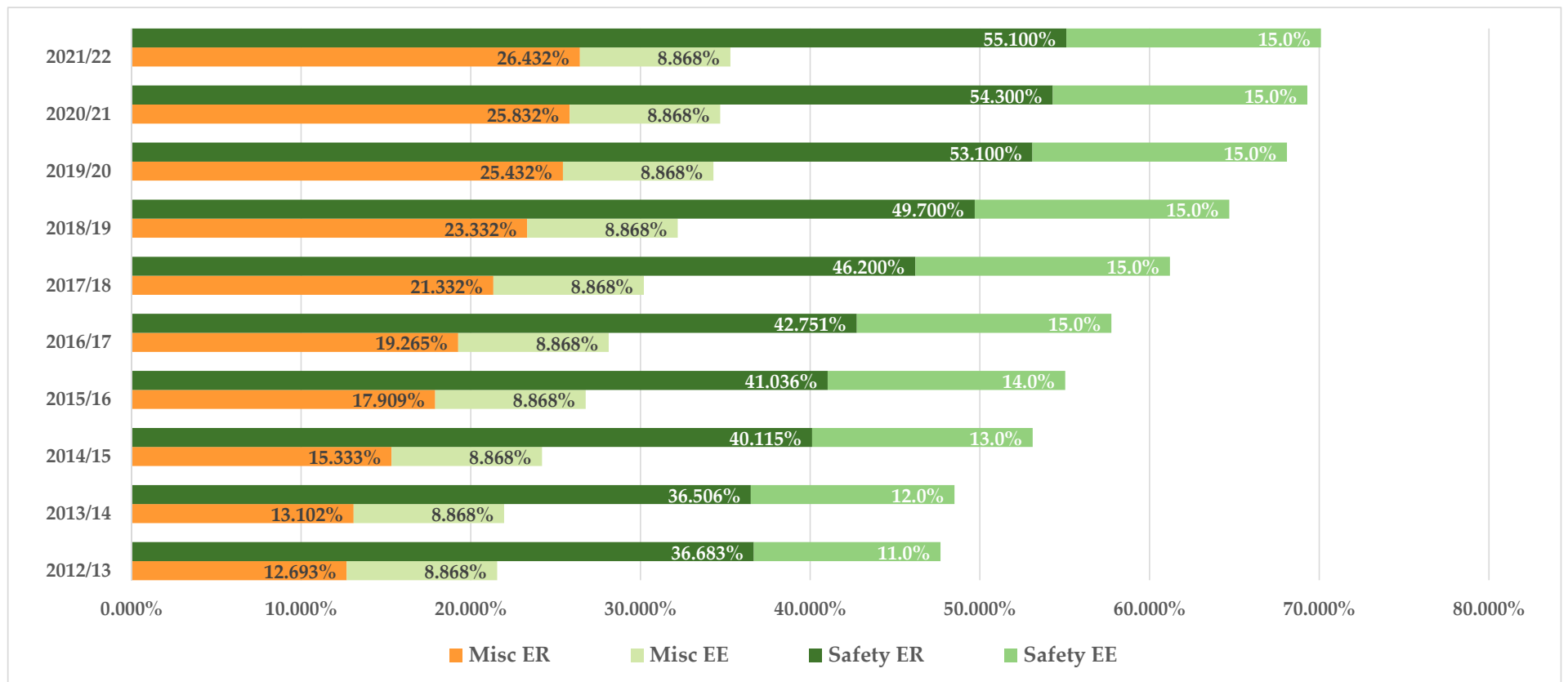
Departmental Revenues

- ❖ Fire Department GEMT program reimbursement of \$0.5 million (one-time)
- ❖ Public Works estimates \$0.1 million decrease due to drop in fuel cost.

Expenditure Assumptions

- ❖ No COLA for contractual services
- ❖ Labor (MOUs)
 - Salary increases 3% - 4%
 - Health care costs increases 1.8% for Safety and 3.5% for Misc.
 - PERS Rates 33.751% for Safety and 19.265% for Misc.

CalPERS Contribution Rates



Expenditure Assumptions

- ❖ Labor (other)
 - Vacancy savings estimated at \$0.5 million
 - Fire Department OT increase of \$0.3 million to \$0.8 million due to unfilled SAFER grant positions
 - City Council benefit package (described later in the presentation)
- ❖ Workforce Changes (described later in the presentation)

General Fund 5-Year Forecast

FY 2015-16 through FY 2019-20

(in millions)

	15-16	16-17	17-18	18-19	19-20
Beginning Fund Balance	\$ 30.2	\$ 21.1	\$ 20.3	\$ 17.8	\$ 14.2
Revenues	\$ 85.7	\$ 83.4	\$ 84.5	\$ 85.9	\$ 87.4
Transfers In	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
Expenditures & Transfers Out	\$ (88.8)	\$ (84.7)	\$ (87.5)	\$ (90.0)	\$ (93.1)
Annual Operating Results Before Reserves	\$ (2.6)	\$ (0.8)	\$ (2.5)	\$ (3.6)	\$ (5.2)
Use of Designated Reserves	\$ 3.0	\$ -	\$ -	\$ -	\$ -
Addition to Designated Reserves	\$ (9.5)	\$ -	\$ -	\$ -	\$ -
Annual Operating Results	\$ (9.1)	\$ (0.8)	\$ (2.5)	\$ (3.6)	\$ (5.2)
Ending Fund Balance	\$ 21.1	\$ 20.3	\$ 17.8	\$ 14.2	\$ 8.9

% of annual expenditures and transfers out

24%

24%

20%

16%

10%

Mid-Cycle Other Funds Update

Base Reuse

- \$750,000 – Increase in leasing revenues
- \$1,017,000 – Increase contractual services to pay for the port services and property managers



Mid-Cycle Other Funds Update

Fleet Industrial Supply Center (FISC)

- \$433,000 – Increase in contractual services to cover cost of Economic Development Strategic Plan and business assistance.



