

City of San Leandro

City Council Winter Planning Session



San Leandro Main Library
February 1, 2014

Overview

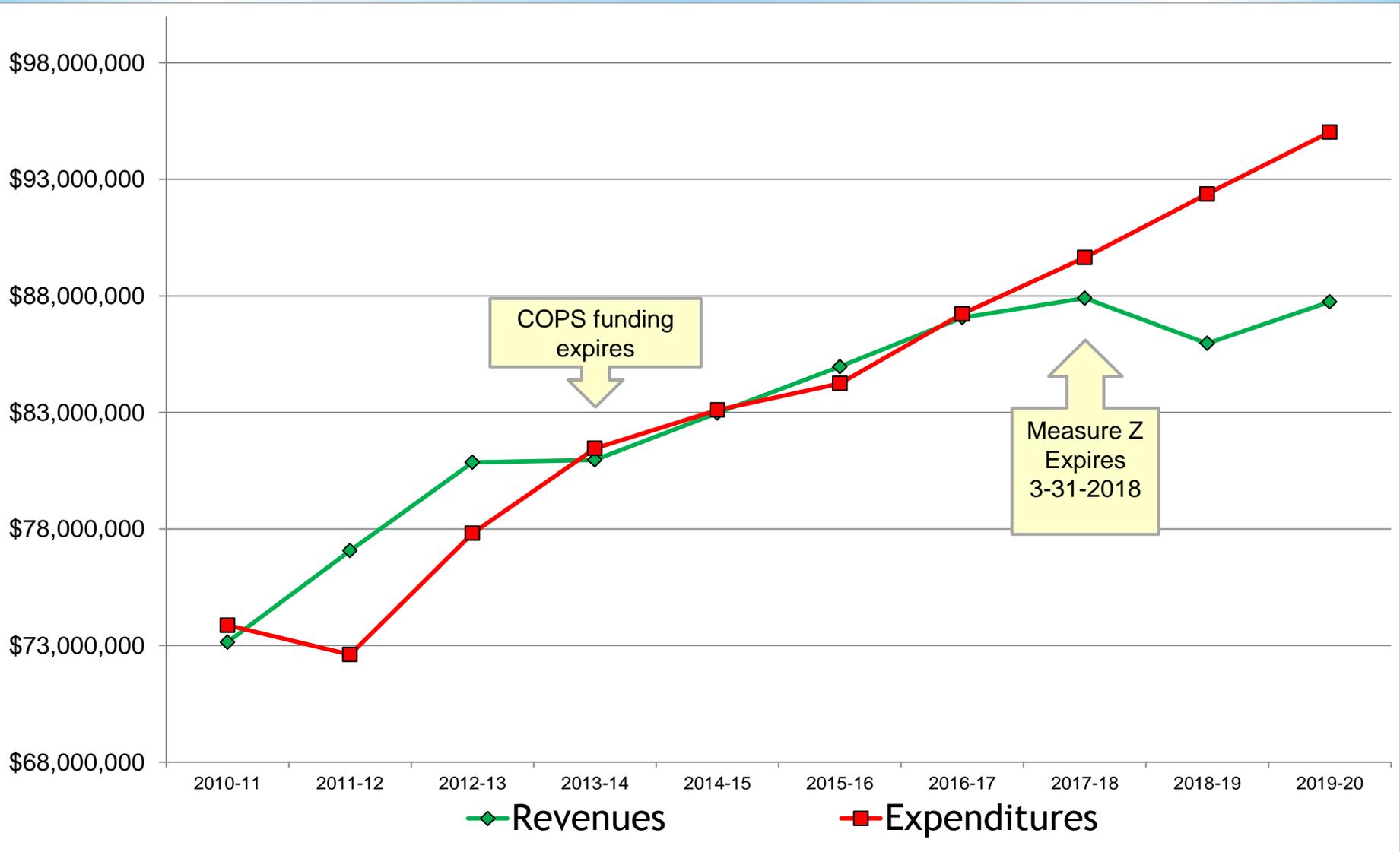
- ◆ Acknowledgements – Community, Council, Employees – Past and Present
- ◆ General Fund focus – unfunded liabilities
- ◆ Local economic conditions
- ◆ Historical view – City budget, General Fund
- ◆ Forecast – General Fund projection through 2019-20
- ◆ Budget considerations
- ◆ Budget update calendar

City Council Goals Addressed

The City Council planning session supports the following goals:

