

City of San Leandro FY 2011-12 City Manager's Proposed Budget

**City Council Meeting
May 16, 2011**



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FY 2011-12 Budget Overview

- Slow economic recovery
- Without Measure Z – would have \$3.5M deficit

- Significant budget cuts since FY 2008-09
 - Almost 20% reduction in workforce (92 positions)
 - Reduced reserve levels
 - Implemented furloughs and benefit reductions

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FY 2011-12 Budget Overview

- **Balanced operational budget – 1st time in 3 years**
 - **Any new expenses require offsetting reductions**
- Maintains current levels of service
- Very limited program changes (Senior Community Center)
- Focus on sustainable budget
 - Future contract negotiations
 - Business development
 - Balancing future fund deficits

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Discussion Topics

- Budget overview
- State budget update
- Budget calendar, process & document
- City Council goals
- Total City budget
- General Fund budget
 - budget balancing & 5-Year Forecast
- All other funds – including RDA
- Capital Improvement Program (CIP)

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State Budget "May Revise"

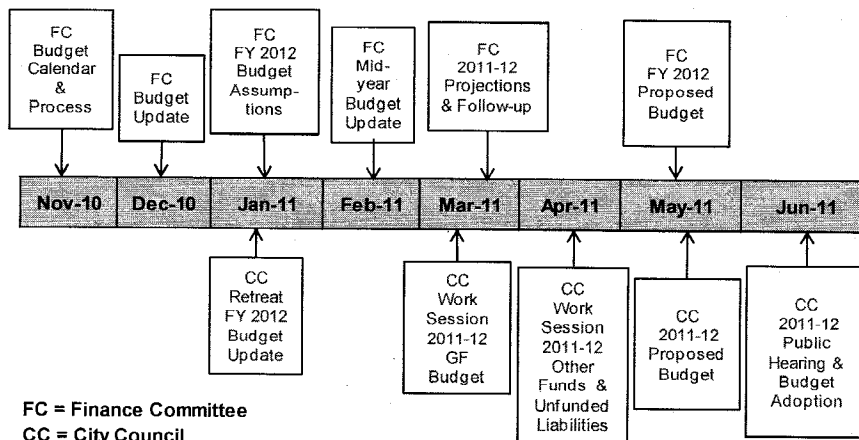
- May Revise issued today & still includes:
 - Public safety realignment plan
 - Eliminating Redevelopment Agencies

- Revised State deficit now \$10.8B
 - Net of cuts already taken, some spending increases, and increased revenues

- Unknown final budget outcome
 - RDA pending State budget outcome...

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FY 2011-12 Budget Calendar



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Budget Process & Document

- Started budget process with
 - City staff in August 2010
 - Council Finance Committee in November 2010
 - City Council in January 2011

- Regular updates to City Council and Finance Committee

- Key budget document changes
 - 5-year forecast models for all funds
 - CIP project summary
 - Department budgets reflect budget for all funds
 - (not just the General Fund)

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City Council Goals

Maintain fiscal sustainability
Maintain high quality public safety
Enhance quality of life
Maintain/enhance City infrastructure
Provide long-term/quality development
Support schools
Establish Shoreline as self-supporting asset

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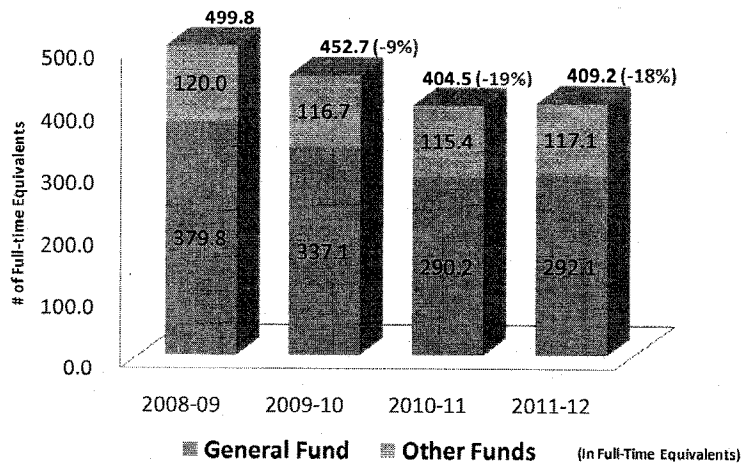
Total City Budget

	Actual FY 2009-10	Adopted FY 2010-11	Proposed FY 2011-12	Change fr 2009-10	Change fr 2010-11
<i>(in 1,000's)</i>					
General Fund	75,923	69,979	71,760	-5%	3%
All Other Funds	72,470	54,571	49,036	-32%	-10%
Total City Budget:	148,393	124,550	120,796	-19%	-3%

