
BUDGET OVERVIEW AND COUNCIL INITIAL DIRECTION

COUNCIL WORK SESSION MAY 17, 2017



OVERVIEW

- Citywide Expenditures
- General Fund Revenue Historical Trends
- General Funds Expenditures
- General Fund 5 year Projection
- Impact of PERS and Steps Taken to date
- Projected 5-year Annual Cost of PERS
- Community Stated Goals from 2016 Quality of Life Survey
- On-Going and One-Time Requests
- Council Direction to Staff

BUDGET VISION & GOALS

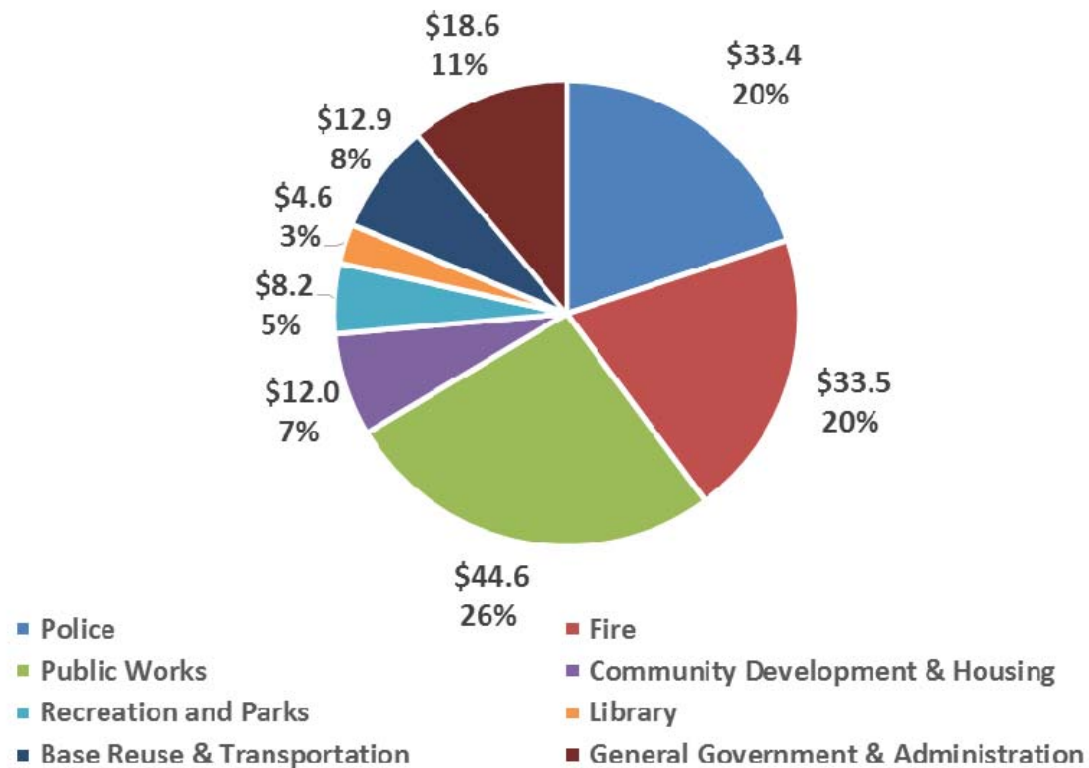
- Intent: a Transparent, Fiscally-Accountable, and Community-Responsive Budget Process
- 2016 Quality of Life Survey assessed resident perspectives and priorities
- By virtually a three to one margin (59-22), Alamedans said City is on the right track
 - Very high level of confidence (over 75%) in the quality of life in our neighborhoods
 - A safe, well-maintained community
 - Fiscal Sustainability, no matter what happens with federal policies.

*We thank City Staff for putting this information together, and for the community's interest.
Tonight's objective is to receive high-level input, questions, and direction from the City Council.*

No votes will be taken this evening.