- ◆ Place the City on a firm foundation for long-term fiscal sustainability
- ◆ Support and implement programs, activities and strengthen communication that enhance the quality of life, including wellness, in San Leandro and promote a sense of community and civic pride

General Fund Forecast 2013-14 thru 2019-20



General Fund Focus

(Dollars in thousands)

Estimated Short-term unfunded liabilities:

1.	Next Generation implementation	\$500	1 year
2.	Community Investment	450	1 year
3.	City vehicle needs	405	1 year
4.	Local Preference Policy implementation	100	On-going
5.	Water utility increase	45	1 year
6.	Medical marijuana dispensary selection and implementation process	50	1 year
7.	General Plan - Climate Action plan	40	1 year
8.	Emergency preparedness needs	100	1 year
9.	Fire Department equipment requests	720	1 year
	Total	\$2,410	

General Fund Focus

(Dollars in thousands)

Estimated Project-based unfunded liabilities:

1.	Streets and Road improvements (PCI 70)	On-going	\$ 80,000
2.	Capital Improvements Program (CIP)	On-going	225,000
3.	Casa Peralta renovation	One-time	300
4.	Engineering studies/infrastructure	Annual	275
5.	Downtown Wi-Fi	Annual	50

Budget Considerations – Top 10 CIP

#	Capital Improvement Program Project / Department
1	Annual Street Sealing 2014-15 / Engineering & Transportation (E&T)
2	Annual Overlay & Rehabilitation 2014-15 / E&T
3	South Office & Public Safety building modifications / Police
4	Sanitary Sewer replacement 2014-15 / Public Works
5	Back-up Communications and Information Technology Facility at Emergency Operations Center / City Manager
6	PWS Projects for 2013-14 and 2014-15 / Public Works
7	Police Public Safety building / Police
8	Annual Sidewalk Improvement Program–City properties 2013-14 / E&T
9	Public Safety Communications Center expansion / Police
10	E. 14 th Street South Area Medians – 145 th Ave. to southern City limit / Community Development

General Fund Focus

(Dollars in thousands)

Estimated Long-term unfunded liabilities:

1.	Miscellaneous/Safety unfunded OPEB (ARC is \$1,639,000)	\$16,179
2.	Miscellaneous unfunded CalPERS (ARC is \$5,508,921)	43,401
3.	Safety unfunded CalPERS (ARC is \$3,248,516)	27,223
4.	Fire Department unfunded OPEB (ARC is \$1,636,000)	18,418
	Total	\$105,221

Local Economic Conditions on San Leandro's Budget

- ◆ Property tax
 - ◆ Assessed values increasing
 - ◆ Revenues rebounding, and exceeding 2008-09 high-point
- ◆ Sales tax
 - ◆ Consumer confidence on the rise
 - ◆ Revenues increasing and exceed 2006-07 high-point
 - ◆ Measure Z sales tax revenues sunset March 31, 2018
- ◆ Utility Users tax
 - ◆ Revenues remain flat at \$9.9M over the past 3 fiscal years
- ◆ Continued fallout from RDA dissolution

