



City of Alameda
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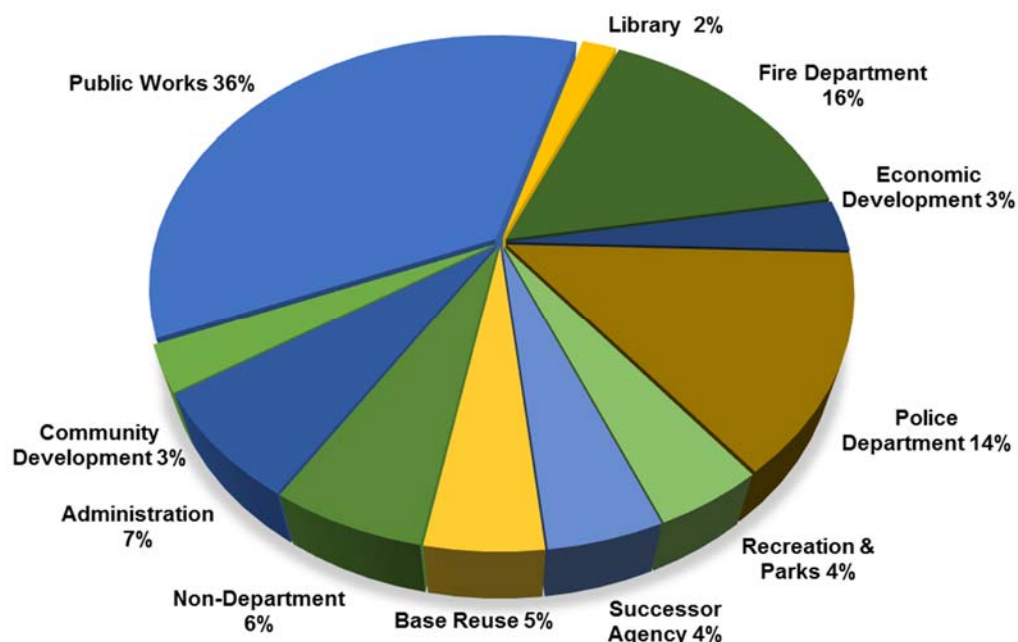
June 6, 2019

Honorable Mayor and Members of the City Council:

I am pleased to present the City of Alameda's Annual Budgets for Fiscal Years (FY) 2019-20 and 2020-21. The Budget honors the City's commitment to addressing the priorities and maintaining the excellent services our community expects and deserves; represents the City's fiscally responsible and accountable financial plan for the two upcoming fiscal years; provides a transparent, comprehensive statement of the City's organization, operations, projected revenues and estimated expenditures; and serves as a strategic tool in communicating, implementing and monitoring City Council direction and priorities related to City operations.

The City's total proposed expenditure budget (excluding transfers) for FY 2019-20 and 2020-21 are \$255.9 million and \$225.5 million respectively, with the General Fund contributing 34% in FY 2019-20 and 40% in FY 2020-21. These proposed budgets fund a total of 448 and 452 full time equivalent positions (excluding positions of Alameda Municipal Power) for FY 2019-20 and 2020-21, respectively. Analyzing the FY 2019-20 proposed expenditure budget (all city funds) shows that approximately 16% is for the Fire Department, 14% for the Police Department, 36% for Public Works, with the remainder for Recreation and Parks, Library, Community Development, Base Reuse, Administration and other programs offered by the City, as shown below:

FY 2019-20 Proposed Expenditure – All Funds



The City's budget for FY 2019-20 and 2020-21 represents a two year budget, in which the governing body appropriates and adopts a 24-month fiscal plan as opposed to a plan covering a 12-month period. One of the primary advantages of two-year budgets is the amount of time savings that can be realized by both staff in the preparation of the budget and by the governing body who must review and adopt the budget. Many jurisdictions use the time saved to develop more robust strategic planning efforts, including additional engagement with the public, which City staff and the City Council is highly committed to.

Overview of the General Fund Proposed Operating Budget for FY 2019-20 and 2020-21

The most significant addition in the current budget is the Transactions and Use Tax revenue of \$4.6 million. This is a new local tax (also known as Measure F) that was approved by the Alameda voters in November 2018 and became effective on April 1, 2019. With the approval of this tax, the City is able to preserve and maintain various City services as well as address number of City Council priorities including climate action and resiliency plan, critical city facility improvements and staffing to meet demands.

The addition of the new tax allows the City to continue to focus on and maintain the City's core services. With the City Council and community input heard during the Budget Study Session in May 2019, the proposed budget includes department funding requests that include changes as outlined at the Budget study sessions. These labor and non-labor augmentations are geared to meet the City's mission and the City Council's stated goals for the coming two years.

In addressing the departmental and community needs, the proposed budget includes funding of one-time capital items such as the acquisition of a new ambulance, replacement of CAD/RMS system for the Police Department, investment in technology including the replacement of the City's financial and human resources backbone infrastructure and investment in city-owned building maintenance and projects related to climate action plan.