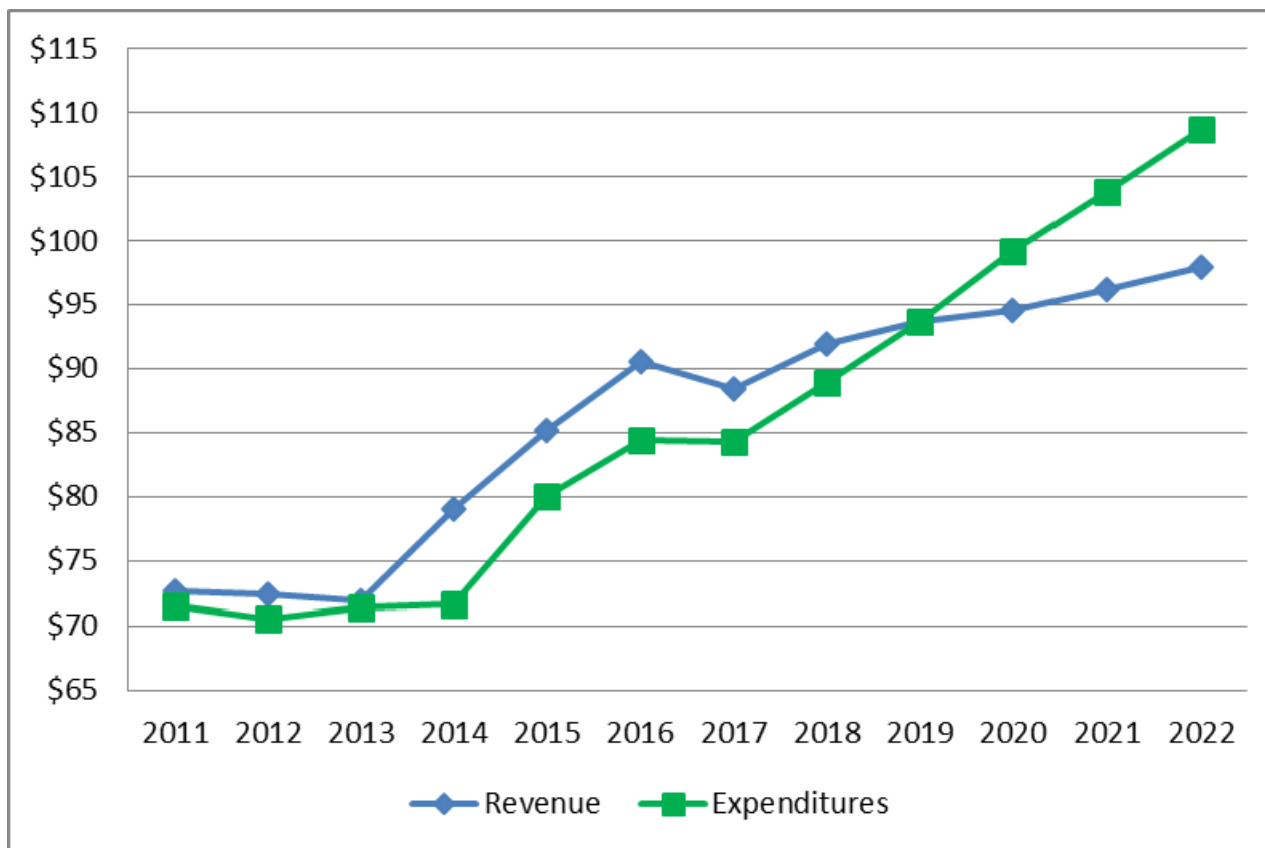
CITYWIDE PROPOSED EXPENDITURES BUDGET BY DEPARTMENT (IN MILLIONS)

■ FY 2017-18



GENERAL FUND BUDGET OVERVIEW

REVENUE AND EXPENDITURE TRENDS (IN MILLIONS)



GENERAL FUND FY16-17 REVIEW

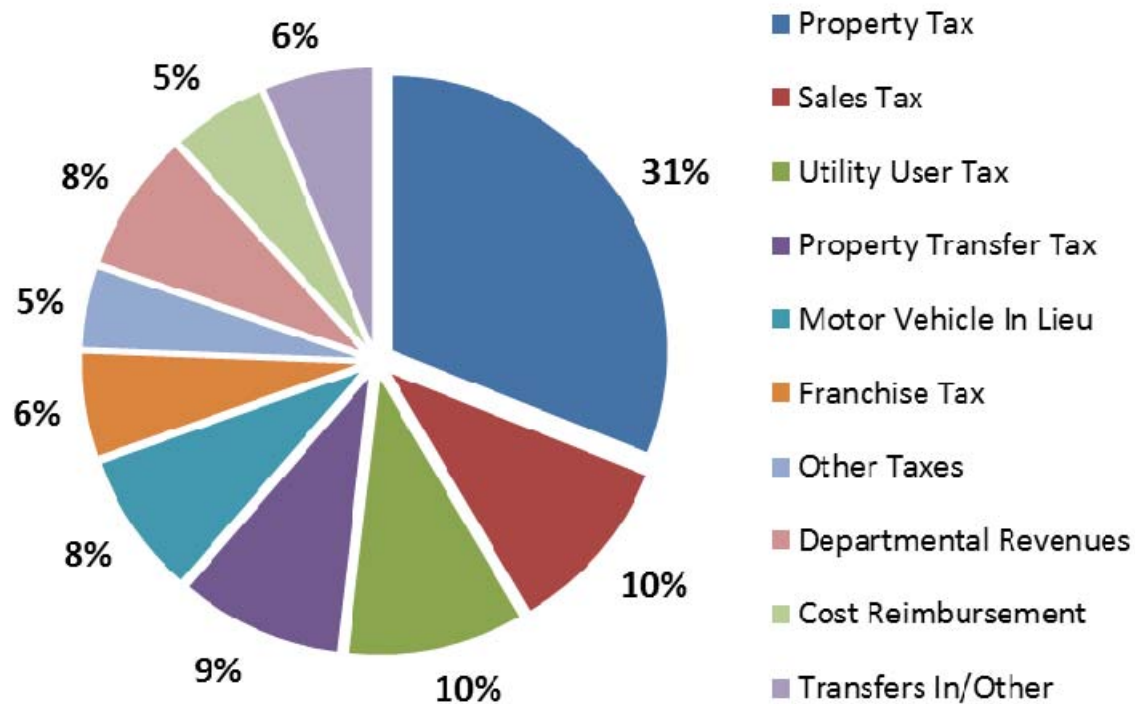
(in millions)

