

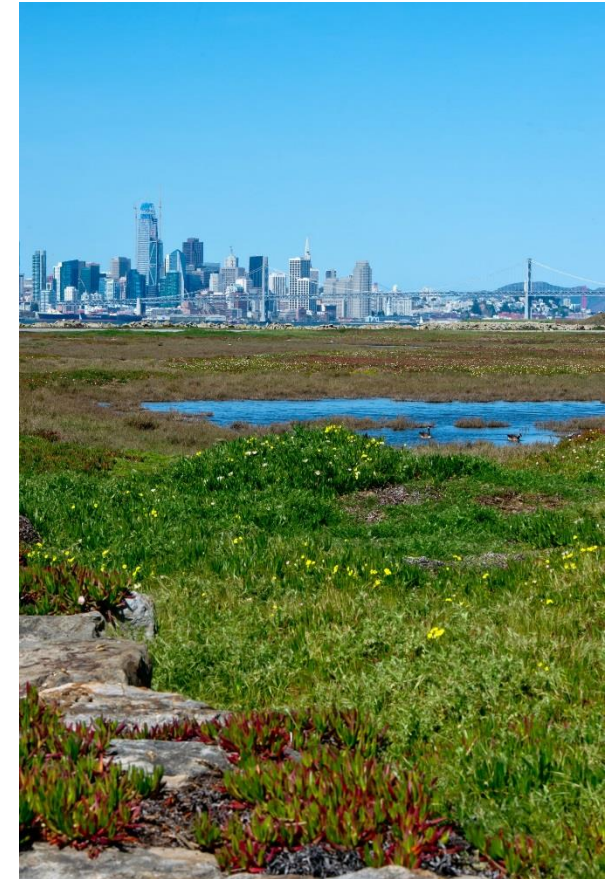
# FY 2017-18 & FY 2018-19 Budget Overview and Council Adoption

June 6, 2017



# Budget Vision and Goals

- **Vision:** Maintain strong fiscal stewardship and ensure budget reflects community's priorities and desires
- **Goal:** A Transparent, Fiscally-Accountable, and Community-Responsive Budget Process and Structurally Balanced Budget Outcome
- 2016 Quality of Life Survey assessed resident perspectives and priorities
- By virtually a three to one margin (59-22), Alamedans said City is on the right track
  - Very high confidence (over 75%) in the quality of life in our neighborhoods
  - A safe, well-maintained community
  - Fiscal Sustainability, no matter what happens with federal policies



# Alameda Budget Challenge

- 1,100+ Users in 3 Weeks
- 8,000+ Budget Priorities Shared
- Popular Choices:
  - Reduce long-term budget shortfall
  - Upgrade emergency equipment
  - Homeless services
  - Mastick Senior Center
  - Library hours and technology
  - Sidewalk repairs
  - Restore historic Carnegie library
  - Maintain existing animal shelter
  - Reduce unfunded liabilities
- [alameda.budgetchallenge.org](http://alameda.budgetchallenge.org)

The screenshot displays the 'City of Alameda Budget Challenge' web application. On the left is a navigation menu with a sidebar containing the city seal and a list of categories: Overview, Spending, Maintain Fiscal Stability (highlighted), Public Safety, General Government, Recreation and Parks, Library, Public Works, Upgraded Estuary Crossings, Transportation, Restore Historic City Properties, Animal Shelter, and Pensions. Below the menu is a 'Tell Us' button. The main content area is titled 'Maintain Fiscal Stability' with a '(choose one)' instruction. It lists six radio-button options for saving money to reduce budget shortfalls, ranging from \$1 million to \$5 million. To the right of these options is a 'Skip' button. On the far right, a 'My Budget' section shows a vertical bar chart with a green bar reaching '\$5.00M Surplus' and a 'Starting Surplus \$5.00M' label. Below the chart is a 'Summary' button. At the bottom of the main content area, there is an 'About Maintain Fiscal Stability' section with explanatory text.