The fund balance reserve in FY 2019-20 and FY 2020-21 is estimated at 26% and 25%, respectively. The decrease is largely attributed to the contributions for the unfunded pension and other post-employment benefits (OPEB), which were made in accordance with the City Council approved Pension and OPEB Funding policy, in the Spring of 2019. As can be seen in the table on the next page, the General Fund available fund balance is declining in the next five years; however, it is projected to remain at the City's 25% fund balance reserve policy in FY 2022-23. Reserves and fund balance policy is recommended for the City Council's review to consider impacts on the various City Council financial priorities. WE plan to work on financial modeling over the next two years to assist the City Council in maintaining its funding for the City's core priorities.

The long-term imbalance is a result of a variety of factors including the sharp escalation of pension costs as a result of the California Public Employee Pension System (CalPERS) losses during the Great Recession and changes in longevity assumptions, as well as a general increase in costs associated with doing business in the Bay Area. Additional efforts will be needed to achieve a balanced budget in the next few years. Staff will continue to closely monitor the fiscal health of the City throughout the next 24 months and beyond, including external dynamics such as economic ebbs and flows, national political or policy changes affecting the funding California cities receive, and opportunities to strengthen and maximize local funding revenue that cannot be seized by the State or Federal governments.

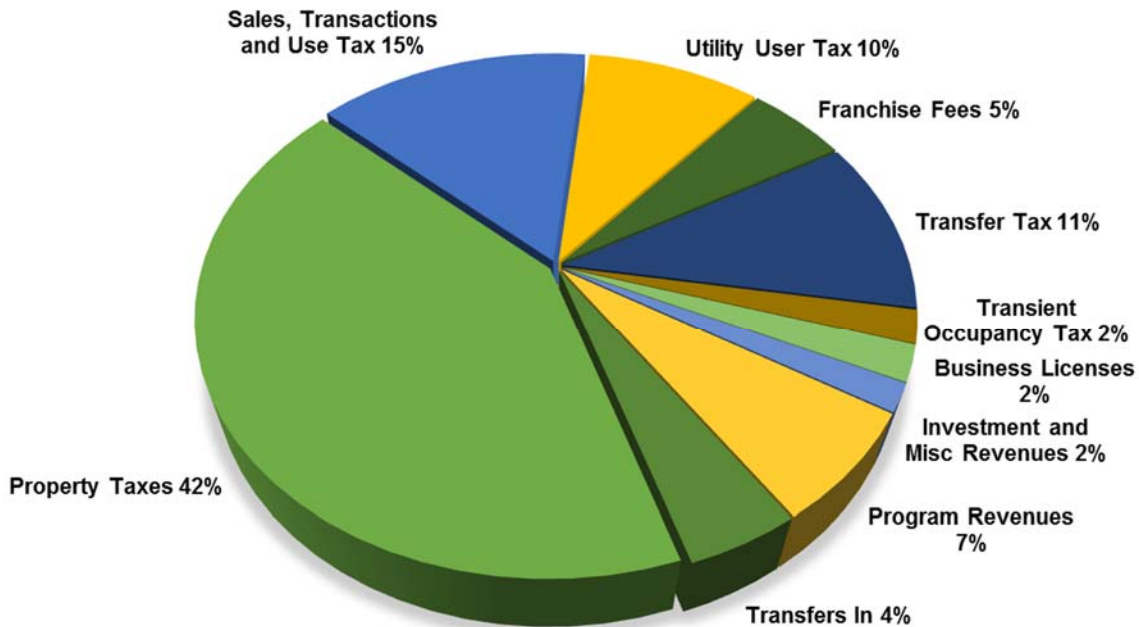
**5-Year Forecast for FY 2018-19 through FY 2022-23
(in millions)**

	2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Fund Balance	31.8	27.9	26.6	26.2	24.2
Revenues & Transfers In	96.0	100.8	103.2	104.5	105.7
Expenditures & Transfers Out	(104.9)	(100.6)	(103.2)	(106.6)	(110.0)
Annual Operating Results Before Reserves	(8.9)	0.2	0.0	(2.0)	(4.2)
Release Prepaid/Encumbrance Reserves	0.7	-	-	-	-
Release of Pension Reserve	7.9	-	-	-	-
Set up end of year Pension Reserve	(3.7)	(1.5)	(0.4)	-	-
Annual Operating Results	(3.9)	(1.3)	(0.4)	(2.0)	(4.2)
Ending Fund Balance	27.9	26.6	26.2	24.2	20.0
% of Annual Expenditures and Transfers Out	29%	26%	25%	23%	18%

