

# **City of San Leandro City Council Planning Session**



**San Leandro Senior Community Center  
January 31, 2015**

# Overview

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- Acknowledgements – Community, Council, Employees – Past and Present
- City Council Goals
- Local economic conditions
- General Fund focus and forecast
- Budget considerations
- Measure HH and BB
- Budget calendar

# City Council Goals 2014-15

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- Place San Leandro on a firm foundation for long-term fiscal sustainability
- Advance projects and programs promoting sustainable economic development, including transforming San Leandro into a center for innovation
- Provide quality public safety service and grow our partnership with the community to keep San Leandro safe
- Maintain and enhance San Leandro's infrastructure
- Support and implement programs, activities and strengthen communication that enhances the quality of life and wellness, celebrates the arts and diversity and promotes civic pride
- Maintain and support a strong positive relationship between the City, schools and the educational community

# Local Economic Conditions and San Leandro's Budget

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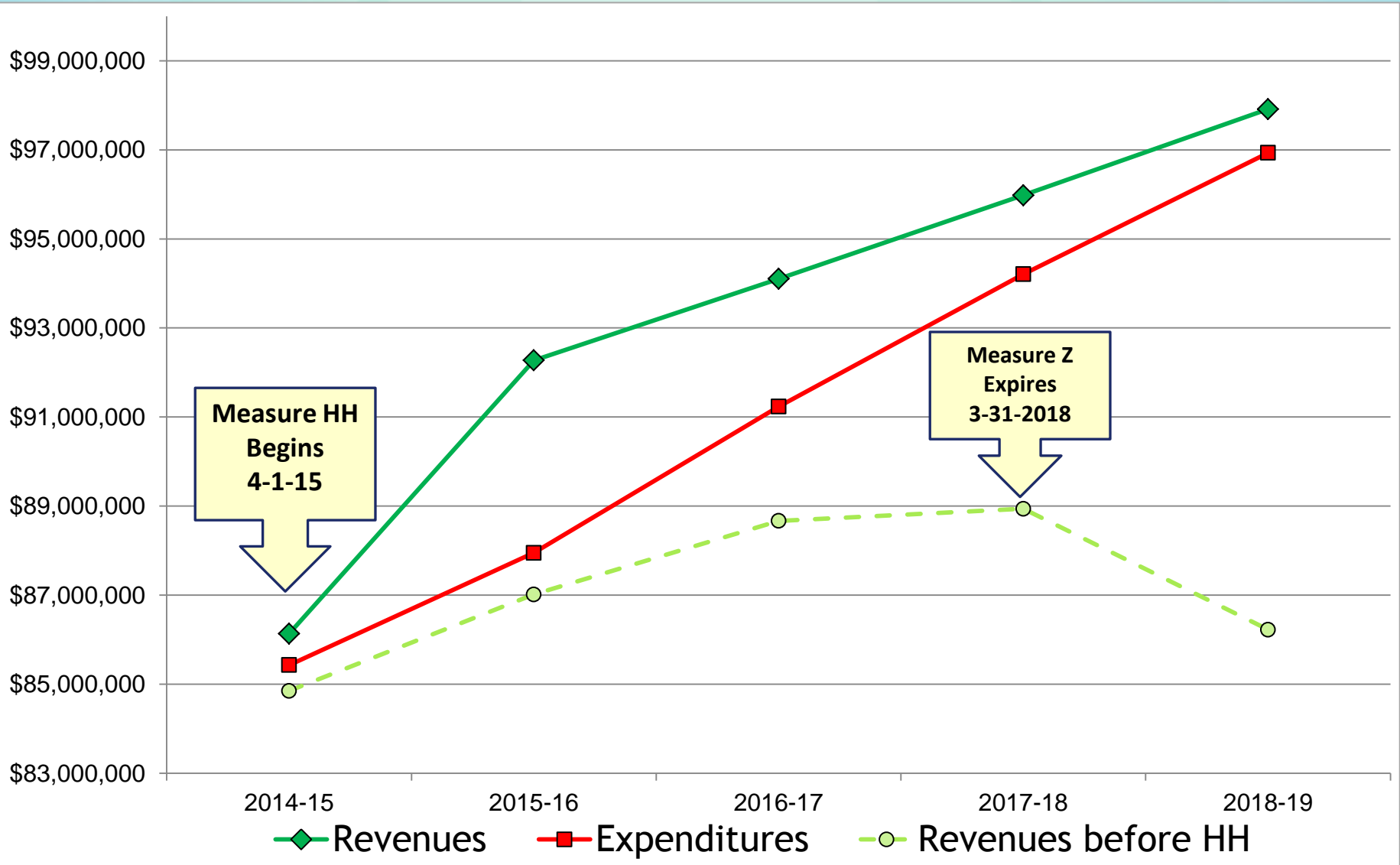
- Property tax
  - San Leandro overall property assessed values are flat for 2014-15
  - Assessed values increasing in subsequent years
- Sales tax
  - Consumer confidence on the rise
  - Revenues increasing and exceed 2006-07 high-point
  - Measure HH sales tax revenues commence 4-1-2015
- Utility Users tax
  - Revenues increased by 2.7% in 2013-14
- RDA dissolution ongoing