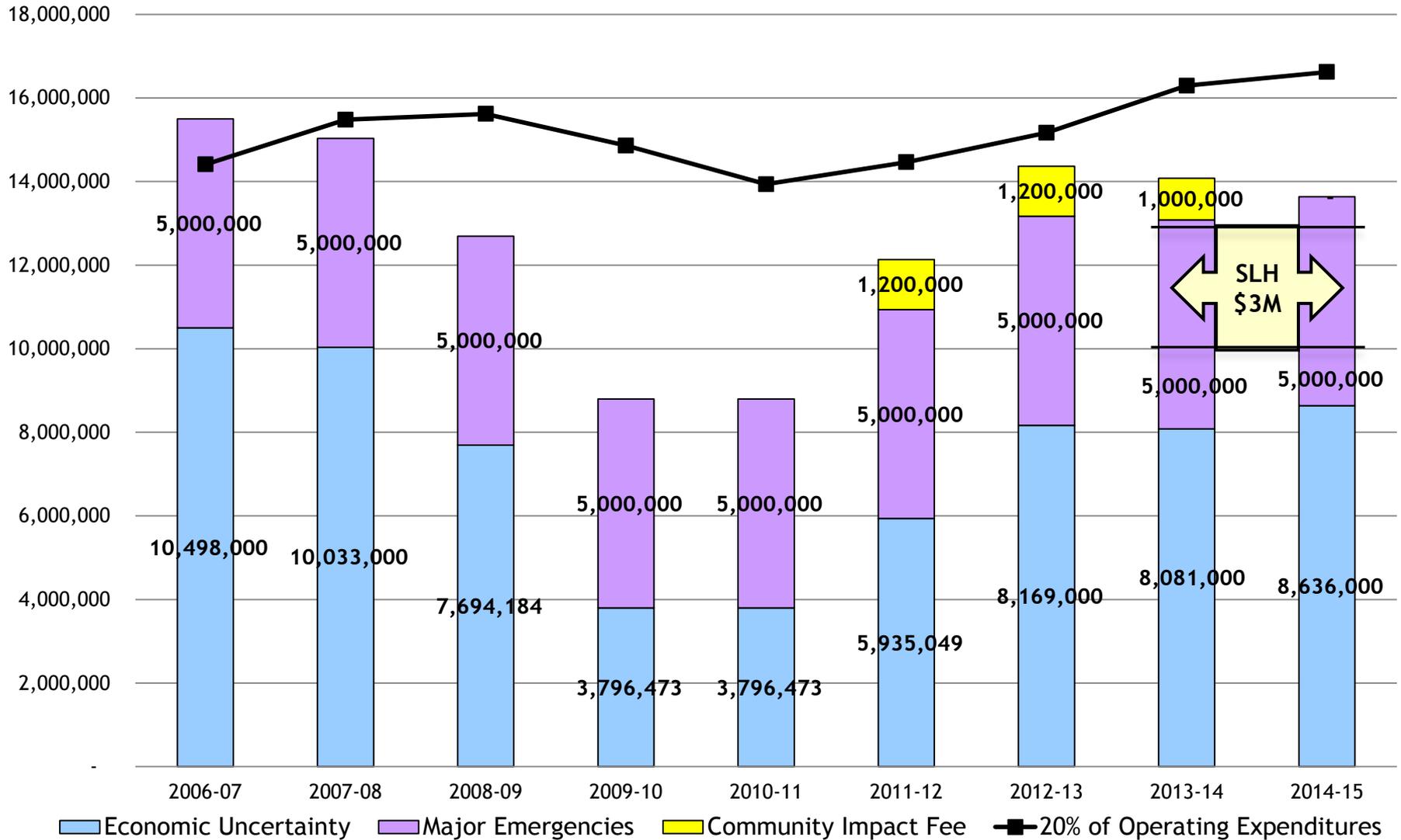
Economic Conditions (cont.)

- ◆ San Leandro overall property assessed values increased 5.8% from last year
- ◆ Home Foreclosure rates for 2013 (Zillow.com):
 - ◆ San Leandro decreased to 42 from last year of 99
 - ◆ Alameda County decreased to 722 from last year of 2,073
- ◆ Unemployment rates for December 2013 (EDD):
 - ◆ San Leandro = 6.2%
 - ◆ Alameda County = 6.3%