General Fund Revenue and Expenditure Forecasts

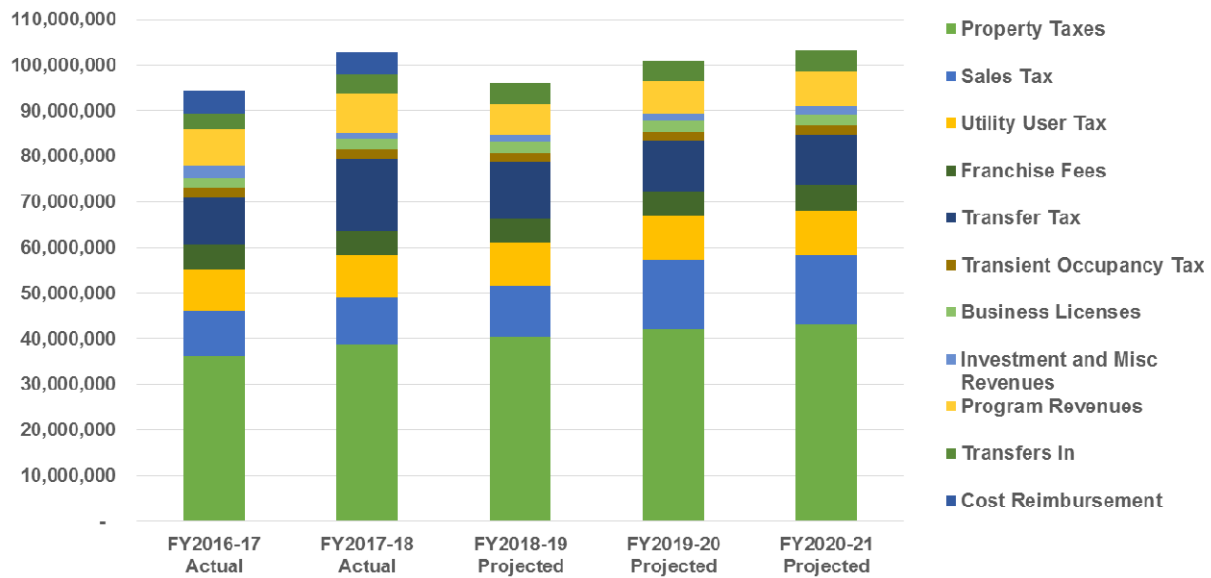
The General Fund's major revenue sources are Property Tax (including Motor Vehicle License fee in-lieu), Sales, Transactions and Use Taxes, Utility Users Tax (UUT), Franchise Fees and Real Property Transfer Tax. Together they comprise 83% of total revenues for FY 2019-20, as shown on the chart below.

FY 2019-20 General Fund Revenue forecast



Total General Fund revenues for FY 2019-20 are projected to be approximately \$100.8 million, with a slight projected increase to \$103.2 million in FY 2020-21. The revenue projections are based on staff's analysis of local conditions and reflect information received from a number of sources, including the City's UUT, Sales and Property Tax consultant as well as the County Assessor's office.

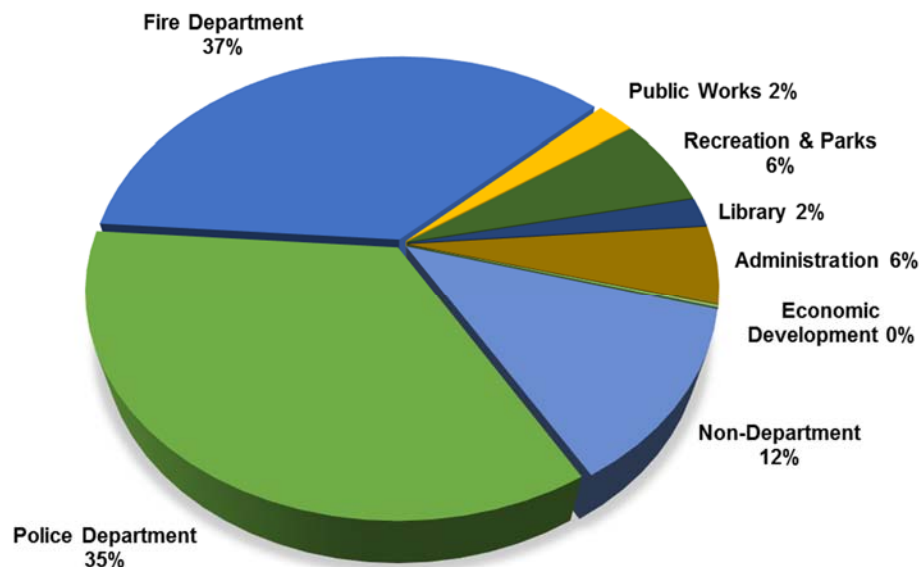
General Fund Revenue Projection



General Fund expenditures are projected to grow to \$100.6 million in FY 2019-20 and increase to \$103.2 million in FY 2020-21. The growth in ongoing expenditures is due primarily to contractual salary increases and rise in retirement and health insurance rates. New labor contracts for non-safety labor groups with the exception of International Brotherhood of Electrical Workers were negotiated and approved by the City Council in early 2019 and are in effect until June 30, 2022. Contracts for safety employees are due to expire in December 2021.

Like most Californian cities, a significant portion of General Fund expenditures goes towards Public Safety (40% for Fire, 36% for Police), with the balance allocated between Library, Recreation and Parks, Public Works, and administrative functions. A full breakdown can be seen in the chart below. While Public Safety represents the lion's share of General Fund dollars, it should be noted that other Departments, such as Recreation and Parks, Public Works, and the Library have other dedicated sources of funding in addition to the General Fund.

FY 2019-20 General Fund Expenditures



Five-Year Forecast

In the five-year forecast, projected General Fund shortfalls range from approximately \$2.0 to \$4.2 million annually beginning in FY 2021-22 primarily due to the PERS issues discussed above and the addition of the six firefighter positions currently funded by the SAFER grant. Absent proactive, corrective actions to secure additional locally-controlled funding sources or cutting expenditures, the City's available reserves will continue to decline. Available fund balance reserve is projected to go down to approximately \$20 million or 18% of projected expenditures by FY 2022-23.