Mid-Cycle Other Funds Update

Rent Stabilization



- Establish appropriations for a new fund
- Provides funding for City Attorney, Finance, Community Development and Alameda Housing Authority (AHA)
- \$493,000 General Fund support to cover the cost of AHA contract through December 2016, until program fee is approved by Council

Mid-Cycle Other Funds Update

Development Impact Fees (DIF)

- Anticipated revenue of \$3.5 million from Del Monte, 2100 Clement and Alameda Landing Projects
- DIF fees are collected for Streets & Roads, Parks, Public Facilities and Public Safety



Mid-Cycle Other Funds Update



Capital Improvement Projects

- Krusi Park Rec Center – increase budget by \$0.6 million funded by Measure WW and Dwelling Unit tax
- Estuary Park – increase budget by \$0.2 million funded by Development Impact Fees

Mid-Cycle Other Funds Update

Capital Improvement Projects

- Jean Sweeney Park – increase budget by \$2.0 million funded by Land & Water Conservation Fund grant
- Library – increase appropriations by \$0.5 million funded by remaining funds from the Library bond and interest earned on those funds





FY 2016-17 Workforce Changes



Workforce Changes

City Attorney's Office – Total Increase of One Position

- Add one Assistant City Attorney II

Finance Department – Total Increase of Two Positions

- Add one Accountant II
- Add one Account Technician

Workforce Changes

IT Department – No Change in Number of Positions

- Add one Information Technology Systems Coordinator
- Delete one Technology Services Coordinator
- Move 100% to GF one Technology Services Coordinator currently split between AMP and the General Fund

Police Department – No Change in Number of Positions

- Add one Crime Prevention Technician
- Delete one Crime Prevention Specialist

Workforce Changes

Public Works Department – No Change in Number of Positions

- Add one Construction Inspection & Survey Supervisor
- Delete on Construction Inspector
- Add one Public Works Project Manager I
- Delete one Assistant Engineer
- Add on Public Works Project Manager III
- Delete Public Works Project Manager II
- Add one Program Specialist II
- Delete on Program Specialist I



Workforce Changes

- Total number of allocated Position will be 521 including the 96 Alameda Municipal Power employees.
- Total Cost of workforce changes is estimated to be \$396,067
 - General Fund - \$138,000
 - Rent Stabilization - \$231,000
 - Other Funds - \$27,067



Mayor and City Council Total Compensation

Mayor and City Council Total Compensation

Mayor

City	Population	Annual Base Salary	Medical Benefits and Other Compensation	Total Compensation
City of Alameda Mayor	77,660	\$3,600	\$34,498	\$38,098
Berkeley Mayor	118,853	\$50,605	\$23,205	\$73,810
Hayward Mayor	154,612	\$39,960	\$25,376	\$65,336
San Leandro Mayor	89,351	\$30,240	\$22,871	\$53,111
Fremont Mayor	228,758	\$42,000	\$5,700	\$47,700
Pleasanton Mayor	77,682	\$12,600	\$23,831	\$36,431
Walnut Creek Mayor	67,673	\$7,800	\$8,896	\$16,696
Livermore Mayor	86,870	\$12,840	\$0	\$12,840

City Council

City	Population	Annual Base Salary	Medical Benefits and Other Compensation	Total Compensation
Alameda City Council	77,660	\$1,200	\$34,498	\$35,698
Berkeley City Council	118,853	\$33,821	\$23,205	\$57,026
Hayward City Council	154,612	\$24,945	\$23,648	\$48,593
San Leandro City Council	89,351	\$15,120	\$22,871	\$37,991
Pleasanton City Council	77,682	\$11,400	\$23,831	\$35,231
Fremont City Council	228,758	\$23,640	\$5,700	\$29,340
Walnut Creek City Council	67,673	\$7,800	\$8,896	\$16,696
Livermore City Council	86,870	\$12,840	\$0	\$12,840



Mayor and City Council Total Compensation

Recommendations:

- Link Health Benefit contribution and Car Allowance to Executive Management.
- Cap City Health Insurance contribution similar to City Employees
 - From \$2,642/mo. To \$2,255/mo.
- Increase the car allowance
 - From \$104.22/mo To \$250/mo.
- New Technology Allowance - \$100/mo.
- Total additional compensation of \$2,952 annually or \$246 monthly per member.
- Effective the first pay-period following January 1, 2017.



Unfunded Requests ("Parking Lot")



Unfunded Requests (“Parking Lot”)

Prior Unfunded Requests:

- Carnegie Building
- Health benefits for part-time employees

New Unfunded Requests:

- Alameda Museum
- Public Art
- Friends of Alameda Animal Shelter
- Jean Sweeney Open Space Park
- Finance/HR financial system (ERP) replacement
- Additional disaster preparedness equipment and supplies
- Social services support

Recommend Discussion in Fall 2016 after Fiscal Year is Closed



Next Steps

- Adopt proposed Mid-Cycle (FY 2016-17) Budget Changes
 - Workforce Changes Resolution
 - City Budget Resolution
 - Successor Agency Budget Resolution

An aerial photograph of a coastal city, likely San Francisco, showing a large body of water (the bay) and a city grid. A large, dark blue rectangular box is overlaid on the image, containing the word "Questions?" in white serif font. The background shows a mix of urban development, green spaces, and a large body of water with a bridge in the distance.

Questions?