	Budget (Revised)	End of Current year (Projection)	Change
Beginning Available Fund Balance	<u>\$ 27.3</u>	<u>\$ 27.3</u>	<u>\$ -</u>
Revenues & Transfers In	88.6	88.4	(0.2)
Expenditures	(77.0)	(74.3)	2.7
Transfers Out	<u>(10.9)</u>	<u>(9.9)</u>	<u>1.0</u>
Annual Operating Results	0.7	4.2	3.5
Use of Committed Reserves	<u>0.5</u>	<u>0.5</u>	<u>-</u>
Ending Available Fund Balance	<u><u>\$ 28.5</u></u>	<u><u>\$ 32.0</u></u>	<u><u>\$ 3.5</u></u>
% of annual expenditures and transfers out	32%	38%	

Memo: Current City Council General Fund Reserves Policy is 20% (+ 5%)

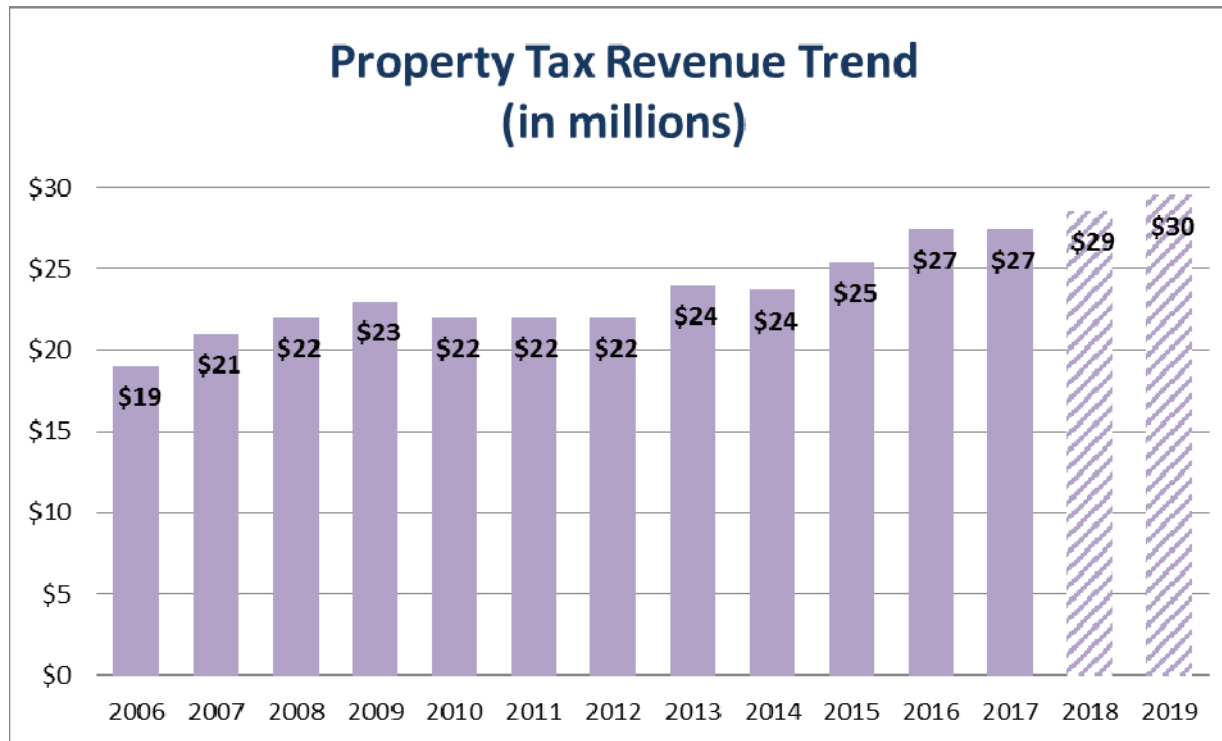
GENERAL FUND BUDGET OVERVIEW

MAJOR REVENUE SOURCES - \$91.9 MILLION FY17-18



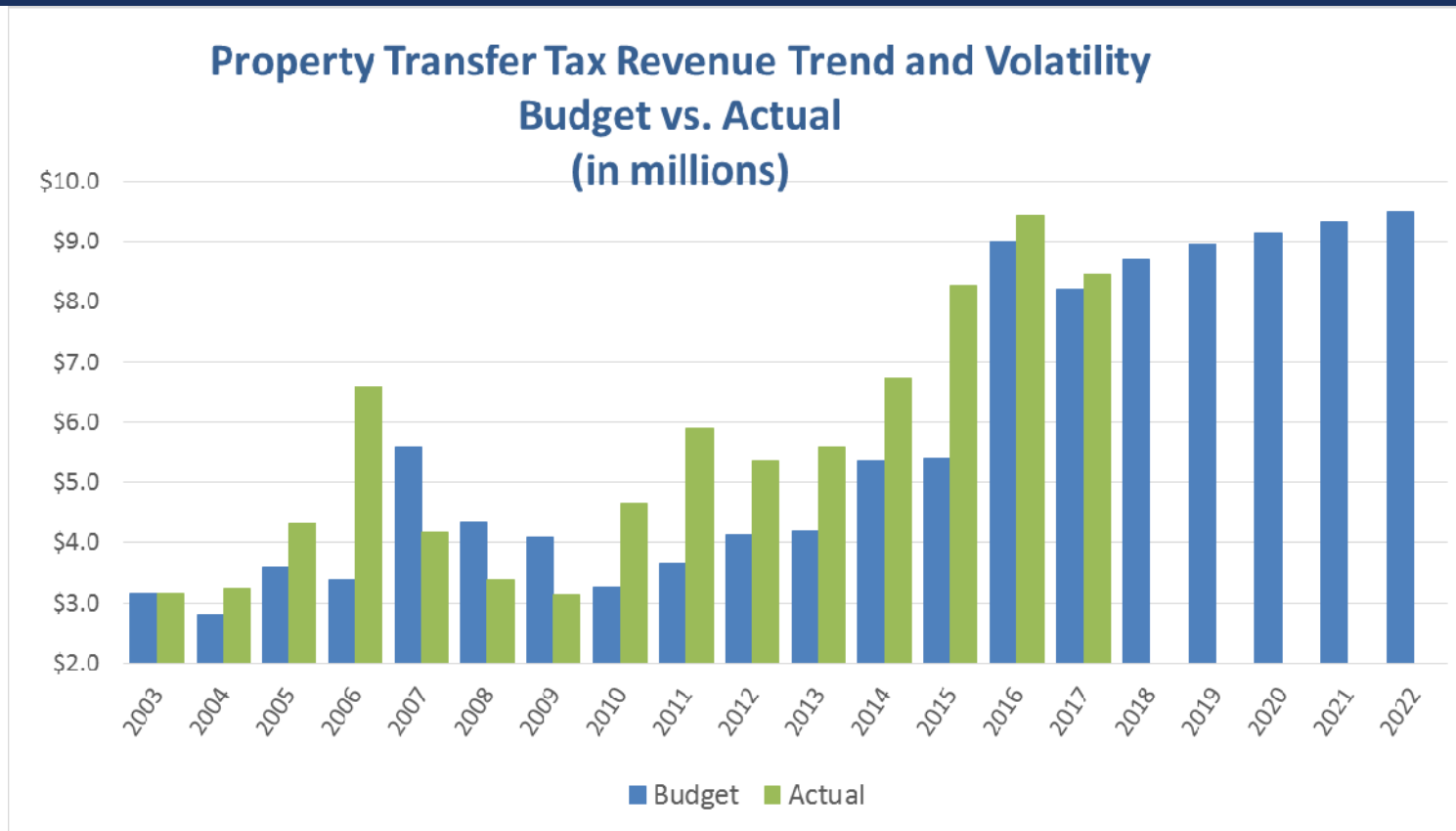
GENERAL FUND BUDGET OVERVIEW

PROPERTY TAX REVENUE TREND



GENERAL FUND BUDGET OVERVIEW

PROPERTY TRANSFER TAX REVENUE TREND



EXCESS FUND BALANCE

Fund Balance Over 20% (+ 5%)

- Total Fund Balance Over 25% = \$10.875 million
- Criteria for one-time funds
 - Use of one-time funds for one-time non-recurring needs
 - Efforts that improve ongoing efficiencies