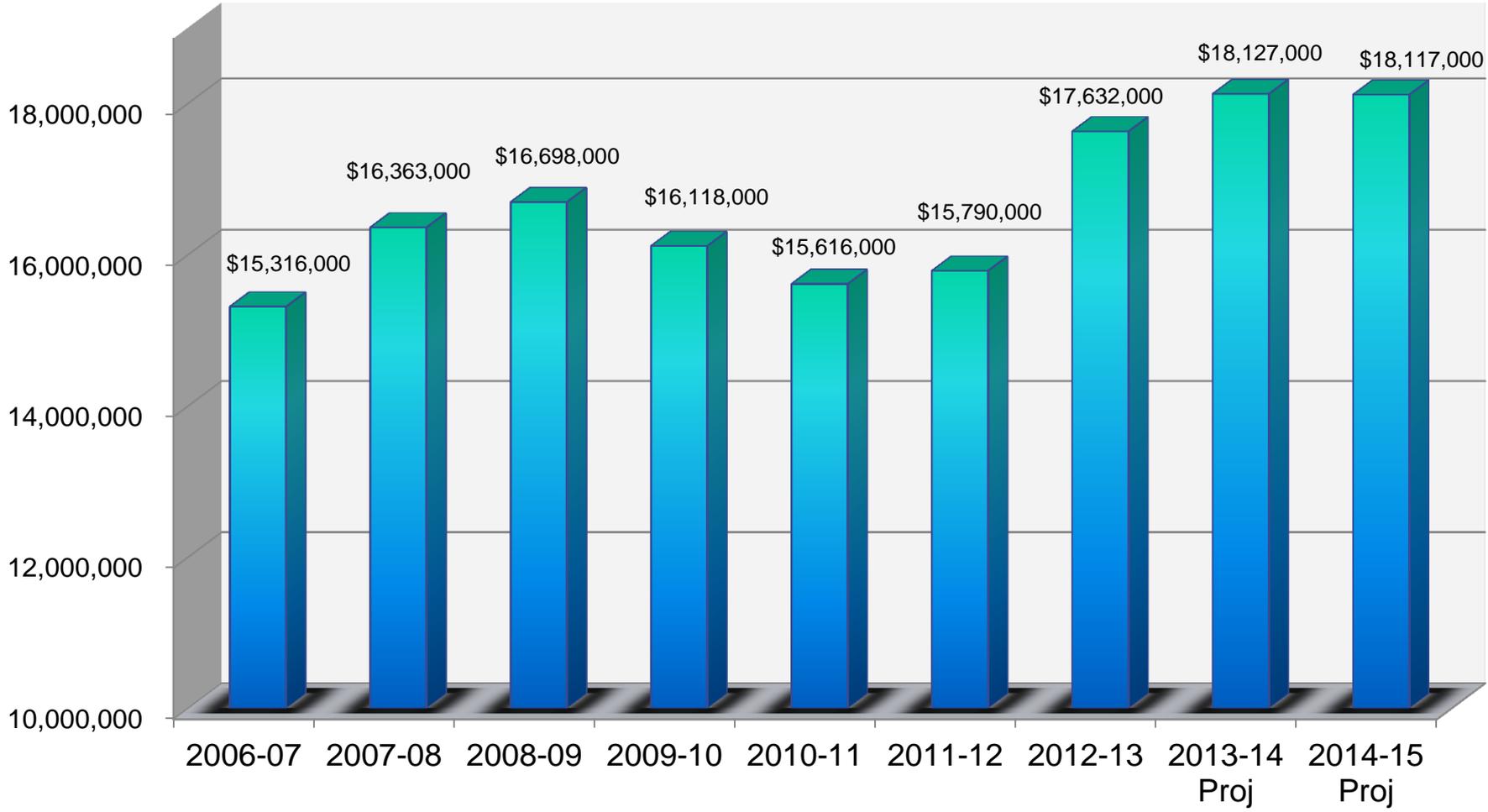
Historical View City Budget and General Fund

General Fund Reserves

Historical Data, 2006-07 thru 2014-15



Property Tax Revenue 2006-07 through 2014-15



Allocation of Property Tax Collected in San Leandro (Per Dollar)