City of Alameda Budget Challenge

**Maintain Fiscal Stability**  
(choose one)

☐ Do Not Set Aside One-Time Surplus Funds to Reduce Long-Term Budget Shortfall

☐ Save \$1 Million to Reduce Long-Term Budget Shortfall  
Set aside 20 percent of the one-time surplus to reduce long-term budget deficits

☐ Save \$2 Million to Reduce Long-Term Budget Shortfall  
Set aside 40 percent of the one-time surplus to reduce long-term budget deficits

☐ Save \$3 Million to Reduce Long-Term Budget Shortfall  
Set aside 60 percent of the one-time surplus to reduce long-term budget deficits

☐ Save \$4 Million to Reduce Long-Term Budget Shortfall  
Set aside 80 percent of the one-time surplus to reduce long-term budget deficits

☐ Save \$5 Million to Reduce Long-Term Budget Shortfall  
Set aside all of the one-time surplus to reduce long-term budget deficits

**My Budget**

Starting Surplus \$5.00M

\$5.00M Surplus

Don't see your policy choice?

About  
**Maintain Fiscal Stability**  
Alameda faces budget shortfalls in four of the next five years. Rather than increase spending today and have to consider future cuts, this option uses a portion of the current one-time surplus to reduce future gaps between spending and revenues.

# Overview

- May 17 Budget Workshop
  - Baseline budget estimates
  - Impact of PERS and projected costs
  - On-going and one-time funding requests
- Received Council and community direction
- Proposed budget includes:
  - \$240 million for FY 2017-18 (General Fund is \$97 million, 40% of the budget)
  - \$228 million for FY 2018-19
- Proposed Capital Improvement Program (CIP) budget of \$34 million in 2017-18 and \$24 million in 2018-19

# Proposed Budget

- Proposed FY 2017-18 budget structurally balanced
  - Maintains \$24 million GF fund balance, 24% of expenditures including all 'transfers out' and 27% exclusive of one-time 'transfers out' for pension obligations, technology, and other one-time expenditures.
- Beyond this 2-year budget Five-year forecast indicates shortfalls from \$5.1 to \$10.5 million annually beginning in FY 2019-20, absent proactive, corrective actions.
- Next Steps include transparent and thorough pension and post employment benefit analyses by financial experts



# Initially Proposed Workforce Changes

FTE	Department/ Position	Funding Source	Amount
1.0	Community Development/Combination Building Inspector*	CDD Fund	\$218,000
1.0	Community Development/Permit Tech III	CDD Fund	\$191,000
1.0	Fire Department/Division Chief (2018-19)	General Fund	\$306,000
1.0	Recreation and Parks/Maintenance Supervisor	General Fund	\$284,000
1.0	Recreation and Parks/Maintenance Worker II	General Fund	\$184,000
-	City Manager/Assistant City Manager (unfunded, vacant)	General Fund	\$580,000
1.0	Information Technology/Systems Analyst	CDD/IT Fund	\$295,000
1.0	Information Technology/Office Assistant	IT Fund	\$191,000
1.0	Public Works/Maintenance Foreperson	General Fund	\$34,000
1.0	Public Works/Intermediate Clerk	Streetlights/Fleet/SDA	\$166,000
9.0	Total		\$2,449,000

# Revised Workforce Changes

FTE	Department/ Position	Funding Source	Amount
1.0	Community Development/Combination Building Inspector*	CDD Fund	\$218,000
<del>1.0</del>	<del>Community Development/Permit Tech III</del>	<del>CDD Fund</del>	<del>\$191,000</del>
<del>1.0</del>	<del>Fire Department/Division Chief (2018-19)</del>	<del>General Fund</del>	<del>\$306,000</del>
1.0	Recreation and Parks/Maintenance Supervisor	General Fund	\$284,000
1.0	Recreation and Parks/Maintenance Worker II	General Fund	\$184,000
-	<del>City Manager/Assistant City Manager (unfunded, vacant)</del>	<del>General Fund</del>	<del>\$580,000</del>
1.0	Information Technology/Systems Analyst	CDD/IT Fund	\$295,000
<del>1.0</del>	<del>Information Technology/Office Assistant</del>	<del>IT Fund</del>	<del>\$191,000</del>
1.0	Public Works/Maintenance Foreperson	General Fund	\$34,000
<del>1.0</del>	<del>Public Works/Intermediate Clerk</del>	<del>Streetlights/Fleet/SDA</del>	<del>\$166,000</del>
5.0	Total		\$1,015,000