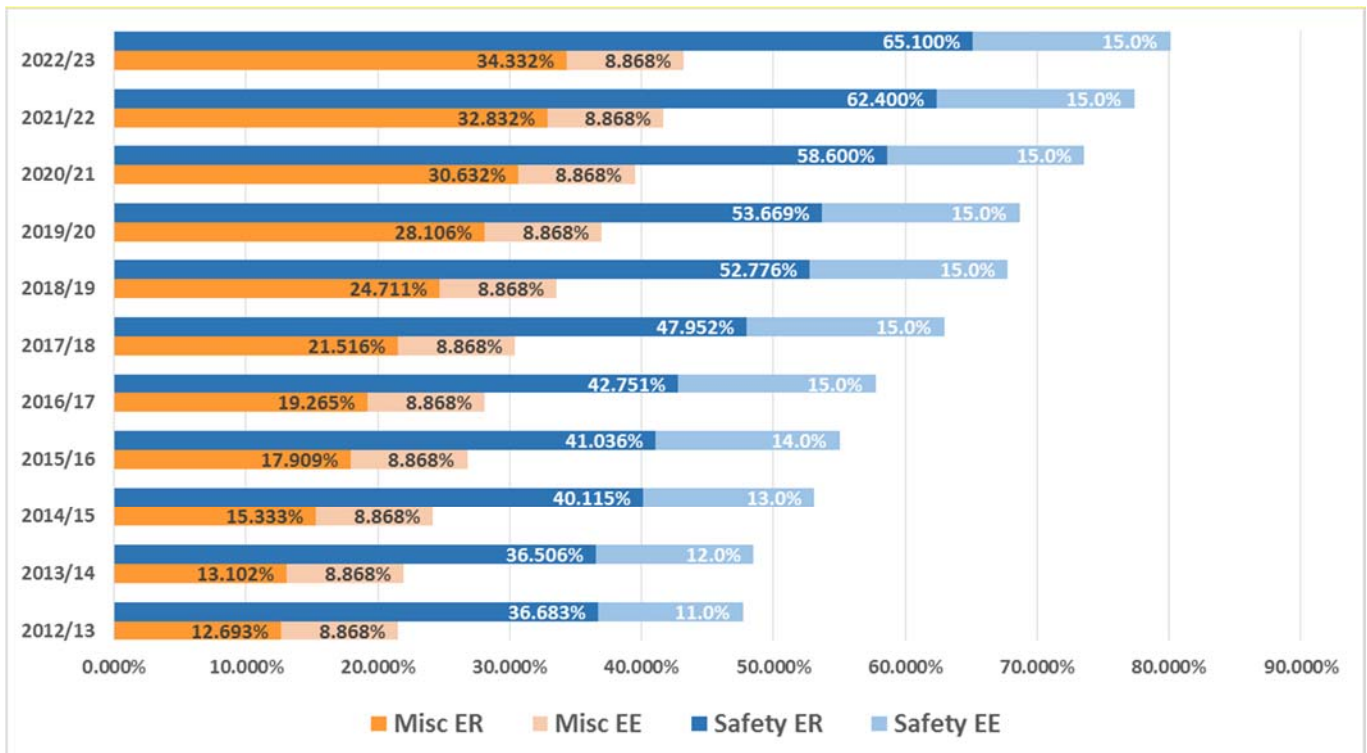


The five-year forecast includes the following assumptions, several of which are highly important to maintaining City services:

- Annual growth in various revenue sources is projected to be 0% to 3%, with an overall average annual growth of 1.5%.
- Nine General Fund funded positions (Management Analyst, one and a half Gardeners, and six firefighters) have been included in this budget cycle in the Finance, Recreation and Parks and Fire Departments to address procurement deficiencies, need for additional staff to take care of newly added park land and to absorb the position funded by the going away SAFER grant.
- Agreed upon salary adjustments for safety employees (with a minimum of 3.0% for 2020 and 2% for 2021) based upon increases realized in specified tax revenues of the General Fund in 2020 and based upon salary survey results in 2021.
- Negotiated salary adjustments for miscellaneous employees (3.0% in 2020, 2% in 2021 and 1% in 2022). Contracts for employees' contracts expire in June 2022.
- Health and Other Post-Employment Benefits (OPEB) are projected to increase on average 3% and 3%, respectively, per year. The City's premium contribution rates are capped for miscellaneous employees. Not all plans cost are at the City's maximum contribution. As a result the cost impact will depend on the plans selected by employees. The contribution rate for Safety employees increase by 50% of the Kaiser premium increase. The City's OPEB liability as of June 2018 was approximately \$114 million, which is approximately 11.6% funded as of April 2019.
- New Miscellaneous and Safety PERS rates, which include the effect of the changes made by CalPERS to (1) lower assumed rate of return on investments, which will be in phased in over three year period beginning in the FY 2018-19 and amortized over 20 years instead of 30 year period and (2) changes to their Amortization and Smoothing Policies, which were utilized to level rate fluctuations over a five instead of a fifteen year period. CalPERS began implementing these changes in FY 2015-16, as shown on the next page.

