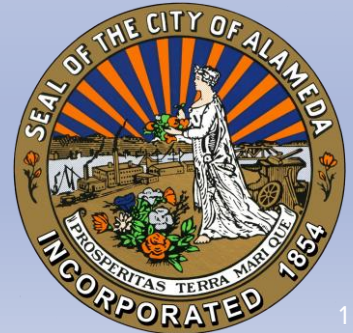


Proposed FY 2026-27 Mid-Cycle Budget

City Council Budget Workshop
June 2nd, 2026



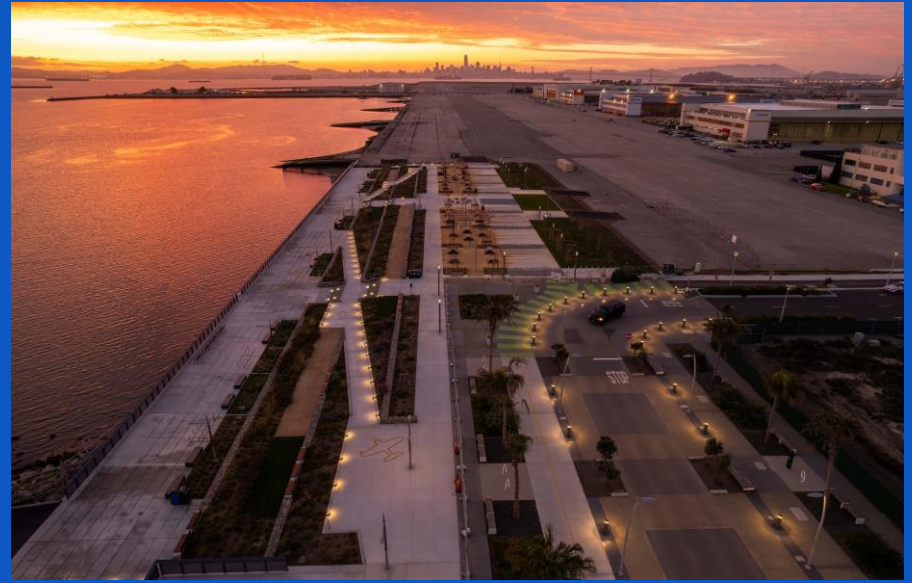
City Council Strategic Priorities



1. Enhance Community Safety & Services
2. Build Resilience to Climate Change & Water Level Rise
3. House All Alamedans and End Homelessness
4. Invest in Transportation, Infrastructure, Economic Opportunities & Historic Resources
5. Practice Fiscally Responsible, Equitable & Inclusive Governance



Budget Overview



FY26-27 Mid-Cycle Budget Council Direction

- Add Parking Technician (Offset by revenue)
- Add 4 Police Officers
- Convert the following requested full-time positions into part-time equivalents:
 - One Budget Analyst in Finance
 - One Safety Officer in HR
 - One Office Assistant in Fire
 - One Park Maintenance Worker (for 6 months) in ARPD
- Utilize \$4.4M in fund balance in the OPEB Trust fund to pay annual OPEB costs
- Note: All new positions to be reviewed by new City Manager before any actions are taken

New Position Requests Converted to Part-Time Equivalents

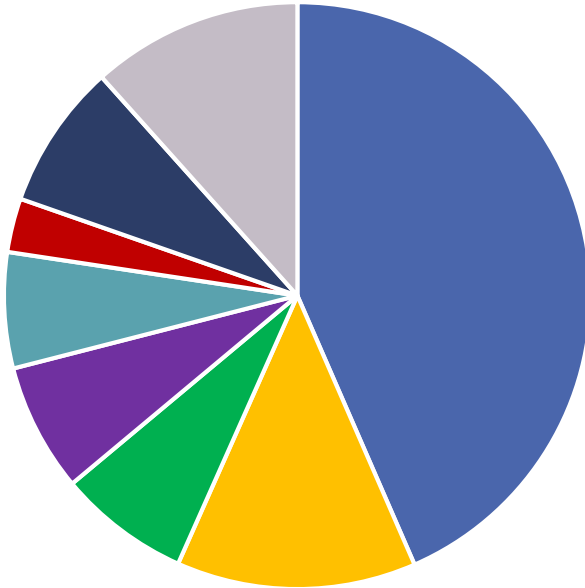
Dept	Full-Time Position Requested	Cost	Part-Time Position	Cost	Savings
ARPD	Park Maintenance Worker I (6 months only)	\$64,000	Maintenance Specialist I (6 months only)	\$33,500	\$30,500
Finance	Administrative Management Analyst	\$197,770	Administrative Specialist II	\$97,000	\$100,770
Fire	Office Assistant	\$130,100	Administrative Assistant II	\$53,000	\$77,100
HR	Safety Officer	\$197,770	Administrative Specialist II	\$97,000	\$100,770
PW	Division Manager	\$251,800	None	\$0	\$251,800
	TOTAL	\$841,440		\$280,500	\$560,940