- 3% GF growth (funding from Measure Z)
- 2011-12 19% less than 2009-10
- 2011-12 3% less than 2010-11

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Total City Staffing



- 2011-12 increase of 4.7 FTE largely due to grant funds
- 2008-09 baseline year for comparison

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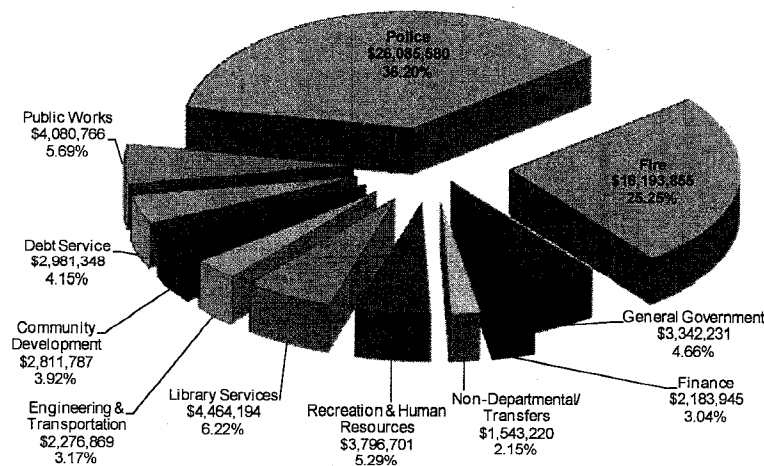
Department Budget Summary

All Funds Budget Summary	2010-11 Adopted	2011-12 Proposed	Change	2011-12 FTE
General Government*	8,189,518	8,366,690	177,172	33.9
Finance	3,493,934	3,740,564	246,630	15.0
Police	25,481,122	26,950,737	1,469,615	136.5
Fire	17,880,223	18,193,855	313,632	-
Community Development	4,071,898	3,992,635	(79,263)	18.6
Redevelopment Agency	15,198,731	14,030,668	(1,168,063)	8.9
Engineering & Transportation	2,772,255	2,751,319	(20,936)	24.6
Public Works	21,440,100	21,835,539	395,439	102.8
Recreation & Human Services	3,850,102	4,220,325	370,223	35.8
Library	4,492,083	4,602,613	110,530	33.2
Non-Departmental	1,628,207	1,543,220	(84,987)	-
Capital Improvement Program	7,796,877	4,022,374	(3,774,503)	-
Transfers/Other	8,255,331	6,545,700	(1,709,631)	-
Total	124,550,381	120,796,239	(3,754,142)	409.2

*City Council, City Manager, Human Resources, Information Technology, City Clerk, City Attorney

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GF Budget \$71,760,496



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FY 2011-12 Balancing Plan

- Initial deficit projections of about \$1.1M
- Balanced with recurring measures:
 - Line-item budget review resulted in recurring cuts
 - Revised revenue projections

General Fund Balancing Plan

Expenditure reductions	802,000
New revenues over original projections	298,000
Total Balancing Measures	1,100,000

- *Future years require additional balancing measures*

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Budget Assumptions

- No position reductions – no wage increase
- Maintain current level of service (reduced from 2009)
- Furlough & medical cost share savings
- PERS Employer rate increases
- No State budget impacts (RDA not reduced)
- Increase to Reserve by \$300K (2011-12 only)
- Conservative revenue estimates –slow economic recovery
- Anticipate increased growth in future years as economy recovers

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General Fund Forecast

	Y1	Y2	Y3	Y4	Y5
	2010-11	2011-12	2012-13	2013-14	2014-15
<i>(in thousands)</i>	Projected	Projected	Projected	Projected	Projected
Beginning Fund Balance	13,493	10,736	10,736	10,611	9,740
Total Revenue	68,460	71,760	72,874	74,140	75,434
Total Expenditures	70,676	71,760	72,999	75,011	77,298
Adjustment					
Operating Surplus/(Shortfall)	(2,216)	-	(125)	(871)	(1,864)
Resources/(Requirements)	(541)	-	-	-	-
Ending Fund Balance	10,736	10,736	10,611	9,740	7,876
Less Designated Reserves					
Major Emergencies	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Community Impact	(1,200)	(900)	(600)	(300)	-
RDA-Plaza Project Loan Repayme	(2,137)	(2,137)	(2,137)	(2,137)	(2,137)
Other Designations	(50)	(50)	(50)	(50)	(50)
Designated Reserve Balance:					
Economic Uncertainty	2,349	2,649	2,824	2,263	689

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Other Revenue Funds

- All but one fund projected to end 2011-12 positive
 - Shoreline Fund with \$116K deficit
 - Staff to return to Council with proposed balancing plan

- Some funds with current operating shortfalls
 - Offset by available fund balance