These rates are based on assumptions that CalPERS will earn a 7.0% in FY 2019-20 and in years after. If future rates of return are lowered further, the City will see additional increases to its contribution rates for both Safety and Miscellaneous employees. For the rates shown on the next page, miscellaneous employees pay 8.868% of the total percentage toward their retirement plan; whereas, public safety employees pay 15.0% of the total percentage toward their retirement plan.

Projected Percent Increase in CalPERS Costs by Public Safety and Miscellaneous Employees Employer Contribution and Employee Contribution



It bears noting that over the past years, in collaboration with employees, the City has worked hard to successfully enact Pension and OPEB reform. Those efforts include limiting retiree health care to former employees-only (spouses and families are now excluded), significant employee financial contributions to both pension and retirement health care benefits, and raising the age of retirement as a result of the State's own pension reform efforts.

In addition to the above actions, in March 2017, the City Council approved establishment of the Public Agency Retirement Services (PARS) Post-Employment Benefits Trust. At that time, the City Council also approved a Pension Rate Stabilization and OPEB Funding Policy (Policy) that directs annual contributions as well as withdrawal of funds for the newly established Trust. The use of the Trust restricts funds so they can only be used to address these long-term obligations. One notable feature of the Policy is to direct any unspent funds of the City's closed legacy pension plans (1079/1082 Pension Plans) toward the Trust, which will also help fund these obligations. Since the policy got adopted, the City contributed approximately \$25.7 million towards funding unfunded OPEB and Pension liabilities. Funding of these obligations enforces fiscal prudence and promotes long-term strategic sustainability for the City.

Other Budget Highlights for Fiscal Year 2019-20

A. *Public Works Department Efforts*

Climate Action and Transportation: The Proposed budget allocates more than \$3 million towards programs and projects consistent with the draft Climate Action and Resilience Plan. In addition, this budget is putting forward approximately \$40 million of grant funded transportation projects. The City has appropriated funding to begin to implement the anticipated Climate Action and Resiliency Plan that comes forward to City Council this summer.

Facility maintenance: Public Works will spend \$3.4 million in facility repairs over the next two years. These repairs follow Alameda's twelve-year facility maintenance plan. This investment will begin

addressing a long-standing need of City facility urgent repairs as recommended by a third-party expert and public works staff.

Stormwater funding: Alameda's stormwater infrastructure, which protects our community from flooding and helps keep our San Francisco Bay clean, requires updating. Yet the City's stormwater fee has not been updated since the early 2000s and no longer raises enough money to fund necessary operations or capital costs. This leaves Alameda with stormwater pump stations at the end of their useful life, and vulnerable to hefty fines from new, complex State and regional regulatory requirements. This budget does not allocate any resources for storm water capital. In July 2019, the City Council will consider authorizing the first step in the process to ballot Alamedans to increase storm water rates and, if moved forward, the balloting could occur as early as October 2019. If the ballot measure passes, this would prevent significant cuts in the operations in storm drain maintenance and street sweeping programs. Should the ballot measure fail, these programs will face significant cuts.

B. Fire Department staffing and SAFER Grant

To meet the demands of emergency response and emergency ambulance transportation capacity, The Fire Department is requesting an allocation of six firefighter positions and an additional ambulance unit. This will be a fourth transport unit for the Department. To assist with the funding for the requested personnel, Fire Department applied for a new SAFER grant in spring 2019 that would provide partial relief for the first three years. However, the outcome of the application will not be known until the fall of 2019. Staff will provide City Council with additional updates regarding this grant as information becomes available.

In addition, this budget includes \$400,000 allocation for a purchase of the fourth ambulance. The Fire Department is attempting to secure grant funding to provide relief to the General Fund. If the Department is successful with the grant application process, the General Fund may only be required to allocate 10% towards the acquisition cost of the ambulance.

C. Technology Upgrades

With the establishment of an Information Technology Department in Fiscal Year 2016-17, the City has been allocating resources to improve its outdated information technology infrastructure. There was moderate investment made in internal technology needs in the last two years. To continue to meet City's own high standards and to provide efficient service internally as well as externally, the proposed biennial budget includes an additional investment of \$1.9 million for replacement of financial and human resource backbone system that supports City-wide operations. This project is intended to improve operational efficiencies. Two new limited term Accountant II position will be funded by the \$1.9 million to support the implementation of the new system.

D. Library

To better service the community, in FY 2019-20 Library is adding a full time Librarian position under the School Services Liaison program. With new staff, more hours will be available to schedule class visits, plan and present on-site programs and work on developing collections that compliment what students have available at school. In FY 2020-21, a Library Technician full time position is added to work on creating computer lab classes, manage the library website and provide marketing support. With the new position, the Library will be able increase number of offered free computer classes and provide for additional operations hours for the computer lab.

E. Recreation and Parks

With the opening of Jean Sweeney Open Space Park, there are now 11 new acres of active parkland and 14 new acres of open space, both of which require significant park maintenance resources to keep it clean and safe. In addition, the maintenance responsibilities of the Marina Village Park and Portola Triangle

Park are being transferred from Public Works to Parks Maintenance. The addition of two Gardeners will increase the capacity of the Parks Maintenance department to address these new parks.