FY26-27 Mid-Cycle Budget Overview

- Overall, City remains in a **stable but tight financial position** due to reliable property tax revenues, healthy reserves, and a modest residual fund balance
- With incorporated changes, the City's General Fund Expenditure Budget is **\$159.28 million** and its Revenue Budget is **\$158.56 million**
- Aquatic Center construction bid increased costs by **\$5 million** and is coming to Council for consideration June 16, 2026.
- Possible Transfer Tax Ballot Measure could cost the City **\$10 million** per year
- The anticipated ending residual fund balance is projected to be:
 - **\$9.7 million** (with Aquatic Center increase included)
 - **\$14.7 million** (without Aquatic Center increase)

General Fund Revenues by Category

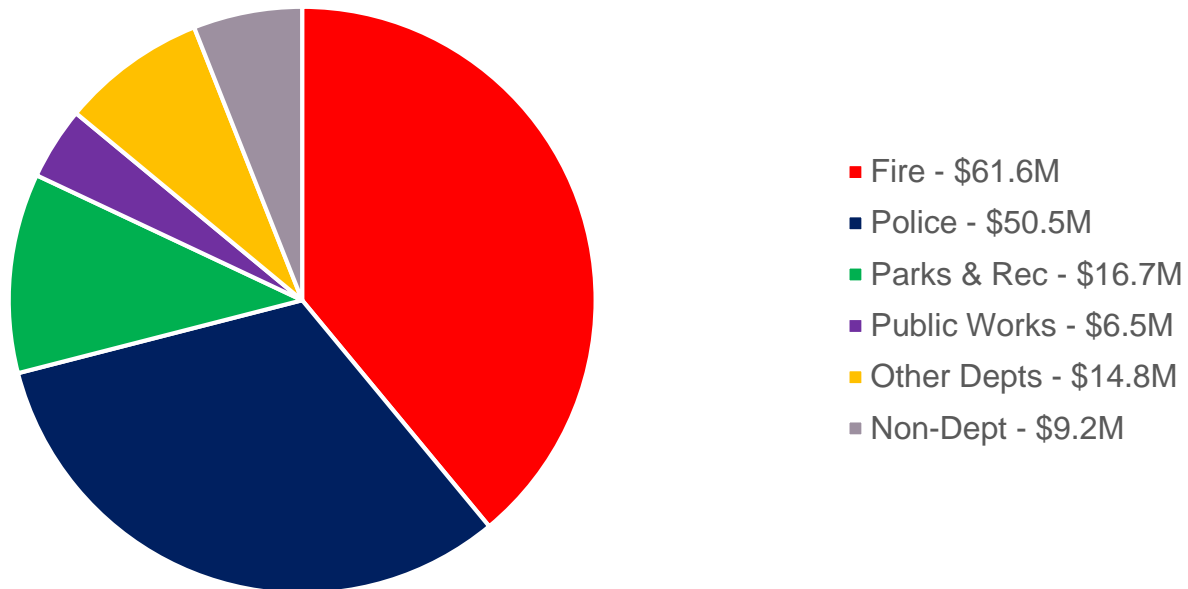
Revenue Type - \$158.6M



- Property Tax - \$68.8M
- Sales Tax - \$20.9 M
- Property Transfer Tax - \$11.5M
- Fees & Charges for Services - \$11.2M
- Utility Users Tax \$10.1M
- Investments Income - \$4.7M
- Other Revenues - \$13M
- Transfers In - \$18.4M