# Initially Proposed Vehicle Acquisition

Department	Vehicle Count	Funding Source	Amount
Police	8	Vehicle Replacement Fund	\$308,000
Fire	5	General Fund	\$1,514,544
Public Works	21	Sewer and Vehicle Replacement Fund	\$1,118,000
Recreation & Parks	4	Vehicle Replacement Fund	\$106,000
Community Development	2	CDD Fund and Vehicle Replacement Fund	\$54,000
Total	40		\$3,100,544



# Revised Vehicle Acquisition

Department	Vehicle Count	Funding Source	Amount
Police	8	Vehicle Replacement Fund	\$308,000
<b>Fire</b>	<b>2</b>	<b>General Fund</b>	<b>\$1,308,000</b>
Public Works	21	Sewer and Vehicle Replacement Fund	\$1,118,000
Recreation & Parks	4	Vehicle Replacement Fund	\$106,000
Community Development	2	CDD Fund and Vehicle Replacement Fund	\$54,000
Total	37		\$2,894,000

# Initially Proposed Capital Program Funding

Department	Project	Funding Source	Amount
Information Technology	Citywide Wi-Fi	General Fund	\$200,000
Information Technology	System and Information Technology Infrastructure Replacement	General Fund	\$1,500,000
Information Technology	Electronic Document Management/GIS	General Fund	\$1,500,000
Public Works	Building Maintenance	General Fund	\$2,000,000
Public Works	Sidewalk Maintenance	Gas Tax/Construction Improvement Fee	\$1,000,000
Total			\$6,200,000

# Revised Capital Program Funding

Department	Project	Funding Source	Amount
Information Technology	Citywide Wi-Fi	General Fund	\$200,000
Information Technology	System and Information Technology Infrastructure Replacement	General Fund	\$1,500,000
Information Technology	Electronic Document Management/GIS	General Fund	\$1,500,000
<b>Public Works</b>	<b>Building Maintenance</b>	<b>General Fund</b>	<b>\$1,000,000</b>
<b>Public Works</b>	<b>Sidewalk Maintenance</b>	<b>Gas Tax/Construction Improvement Fee</b>	<b>\$500,000</b>
Total			\$4,700,000

# Other Revised Items

Department	Description	Funding Source	Amount
Community Development	Public Arts Part-Time Support	General Fund	\$20,000
Fire	Emergency Radios	General Fund	\$179,000
Non-departmental	Homeless Assistance	General Fund	\$61,000
<b>Non-departmental</b>	<b>Pension/OPEB Obligations</b>	<b>General Fund</b>	<b>\$5,100,000</b>
Community Development	Sister City	FISC	\$20,000
Community Development	Quonset Hut Project (carryover)	FISC	\$125,000
Library	Open Each Branch an Extra Day	Library	\$88,000
Library	Technology Upgrade	Library	\$98,000
Recreation & Parks	Mastick Center Improvements	Mastick Center	\$215,000
Recreation & Parks	Computer and Kitchen Equipment Replacement	Adams Street (Bequest)	\$65,000
Total			\$5,971,000

# Request

- Adopt Resolutions (1) Approving and Adopting the City of Alameda **Operating and Capital Budget for Fiscal Years (FY) 2017-18 and 2018-19** and (2) Approving and Adopting the Successor Agency to the **Community Improvement Commission Budget for FY 2017-18 and 2018-19**;
- Adopt Resolution Approving **Workforce Changes** in the Recreation and Parks Department, Public Works Department, Community Development Department and Information Technology Department;
- Amend the Pension Rate Stabilization Program and Other Post-Employment Benefits Funding Policy (**50% fund balance to prefund pension/benefit obligations**);
- Direct the City Manager or Designee to Deposit \$6.043M plus \$5.1M for a total of **\$11.143M into the Public Agencies Retirement Services (PARS) Post-Employment Benefits Trust** to Used for Prefunding of Pension and Other Post-Employment Benefits Obligations.

# Summary

- Through careful, conservative fiscal management, the proposed FY 2017-18 and 2018-19 budget is balanced
- Proposed budget meets the City's operational needs and addresses the quality of life priorities our community wants addressed
- Staff looks forward to implementing this document which honors our commitment to maintaining the quality of life for every resident