F. Changes to the Position Allocation

The Budget proposes 12 new positions in Fiscal Year 2019-2020 and four new positions in 2020-2021. It is also recommended to delete five vacant positions in Fiscal Year 2019-2020. The changes are outlined

Department	Request	+/- Position	Funding Source	Effective Fiscal Year
AMP	Delete Meter Reader Position	-2	Fees for Service	2019
AMP	Delete Streetlight Maintenance Position	-1	Fees for Service	2019
AMP Total		-3		
Community Development	Add Accounting Technician	1	Base Reuse, FISC, and Tidelands	2020
Community Development Total		1		
Finance	Add Management Analyst/Procurement Analyst	1	General Fund	2020
Finance	Add Two Limited Term Accountant II	2	General Fund	2019
Finance Total		3		
Fire	Delete vacate Community Paramedicine Firefighter	-1	General Fund	2019
Fire	Add 6 Firefighters (3 EMT-certified and 3 Paramedic-certified)	6	General Fund	2019
Fire Department Total		5		
Information Technology	Transfer IT Systems Analyst to Library Budget	0	Internal Service Fund	2019
Information Technology	Transfer 25% of IT Systems Analyst to Planning, Building, Transportation	0	Internal Service Fund	2019
Information Technology	Add Information Technology Systems Analyst	1	General Fund/Internal Service Fund	2019
Information Technology Total		1		
Library	Add Library Technician - Technical Services	1	General Fund and Library Fund	2020
Library	Add Librarian I - School Liaison	1	General Fund and Library Fund	2019
Library	Transfer IT Systems Analyst to Library Budget	0	General Fund and Library Fund	2019
Library Department Total		2		
Planning, Building, Transportation	Transfer IT Systems Analyst To Planning, Building, Transportation	0	Permit Fees	2019
Planning, Building, Transportation	Delete Building Official	-1	Permit Fees	2019
Planning, Building, Transportation Total		-1		
Public Works	Add Accounting Technician	1	Fund 310 (Engineering)	2019
Public Works Total		1		
Recreation and Parks	Add Gardener	1	General Fund	2020
Recreation and Parks	Add Gardener	1	50% General Fund and 50% Assessment Dist	2019
Recreation and Parks Total		2		

in the chart below:

Departmental Goals for FY 2019-20 and FY 2020-21

The City's Departments have a number of significant goals planned for FYs 2019-20, 2020-21 and beyond.

City Council

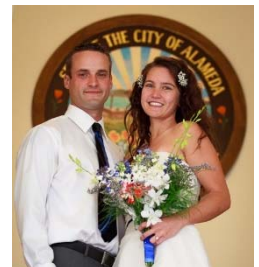
- Establish work-plan priorities for Charter Officers (City Manager, City Attorney and City Clerk) that address community needs and organizational priorities;
- Direct policy initiatives, as necessary, that focus on the fiscal health of the City to ensure long-term financial viability;
- Provide proper stewardship to ensure rapid response Public Safety;
- Create the proper climate to facilitate the redevelopment of Alameda Point as well as other sites such as the Northern Waterfront;
- Provide direction that will ensure and promote Alameda's Quality of Life including support for Parks, Recreation, Library, Public Works, and other services that touch the lives of those in our community;
- Ensure residents can travel on and off island in a safe and convenient manner using different modes of transportation including cars, public transit and bicycle and walking;
- Develop policy alternatives that address the wide scope of housing and homeless issues facing the City and the Region;
- Continue stewardship of the environment and develop policies that protect Alameda and can serve as a model for other communities in the Region;
- Adopt an annual legislative program to guide City advocacy efforts regarding the State budget, fiscal reform, transportation funding, and employee relations; and
- Represent the City's interests with regional government agencies, including the Alameda County Transportation Commission, the Water Emergency Transportation Authority, the Association of Bay Area Governments, The League of California Cities, and the Waste Management Authority.

City Attorney

- Provide high-quality, cost-effective legal services that are responsive to the needs of the legislative bodies and staff of the City of Alameda;
- Continue resolution of pending litigation matters at lowest possible costs to the City, while maintaining a strong City legal defense strategy; and
- Offer legal and risk management services necessary to minimize City liability and exposure.

City Clerk

- Ensure compliance with the Sunshine Ordinance, Brown Act, Elections Code, Fair Political Practices Commission regulations and the Public Records Act;
- Provide accurate and impartial election information to candidates, campaign committees and the public;
- Promote the highest level of customer service; and
- Generate revenue from civil marriage ceremonies and acceptance of passport applications.



City Manager

- Provide leadership in the development of solutions to the current fiscal challenges, including reducing costs, streamlining the organization, fostering economic development, exploring new revenue sources, and promoting interdepartmental cooperation;
- Support opportunities for the City Council to play a leadership role at the regional, state and national level on issues of importance to the community;

- Promote interagency relationships with other public entities to ensure efficient and effective service delivery;
- Ensure that information requests made by residents, businesses, Council members and other local stakeholders are addressed promptly and thoroughly; and
- Foster effective working relationships with the business community, school districts and residents.