Note: Accumulation of funds over the last several years

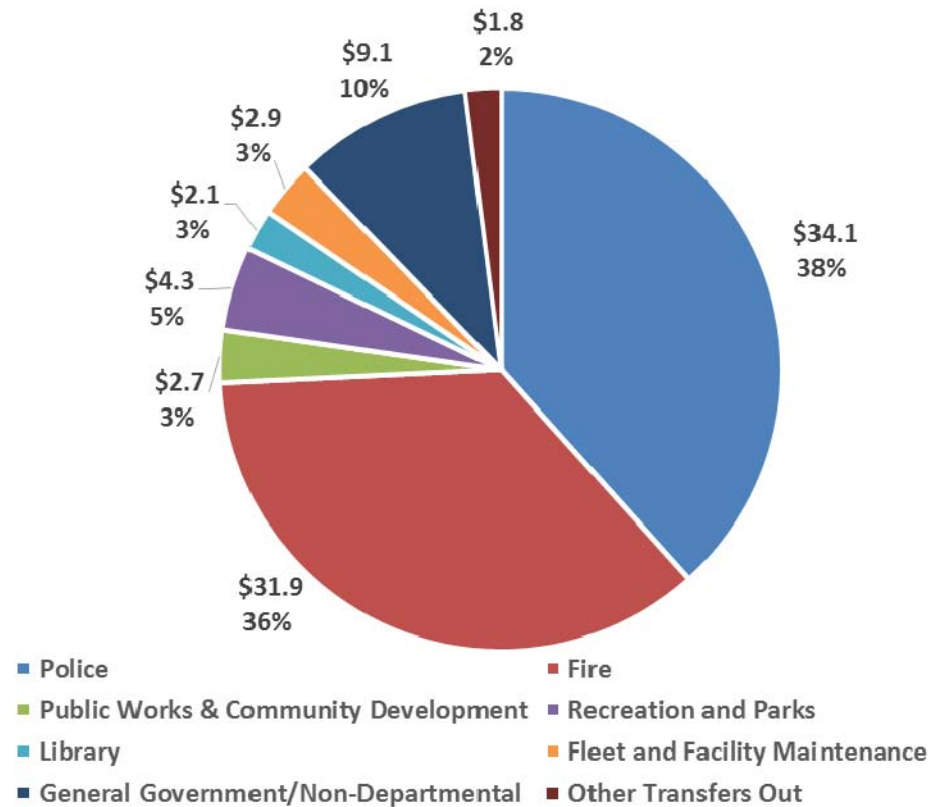
GENERAL FUND BUDGET OVERVIEW

MAJOR EXPENDITURES ASSUMPTIONS

- Incorporates PERS smoothing increases based on most recent CalPERS annual valuation as well as estimated increases related to discount rate (ROI) changes
- Assumes health increases of 3% in 17-18 and 3% in 18-19, (incorporating cost sharing provisions of MOUs)
- Assumes departmental OPEB contributions to OPEB internal service fund increase 3% in FY 17-18 and 3% in FY 18-19
- Incorporates other provisions of current MOU agreements, estimates salary increases based upon the increase in Balanced Revenue Index (BRI)
- Assumes no inflation increases for all non-personnel expenses in all years unless existing contracts allow for it

GENERAL FUND PROPOSED EXPENDITURES BUDGET BY DEPARTMENT (IN MILLIONS)

■ FY 2017-18



GENERAL FUND BUDGET OVERVIEW

(CONTINUED)

5-Year Forecast for FY 17-18 through FY 21-22 (in millions)

	<u>17-18 *</u>	<u>18-19*</u>	<u>19-20</u>	<u>20-21</u>	<u>21-22</u>
Beginning Fund Balance	<u>\$ 31.9</u>	<u>\$ 34.9</u>	<u>\$ 35.0</u>	<u>\$ 30.4</u>	<u>\$ 22.8</u>
Revenues	<u>87.7</u>	<u>89.4</u>	<u>90.3</u>	<u>92.0</u>	<u>93.7</u>
Transfers In	<u>4.2</u>	<u>4.2</u>	<u>4.2</u>	<u>4.2</u>	<u>4.2</u>
Expenditures & Transfers Out	<u>(88.9)</u>	<u>(93.6)</u>	<u>(99.1)</u>	<u>(103.8)</u>	<u>(108.7)</u>
Annual Operating Results	<u>3.0</u>	<u>0.0</u>	<u>(4.6)</u>	<u>(7.6)</u>	<u>(10.8)</u>
Ending Fund Balance	<u><u>\$ 34.9</u></u>	<u><u>\$ 35.0</u></u>	<u><u>\$ 30.4</u></u>	<u><u>\$ 22.8</u></u>	<u><u>\$ 12.0</u></u>
% of annual expenditures and transfers out	39%	37%	31%	22%	11%