- Some funds with future shortfalls and/or deficits

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Special Revenue Fund Balance Summary

	2010-11	2011-12	2012-13	2013-14	2014-15
Special Revenue Funds					
DFSI	843,548	881,107	980,083	1,078,942	1,177,684
Park Development	169,242	222,296	275,171	327,864	380,374
Parking	47,635	3,885	14,664	17,453	14,366
Gas Tax	540,688	74,177	(489,338)	(1,103,096)	(1,754,839)
Gas Tax (2103)	832,531	-	-	-	-
Measure B	924,018	1,000,000	1,061,502	1,105,654	1,134,322
TCRF/Prop 42	-	-	-	-	-
Asset Seizure	734,579	734,579	734,579	734,579	734,579
Heron Bay	452,284	301,241	148,480	(6,711)	(162,824)
Cherrywood	254,976	276,520	298,467	320,825	343,603
Proposition 1B	20,690	-	-	-	-
Special Grants	306,935	335,612	335,612	335,612	335,612
CDBG	-	72	-	-	-
Home Grant	-	2,762	470,142	945,283	1,426,887
Housing In-lieu	66,505	66,505	66,505	66,505	66,505
Business Improvement District	24,000	-	(27,650)	(58,987)	(94,046)
PEG	-	-	-	-	-

- Gas Tax Fund in deficit by 2012-13 – requires balancing
- BID in deficit starting in 2012-13 – requires balancing
- Heron Bay in deficit starting in 2013-14 – requires balancing

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Enterprise & Internal Service Funds Fund Balance Summary

	2010-11	2011-12	2012-13	2013-14	2014-15
Enterprise Funds					
Water Pollution Control Plant	16,546,062	20,932,715	18,670,967	15,098,123	17,734,763
Environmental Services	1,132,567	927,394	594,302	218,684	(185,284)
Shoreline	-	(116,668)	(279,823)	(480,474)	(708,567)
Storm Water	144,795	131,643	102,582	50,790	(16,720)
Internal Service Funds					
Building Maintenance	350,937	351,312	300,000	300,000	300,000
Information Technology	681,530	578,424	578,424	578,424	578,424
Self Insurance	730,861	731,090	731,090	731,090	731,090
Equipment Maintenance	1,151,636	1,046,207	1,046,206	1,046,206	1,046,206

- Shoreline Fund only fund with critical deficit
- Storm Water and Environmental Services Funds deficits in FY 2014-15
- All other funds with positive fund balance

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Redevelopment Fund Balance Summary

	2010-11	2011-12	2012-13	2013-14	2014-15
Redevelopment Agency Funds					
Plaza Project Area	512,750	708,538	1,082,423	1,439,800	1,665,461
Joint Project Area	680,559	67,646	(404,434)	(672,473)	(715,025)
W. San Leandro/ Macarthur Project Area	730,668	1,814,532	3,472,276	4,641,539	5,876,077
Low/Moderate Housing	2,831,777	3,815,060	5,188,853	6,274,553	7,427,798

- Joint Project Area deficit beginning in 2012-13
- Possibly look to other RDA funds to help balance fund

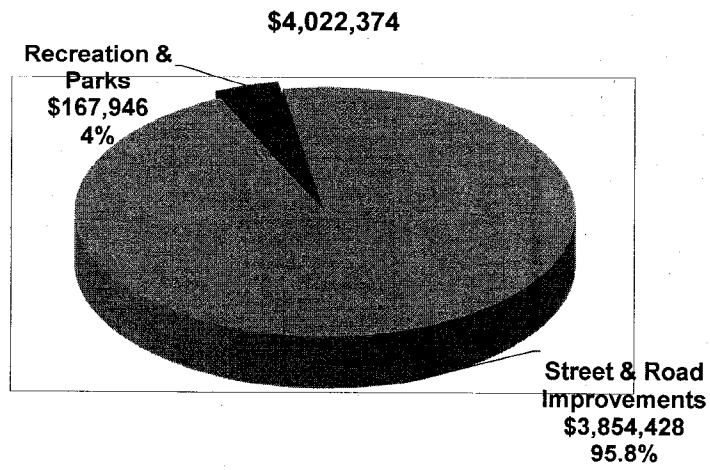
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FY 2011-12 CIP Funding Summary

Projects	Total
Annual roads overlay/rehab	1,587,210
Annual street sealing	1,000,000
Annual sidewalk program	342,676
FY 2012 ADA Ramp Project	181,923
Traffic Signal: Washington/Monterey	414,832
Misc. traffic studies	20,000
Annual Bike/Ped program	60,000
Ped-oriented Safety program	45,000
Shoreline riprap project	150,000
ADA Transition Plan	130,000
Internal Service charges	90,733
Total	4,022,374

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FY 2011-12 CIP Program Allocation



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Questions?

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