Finance

- Manage the financial resources of the City consistent with financial policies and budget principles established by the City Council and our high standards of accountability to the public;
- Provide timely budget and financial reports to City departments to assist in meeting departmental missions;
- Ensure sound budget and expenditure control oversight and reporting of the City's funds to protect the fiduciary interest of the community;
- Administer City expenditures in conformance with municipal code requirements for contracts and payables;
- Begin the implementation process of updating the City's Finance and Human Resources technology infrastructure to gain efficiencies; and
- Update or establish written documentation for various finance policies and procedures.

Information Technology

- Continue implementation of recommendations from the Information Technology Strategic Master Plan to rebuild the City's technology infrastructure and advance city operations through workforce and workplace efficiencies;
- Provide critical desktop computer support to City staff; and
- Maintain, support and protect hardware and software applications to ensure availability and reliability for customers and internal staff.

Human Resources

- Assist the Executive Management Team to plan, manage, and coordinate changes to the City organization that make it more adaptable to changing circumstances;
- Provide excellent and responsive customer service to City Departments in meeting the challenges and demands of workforce planning;
- Assist with the competitiveness of the City for attraction and retention of qualified staff;
- Review requirements of federal and State mandates to ensure that the City is in compliance; and
- Create an environment where employees feel supported, understand expectations and continue to grow.

Central Services

- Maintain City facilities in a secure, clean, and acceptable condition, as resources allow;
- Maintain City facilities at a level to prevent any interruptions of occupancy; and
- Ensure City vehicles are maintained to prevent any service interruptions.

Library

- Provide a broad and diverse collection of books and other library materials to meet the varied interests and needs of the community;
- Promote collaboration among staff to attain high-performance and customer-focused library;
- Use new technology to optimize the development and delivery of library services; and
- Provide library programs and publications to educate, enrich and inform library users.



Recreation and Parks

- Provide flexible recreation activities that address the diversity of community needs;
- Provide innovative, inclusive and accessible programs to youth, teens and seniors that encourage positive personal growth in the areas of social, educational and health enrichment; and
- Improve park maintenance services and project management through efficient staff management.



Planning, Building and Transportation

- Prepare amendments to the Alameda Municipal Code to:
 - Increase the amount and type of affordable housing in each residential project
 - Facilitate redevelopment of vacant and underutilized waterfront sites on the Northern Waterfront and Alameda Point;
- Continue to streamline the building permit process and strive for outstanding customer service to those building, remodeling and upgrading structures in Alameda; and
- Facilitate the planning and implementation of multimodal complete streets plans and designs to improve safety for all modes and to provide more transportation options.

Community Development and Base Reuse

- Continue work on the Economic Development Strategic Plan and actively promote a business-friendly environment;
- Preserve economic development opportunities in all mixed-use zoned properties;
- Facilitate the transfer, reuse and development of former federal lands by effectively implementing planning and contractual development documents for Alameda Point;
- Administer an efficient commercial and residential leasing program for Alameda Point; and
- Facilitate the construction and development of parcels and the backbone infrastructure as approved and permitted within the NAS Alameda Community Reuse Plan.



Housing

- Administer the City's various affordable housing funds to maintain and expand the supply of affordable housing;
- Implement the Five-Year Affordable Housing Pipeline plan, which calls for the development of over 200 units of housing affordable to very low-, low- and moderate-income families;
- Manage the Down Payment Assistance Program and Inclusionary Housing Program to provide ownership opportunities to first-time homebuyers; and
- Maintain policies and procedures for effective and efficient operation of the CDBG and HOME programs.



Fire

- Protect and preserve the lives and property of Alameda's residents and business community during emergencies;
- Develop and implement strategies to navigate economic challenges and to sustain viable fire and emergency medical services;
- Enhance efficient service delivery through the use of new technology, improved training methods, and regional and community partnerships; and
- Analyze and develop solutions to enhance emergency medical service delivery within the city.



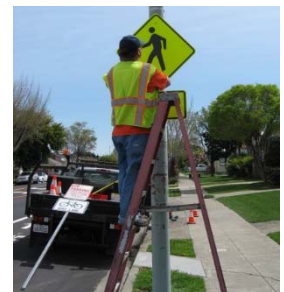
Police

- Respond to Priority One and non-emergency calls for service within designated time frames;
- Enhance efficient service delivery through the use of technology;
- Recruit, hire and develop qualified men and women from a diverse community to maintain high levels of service to the community;
- Increase efforts in traffic enforcement to reduce the number of pedestrian-related accidents;
- Continue the School Resource Officer Program, providing law enforcement liaison services to public high schools and middle schools; and
- Continue to work with the Friends of the Alameda Animal Shelter to ensure high quality delivery of animal services



Public Works

- Provide cost-effective planning, design, construction, and maintenance of public infrastructure and facilities that minimizes or reduces future operating costs and liabilities;
- Pursue local, regional, state and federal funding opportunities to address deferred maintenance needs;
- Support City operations with a safe, functional and reliable facility and fleet; and
- Support planning and engineering for transportation projects.