* Proposed Budget, excludes Departments' requests for additional funding

PERS – NHA ADVISORS

PENSION PLAN OVERVIEW, COST TRENDS AND PROJECTIONS



CALPERS PENSION COSTS: QUICK PRIMER

Overview of City's Retirement Plans

- City has **two** retirement plans with CalPERS ("PERS")
 1. **Safety Plan:** Covers Police/Fire employees
 - 465 Covered Members: 171 active, 250 retired, and 44 terminated/transferred
 2. **Miscellaneous Plan:** Covers all other non-Safety employees
 - 1187 Covered Members: 294 active, 518 retired, and 375 terminated/transferred

Payments Made to PERS Each Year

- Each year, the City makes **two** types of payments to PERS
 1. **Normal Cost (NC)** = Annual cost for current employees
 2. **Unfunded Accrued Liability (UAL):** Actuarial Liability MINUS Actuarial Value of Assets
 - "How much we currently have vs. how much we should have"
 - This shortfall is not repaid all at once
 - City makes annual payments (principal and interest) to amortize UAL over next 30 years
 - UAL balance fluctuates each year depending on (1) actual PERS investment returns and (2) changes to assumptions

PERS COST TRENDS

Then ...

- PERS investment returns were robust (10%+)
- Retirement plans were “Super-Funded” through the 1990s
 - Earnings on funds were more than adequate to cover retirement costs
 - Alameda Miscellaneous Plan in 2003/04: 115% funded
 - Alameda Safety Plan in 2003/04: 92% funded

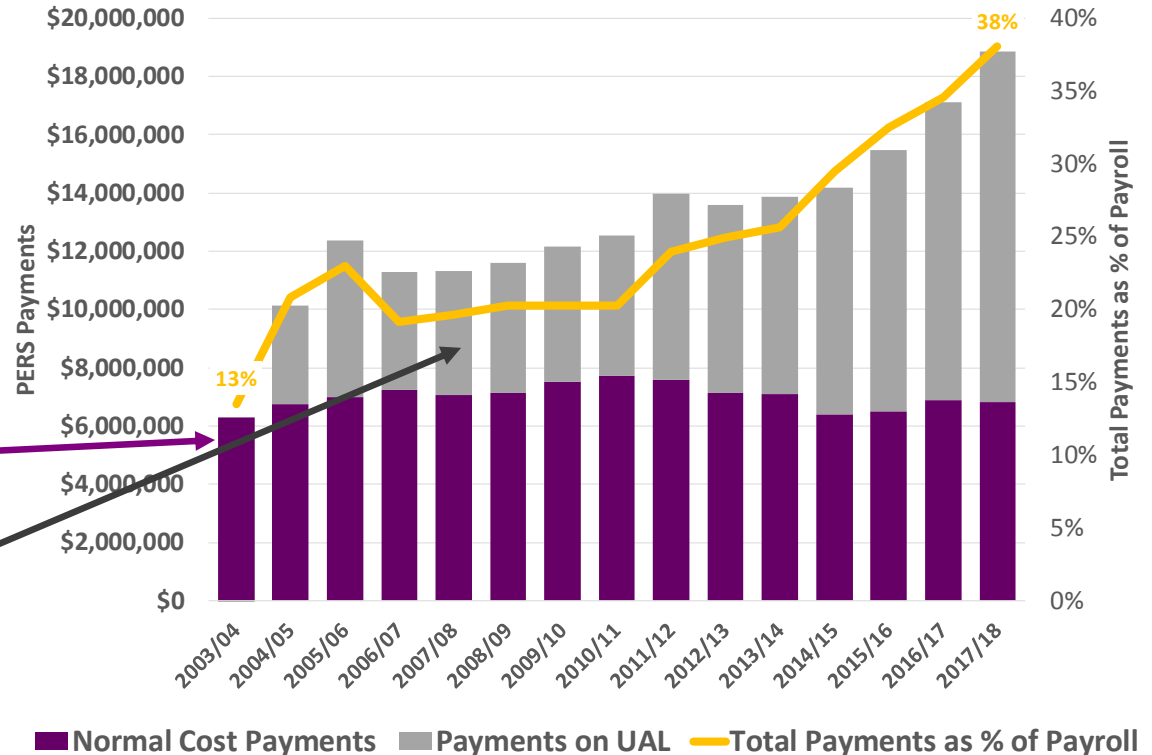
Now ...