Schools 46¢

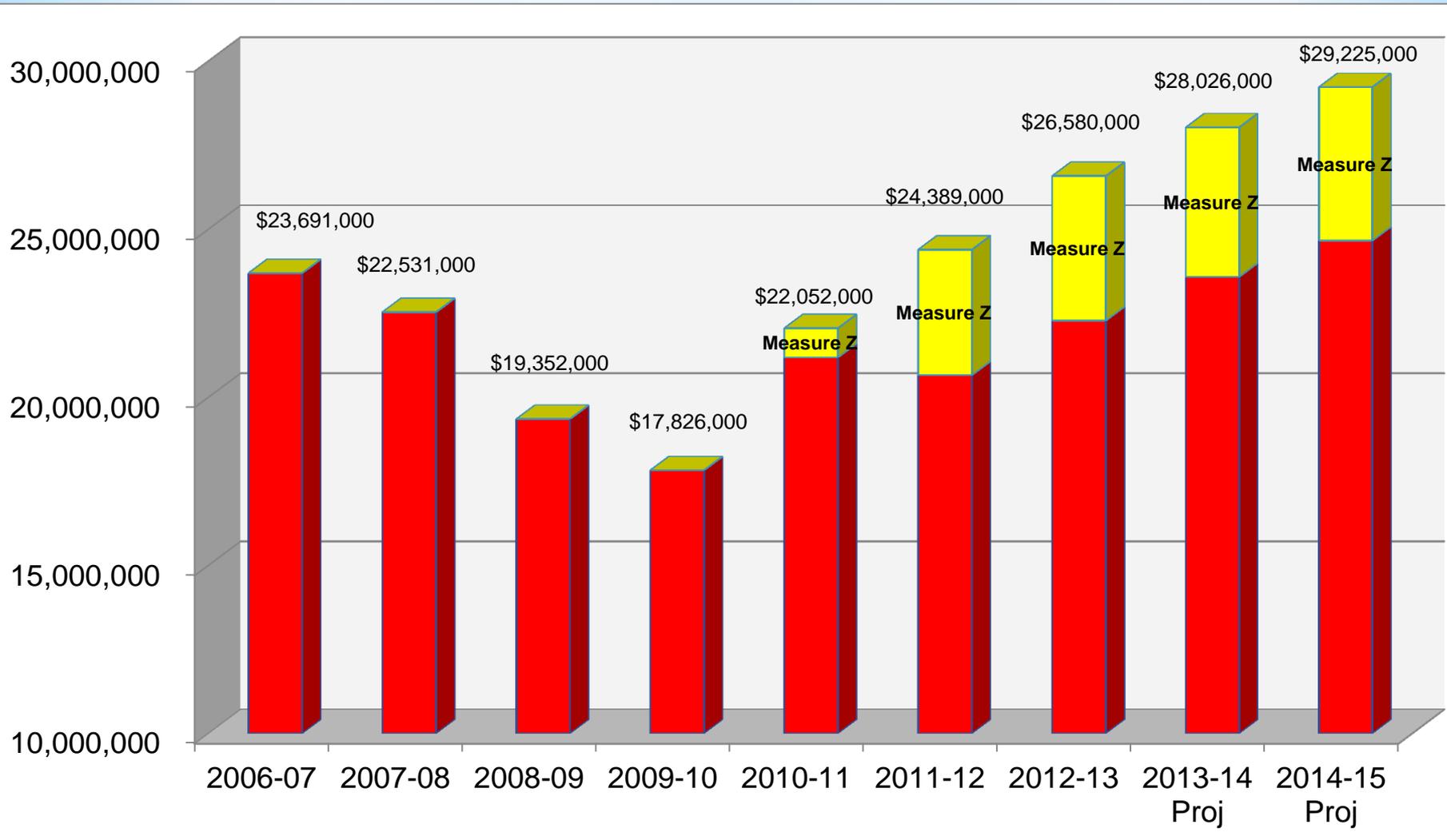
Special
Districts
17¢

City of
San
Leandro
12¢

County General
Fund
25¢



Sales and Use Tax Revenue 2006-07 through 2014-15



Distribution of Sales Tax Collected in San Leandro (Per Dollar)

State of California
67.5¢

City of San Leandro
11¢+2.5¢

Alameda County
19¢



Measure Z

Measure B

BART

General Fund Forecast

General Fund Seven Year Forecast Assumptions 2013-14 thru 2019-20

REVENUES (Dollars in thousands)

Description	2013-14 Proj	2014-15 Proj	2015-16 Proj	2016-17 Proj	2017-18 Proj	2018-19 Proj	2019-20 Proj	Assumptions
Sales tax	17,654	18,374	19,147	19,824	20,865	21,954	22,833	Used MuniService's Optimistic scenario; Meas.Z ends 3/31/18
Sales tax backfill	5,925	6,284	6,396	6,878	7,016	7,156	7,299	
Transaction tax	4,447	4,567	4,778	4,997	3,919	0	0	
Property tax		0%	3%	2%	2%	2%	2%	Assessed value increases
UUT		1%	1%	1%	1%	1%	1%	Conservative approach
Business license		2%	2%	2%	2%	2%	2%	CPI
All Other revenues		1%	1%	1%	1%	1%	1%	Conservative approach