# Economic Conditions (cont.)

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- Housing prices improving - inventories low
- Unemployment rates for December 2014 (EDD):
  - San Leandro = 4.9%
  - Alameda County = 5.0%

# General Fund Forecast 2014-15 thru 2018-19



# General Fund Five Year Forecast Assumptions 2014-15 thru 2018-19

## REVENUES (Dollars in thousands)

Description	2014-15 Proj	2015-16 Proj	2016-17 Proj	2017-18 Proj	2018-19 Proj	Assumptions
Sales tax	19,054	25,828	27,659	28,342	29,051	Muni Services Estimates Backfill ends 2015-16 Meas HH begins 4/1/15
Sales tax backfill	6,514	1,139	-	-	-	
Transaction tax	5,974	10,364	10,772	11,222	11,690	
Total sales tax %	13%	18%	3%	3%	3%	
Property tax	0%	2%	2%	2%	2%	Assessed value increases
UUT	1%	1%	1%	1%	1%	Conservative approach
Business license	2%	2%	2%	2%	2%	CPI
All Other revenues	1%	1%	1%	1%	1%	Conservative approach

# General Fund Five Year Forecast Assumptions 2014-15 thru 2018-19

## EXPENDITURES (Dollars in thousands)

Description	2014-15 Proj	2015-16 Proj	2016-17 Proj	2017-18 Proj	2018-19 Proj	Assumptions
Salary adjustments	6%	5%	2%	2%	2%	initial MOU increases
Medical rates	4%	10%	10%	10%	10%	est.health care increases
<b>PERS rates:</b>						
Safety	-4%	37%	8%	7%	7%	} based on 10/2014 CalPERS forecast, est. 2017 - 2019
Miscellaneous	-3%	-2%	8%	6%	6%	
Retiree Medical *	1,000	1,000	1,000	1,000	1,000	
Services & supplies	39%	-6%	1%	1%	1%	Conservative approach
Consulting	21%	-22%	2%	2%	2%	gen. plan update done in 2015
Legal fees	3%	3%	3%	3%	2%	CPI
Fire service fees	3%	2%	2%	2%	2%	CPI
OPEB trust account*	750	750	750	750	750	

**\* The Annual Required Contribution (ARC) is \$1,377,000 per year and is funded in the Retiree Medical and Other Post Employment Benefits (OPEB) trust accounts.**



# Budget Considerations

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- Continuing increases in the following:
  - Labor contracts up for renewal
  - Service level demands
  - Facility and maintenance needs
  - Health benefits and CalPERS
  - Streets and roads deterioration
  - Unfunded liabilities
  - Fire contract services and equipment
- 20% reserve threshold
- Goals and priorities alignment
- Implement projects and priorities established for:
  - Measure BB
  - Measure HH

# General Fund Focus

*(Dollars in thousands)*

## Requests for General Fund funding:

	Description	Annual cost	
1.	Business/broadband incentives	\$150	2 years
2.	Community Investment	300	2 years
3.	Restaurant/brewery incentives	100	1 year
4.	Local Preference Policy implementation	100	On-going
5.	Water utility increase	50	On-going
6.	Police Officer increase – downtown bicycle officer (Comm Benefit District matching \$100,000)	200	On-going
7.	Emergency preparedness needs	50	2 years
8.	Alameda County Fire service contract	TBD	On-going
9.	2 School Resource Officers (COPS grant \$250k for 3 years; General Fund support 4+ years)	270	On-going
	<b>Total</b>	<b>\$1,220</b>	

# General Fund Focus

*(Dollars in thousands)*

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Ideas for use of Measure HH funding:

1.	Streets and Road improvements (\$2M per year for 5 years)	On-going	\$ 10,000
2.	Public Safety building improvements (South Office)	One-time	6,800
3.	Casa Peralta renovation	One-time	500
4.	Fire apparatus (Phase I = \$700k fire engine, Phase II = \$1.3M ladder truck)	One-time	700
5.	Library services – Project Literacy	One-time	60
6.	Siempre Verde Park reconstruction	One-time	700
	<b>Total</b>		<b>\$18,760</b>

# General Fund Focus

*(Dollars in thousands)*

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Estimated Long-term unfunded liabilities at 6/30/13:

1.	Miscellaneous unfunded CalPERS (Annual Required Contribution "ARC" is \$5,313,275)	\$ 70,257,480
2.	Safety unfunded CalPERS (Annual Required Contribution "ARC" is \$3,085,446)	53,090,454
3.	Miscellaneous/Safety unfunded Other Post Employment Benefits "OPEB" (Annual Required Contribution "ARC" is \$1,377,000)	14,576,000
4.	Fire Department unfunded Other Post Employment Benefits "OPEB" (Annual Required Contribution "ARC" is \$1,814,000)	19,796,000
	<b>Total</b>	<b>\$157,719,934</b>

# 2015-16 and 2016-17 Budget Calendar