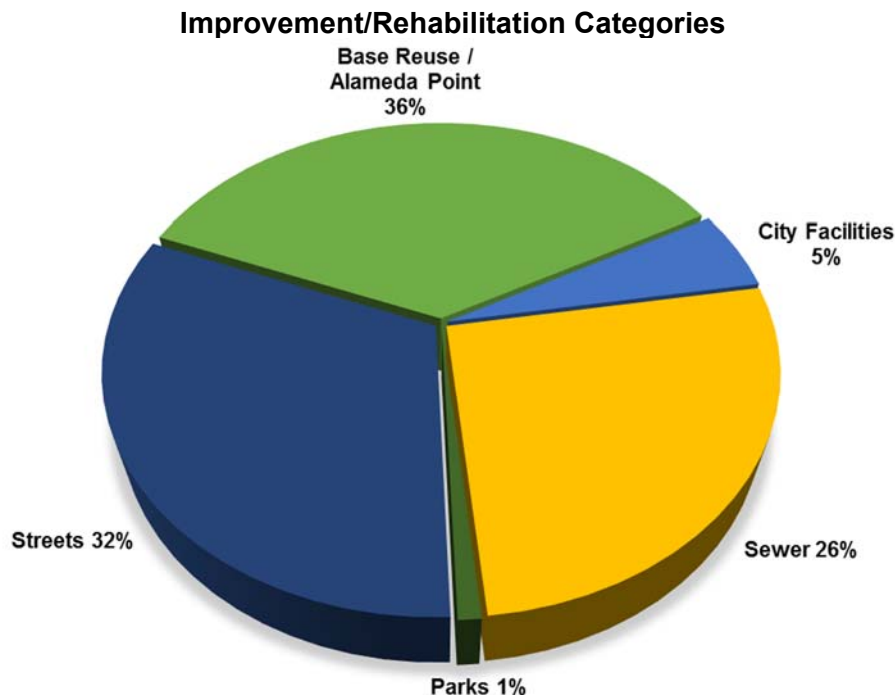
Capital and Maintenance Projects Proposed for FY 2019-20 and 2020-21

The proposed capital projects budget for FY 2019-21 totals approximately \$79.2 million, as summarized on the chart below. The three main categories of capital projects relate to: Base Reuse - Alameda Point (36%), streets and streets related rehabilitation (32%) and sewer rehabilitation and pump station maintenance (26%). The General Fund is scheduled to contribute \$5.2 million over the two year period toward the capital and maintenance projects program. Some of the major projects proposed include the following (amounts represent two year totals):

Proposed Capital and Maintenance Projects

Category	Name of Project	FY 2019-21 Budget
Base Reuse/Alameda Point	Adaptive Reuse Infrastructure	\$28.4 million
Sewer	Rehabilitation	\$17.8 million
Sewer	Pump Stations	\$2.9 million
Streets	Pavement Management Programs	\$6.5 million
Streets	Clement Avenue Improvements	\$3.5 million
Streets	Urban Forest Maintenance	\$3.3 million
Streets	Streets Reconstruction and Improvement	\$2.9 million
Streets	Traffic Signals, Calming and Systems	\$2.6 million
Streets	Central Avenue Improvements	\$2.5 million
Streets	All Other	\$3.8 million
City Facilities	Rehabilitation	\$4.2 million
Parks	Park Maintenance Improvements	\$0.4 million
Parks	Playground Replacements	\$0.3 million

A summary of the projects by improvement and rehabilitation categories is shown below:



Despite ongoing investment in public infrastructure, the City still has a significant amount of deferred maintenance and unfunded capital projects. The Public Works Department developed a priority plan, including funding rate structure, to begin addressing the deferred maintenance costs.

Summary

The City is able to present a balanced budget for the General Fund for FY 2019-20 and 2020-21 through a combination of new revenue source, continuing growth in the existing revenues and the City's careful fiscal management.

The City Council and City staff have worked together to develop a balanced budget while meeting the City's operational needs and addressing the quality of life priorities our community wants addressed, such as 911 public safety and response services, excellent parks, recreation and libraries, disaster preparedness, and responsible maintenance of infrastructure such as streets and potholes. In particular, thanks are due to members of the City's Executive Management Team, the City Manager's Office and Finance staff who produced the budget document and contributed critical insights and countless hours of dedicated work to this major undertaking, and members of the public who have provided their input year-round. Every manager in the organization was involved in a significant way in helping to develop a responsible and balanced approach putting together this budget. I want to give special thanks to Elena Adair and Amy Wooldridge for their commitment and efforts in preparing the Budget. We also thank those residents who have partnered in these efforts by taking the time to comment during the Budget Study Sessions, by email, or in person.

We are all committed to preserving Alameda as a safe, well-maintained community where people can raise their families. Our City must continue to maintain its financial stability and quality of life -- no matter what happens with federal policies that potentially affect Alameda and other California cities.

On behalf of all City employees, staff looks forward to working with the City Council and the community on the implementation of this policy document, which honors our commitment to maintaining the quality of life for every resident. The result of the City's efforts will be a continuing commitment to providing high-quality services to the Alameda community, maintaining facilities and infrastructure, and proactively responding to changing fiscal realities so that we maintain local control over our own financial health.

With the City Council's leadership and the help of our community, we can continue to maintain strong fiscal stewardship while ensuring our budget and financial policies reflect spending consistent with the community's priorities and desires.

Respectfully submitted,



Eric Levitt
City Manager