- Sluggish investment growth (<6%)
- Assumptions are changing
 - Expected returns: 8.25% → 7.75% in 2003; 7.75% → 7.50% in 2013
 - Mortality rates (people living longer)
- **Impact** → UAL is rapidly growing
 - Alameda’s Miscellaneous Plan UAL has grown from \$17M to \$63M over last decade (77% funded)
 - Alameda’s Safety Plan UAL has grown from \$51M to \$152M over last decade (63% funded)

SUMMARY OF ANNUAL PENSION COSTS (2006 THROUGH 2018)

- Since 2003/04, annual pension costs have tripled, growing from \$6M to \$18M-\$19M
- **City has made 100% of annual required contribution (ARC) every year**
- As a % of payroll, costs have grown from 13% to 38%
 - Controllable Factors: Normal costs contained through proactive City solutions/reform (purple)
 - Un-controllable Factors: UAL has increased from \$450K to \$215M due to PERS investment performance and assumption changes (grey)

PERS Payment Trends (FY 2004 through FY 2018)



Source: PERS Annual Valuation Reports

Note: Normal Costs shown only represent Employer portion (not Employee portion or any negotiated employee cost sharing)

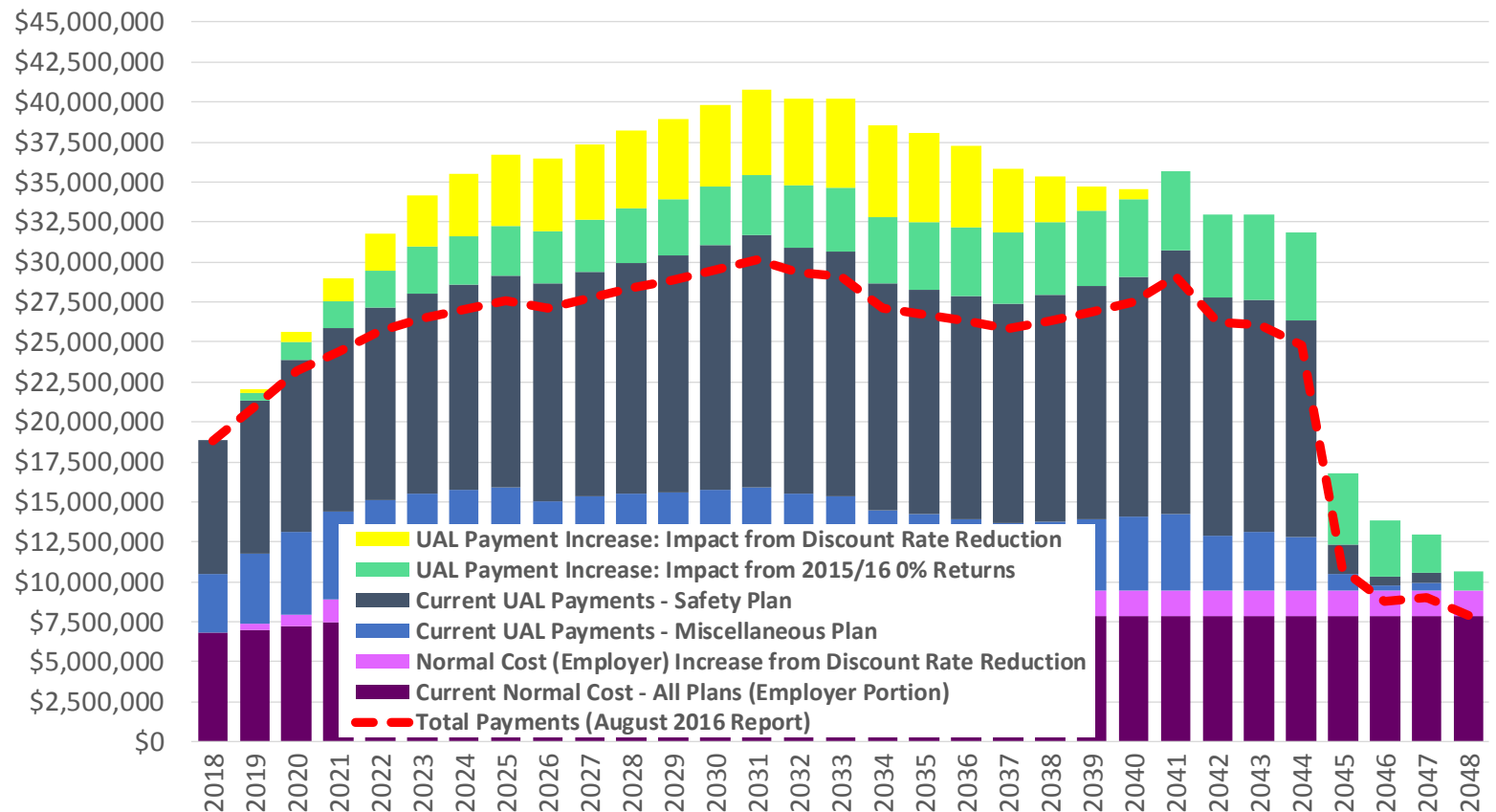
RECENT DEVELOPMENTS IMPACTING PERS COSTS