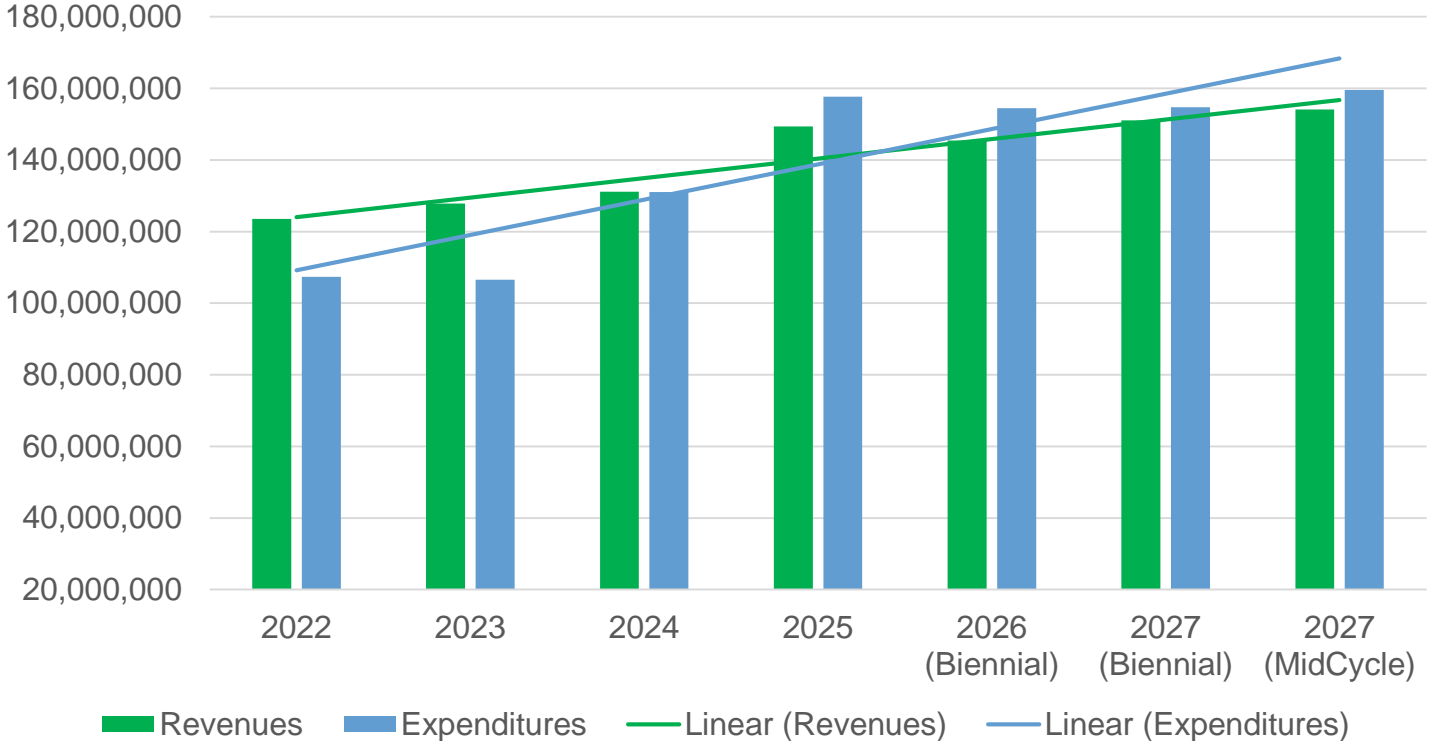
General Fund Expenditures by Department

Departments - \$159.3M



General Fund Expenditures Outpacing Revenues

General Fund Trends – Revenues vs. Expenditures



Average Yearly Expenditure Growth: 7.33%

Average Yearly Revenue Growth: 4.53%

Upcoming FY27-29 Biennial Budget Anticipated Cost Increases

- Unfunded pension liabilities increased payment: \$2,000,000 per year
- Dignity Village operations (grant funds expire): \$2,000,000 per year
- Library Fund continued General Fund support (previous use of fund reserves): \$1,250,000 per year
- IT Internal Service Fund rate holiday ending: \$750,000 per year
- Totals to **\$6 million** in ongoing annual costs starting in Fiscal Year 2027-28

Next Steps

Next Steps

- Review whether to convert part-time positions to full-time positions at FY26-27 Mid-Year after completing the 5-year forecast
- Approve and adopt the FY26-27 Mid-Cycle budget and workforce changes as proposed in the staff report.

Council Questions, Discussion & Direction

Thank you

Ecaterina Burton,
Budget Manager



Ross McCarthy,
Finance Director