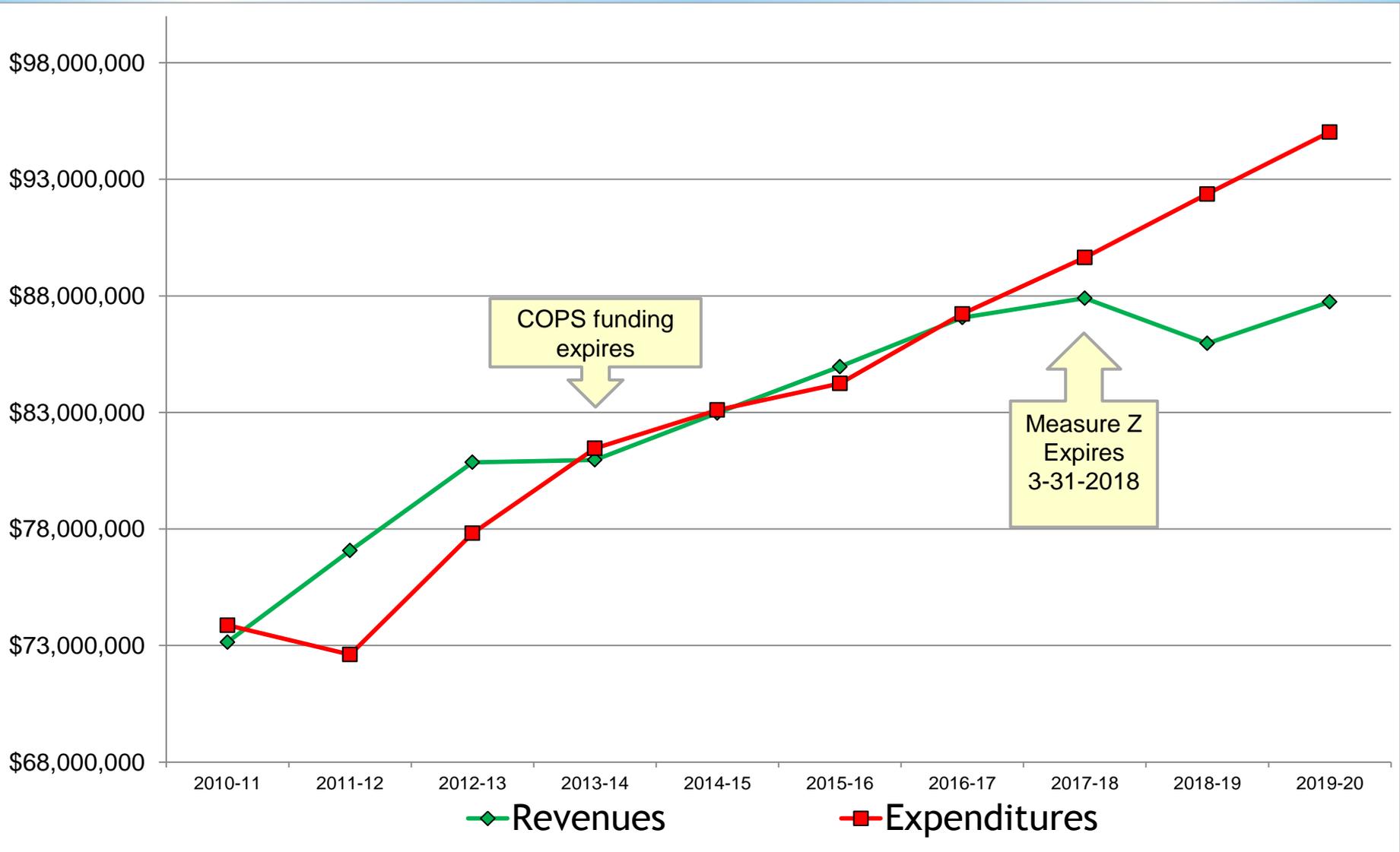
General Fund Seven Year Forecast Assumptions 2013-14 thru 2019-20

EXPENDITURES (Dollars in thousands)

Description	2013-14 Proj	2014-15 Proj	2015-16 Proj	2016-17 Proj	2017-18 Proj	2018-19 Proj	2019-20 Proj	Assumptions
Salary adjustments		6%	5%	2%	2%	2%	2%	initial MOU increases
Medical rates		4%	10%	10%	10%	10%	10%	est. health care increases
PERS rates:								
Safety (refinan. 2012)		0%	2%	8%	8%	8%	7%	} based on 10/2013 CalPERS forecast, est. 2017 - 2020
Miscellaneous		1%	-2%	9%	9%	8%	8%	
Retiree Medical *	950	1,000	1,000	1,000	1,000	1,000	1,000	
Services & supplies		-2%	1%	1%	1%	1%	1%	Conservative approach
Consulting		-44%	-50%	2%	2%	2%	2%	gen. plan update done in 2015
Legal fees		2%	3%	3%	3%	2%	2%	CPI
Fire service fees		3%	3%	3%	3%	3%	3%	CPI
OPEB trust account*	750	750	500	500	500	500	500	

