

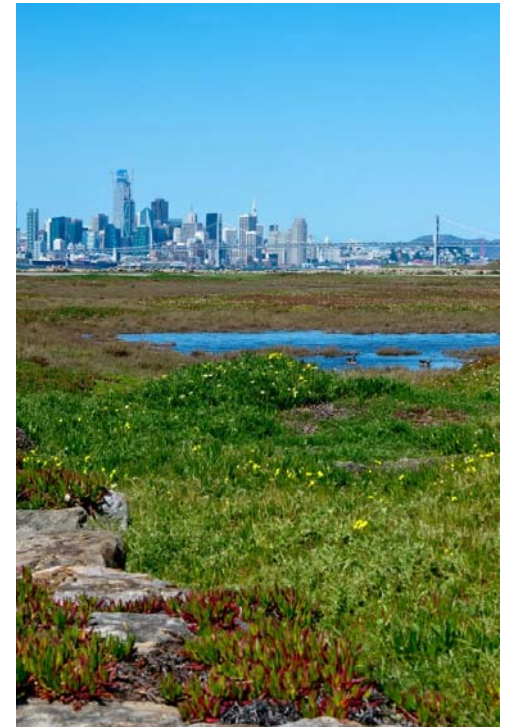
FY 2017-18 & FY 2018-19 Budget Overview and Council Adoption

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

The screenshot displays the 'City of Alameda Budget Challenge' web application. On the left is a navigation sidebar with a city seal at the top, followed by 'Overview' and a list of categories: 'Spending' (expanded), 'Maintain Fiscal Stability' (selected), 'Public Safety', 'General Government', 'Recreation and Parks', 'Library', 'Public Works', 'Upgraded Estuary Crossings', 'Transportation', 'Restore Historic City Properties', 'Animal Shelter', and 'Pensions'. Below the sidebar is a 'Tell Us' button. The main content area is titled 'Maintain Fiscal Stability (choose one)' and lists five radio-button options for reducing the long-term budget shortfall by setting aside portions of a one-time surplus. To the right is a 'My Budget' section showing a green bar for a '\$5.00M Surplus' and a 'Summary' button. At the bottom, there is an 'About Maintain Fiscal Stability' section explaining the city's budget challenges and the purpose of the challenge.

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

Summary

Don't see your policy choice?
[Tell Us](#)

[Skip](#)

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.

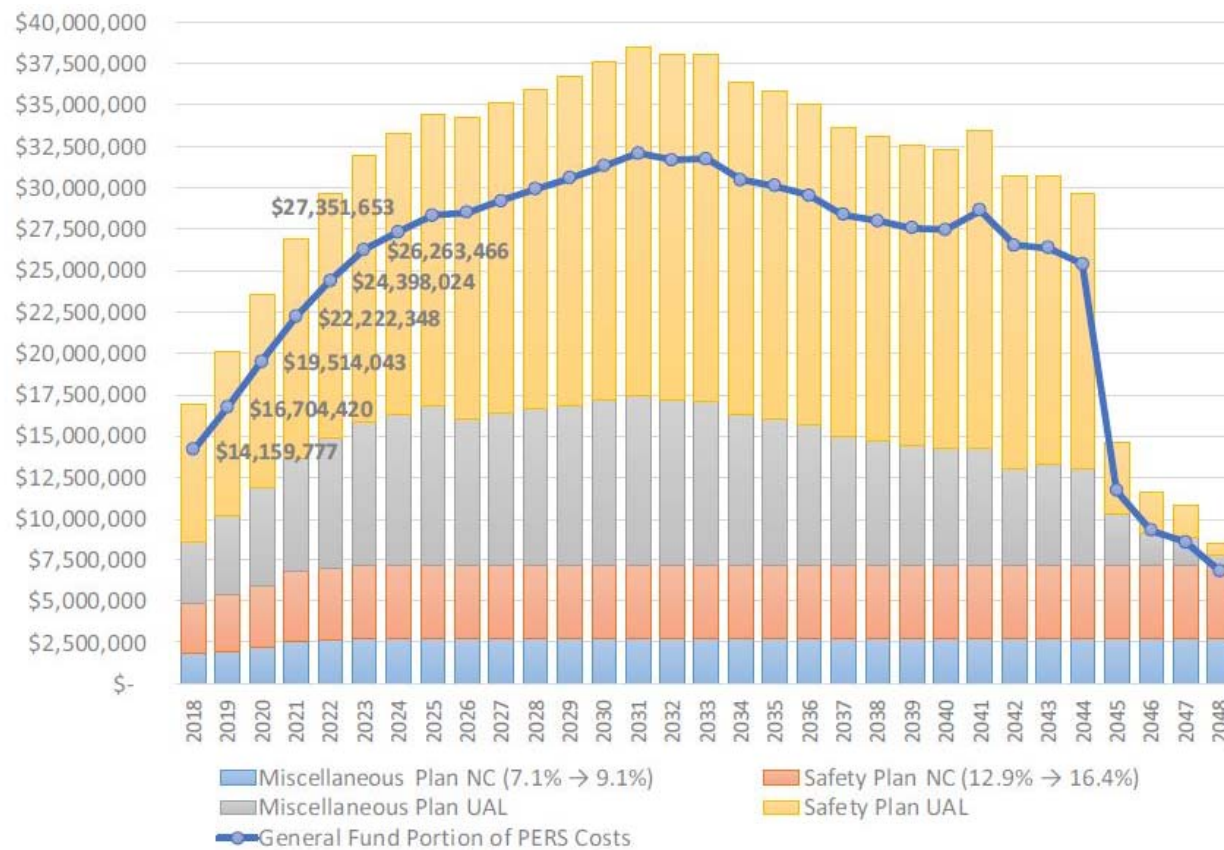
Overview

- 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

Benefit Analysis: Estimated Pension Costs



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
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
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
Fire	2	General Fund	\$1,308,000
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
Public Works	Building Maintenance	General Fund	\$1,000,000
Public Works	Sidewalk Maintenance	Gas Tax/Construction Improvement Fee	\$500,000
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
Non-departmental	Pension/OPEB Obligations	General Fund	\$5,100,000
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

Five-Year Forecast of General Fund Dollars

(in millions)

	17-18	18-19	19-20	20-21	21-22
Beginning Fund Balance	\$ 21.3	\$ 23.9	\$ 23.4	\$ 18.3	\$ 11.2
Revenues	\$ 87.8	\$ 88.8	\$ 90.2	\$ 91.7	\$ 93.2
Transfers In	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.2	\$ 4.2
Expenditures & Transfers Out	\$ (103.3)	\$ (95.9)	\$ (99.5)	\$ (103.0)	\$ (107.9)
Annual Operating Results Before Reserves	\$ (11.3)	\$ (2.9)	\$ (5.1)	\$ (7.1)	\$ (10.5)
Use/(Addition) of Committed Reserves	\$ 13.9	\$ 2.4	\$ -	\$ -	\$ -
Use of FY 2017-18 Surplus	\$ -	\$ 0.5	\$ -	\$ -	\$ -
Annual Operating Results	\$ 2.6	\$ (0.0)	\$ (5.1)	\$ (7.1)	\$ (10.5)
Ending Fund Balance	\$ 23.9	\$ 23.4	\$ 18.3	\$ 11.2	\$ 0.7
% of annual expenditures and transfers out	23%	24%	18%	11%	1%
% of annual expenditures and transfers out (excluding one-time costs)	27%	25%			

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