*** The ARC is \$1,639,000 per year and is partially funded in the Retiree Medical and OPEB trust accounts.**

General Fund Forecast 2013-14 thru 2019-20



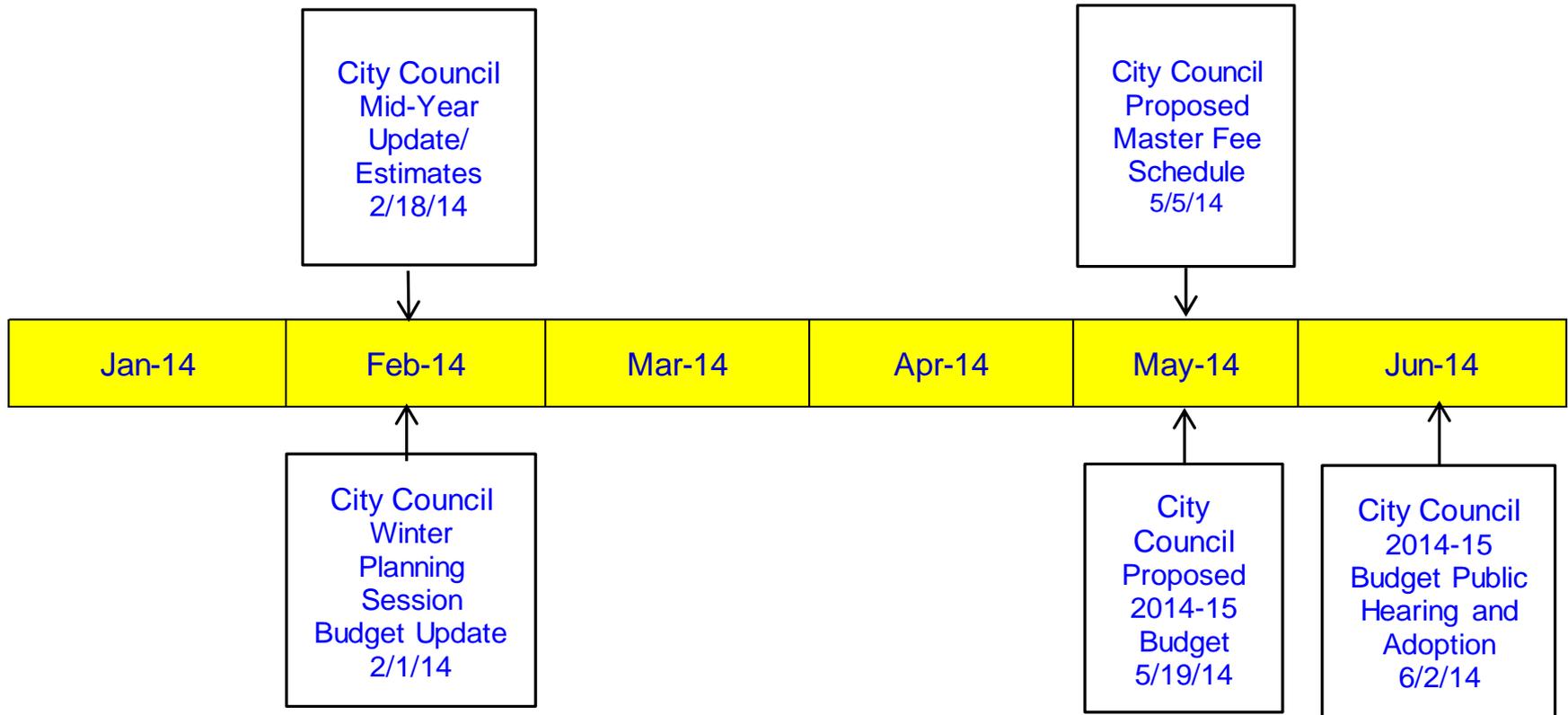
Budget Considerations

- ◆ Continuing increases in the following:
 - ◆ Service level demands
 - ◆ Facility and maintenance needs
 - ◆ Health benefits and CalPERS
 - ◆ Streets and roads deterioration
 - ◆ Unfunded liabilities
 - ◆ Fire contract services and equipment
 - ◆ Technology requests/needs
- ◆ 20% reserve threshold

Budget Considerations (cont.)

- ◆ Sustainability strategy and plan beyond Measure Z
 - ◆ Process improvements/efficiency
 - ◆ Grants
 - ◆ Innovation
 - ◆ Revenue enhancement
 - ◆ Organizational participation
- ◆ Goals and priorities alignment

2014-15 Budget Calendar



Questions?