- **2015/16 returns were only 0.6%**
 - Estimated to increase the City's UAL by about \$35M
 - Amortized over 30 years
- Last month, PERS announced that it was further **reducing its discount rate assumption** (i.e. expected investment returns)
 - The reduction from 7.50% to 7.00% will be phased in over the next three years
 - Estimated to increase the City's UAL by about \$40M
 - Amortized over 20 year period
- Combined estimated impact will grow City's UAL from \$215M to \$290M
- Nearly every other city in the state will be impacted and face rising liabilities

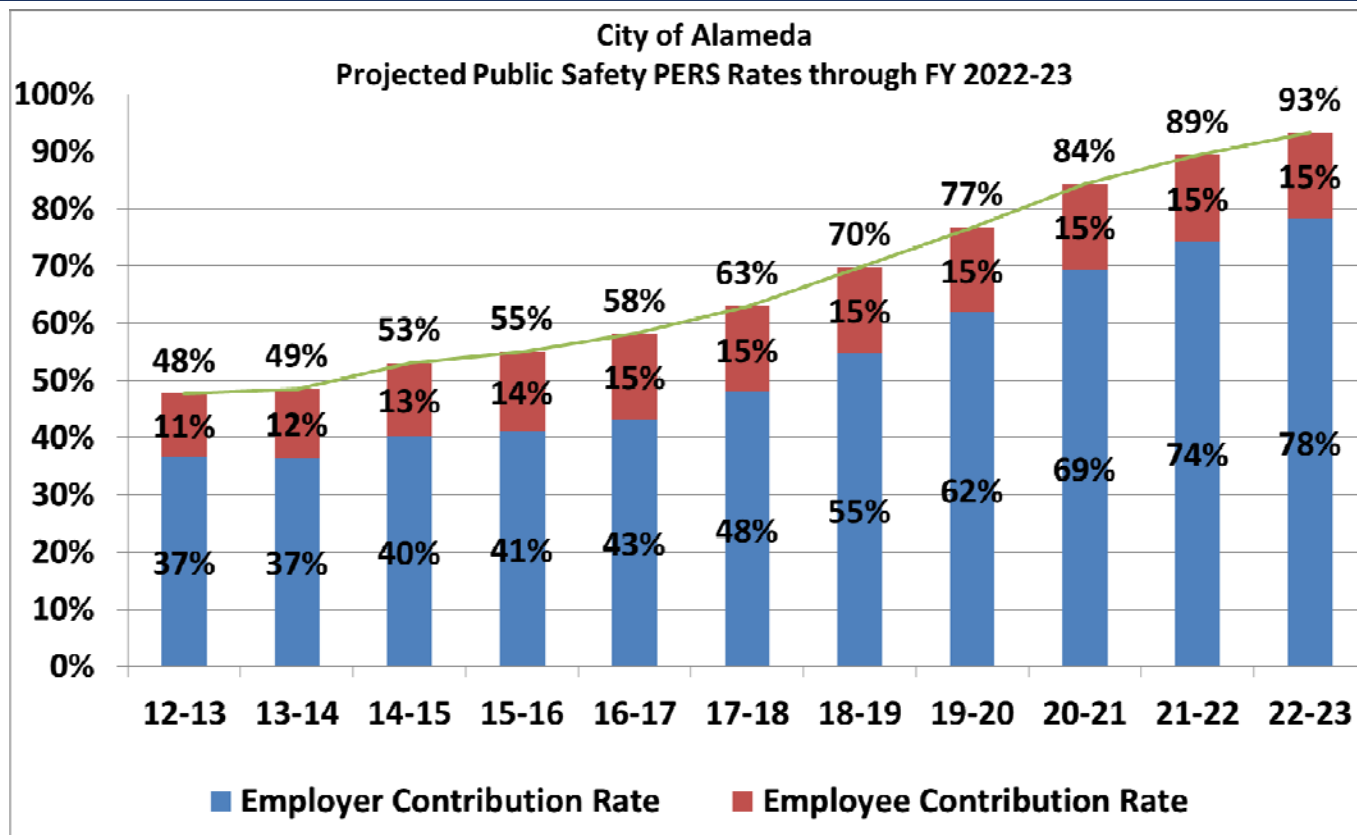
30-YEAR COST PROJECTIONS – ROUGH ESTIMATES

- Overall PERS costs to City increasing rapidly; doubling over next decade

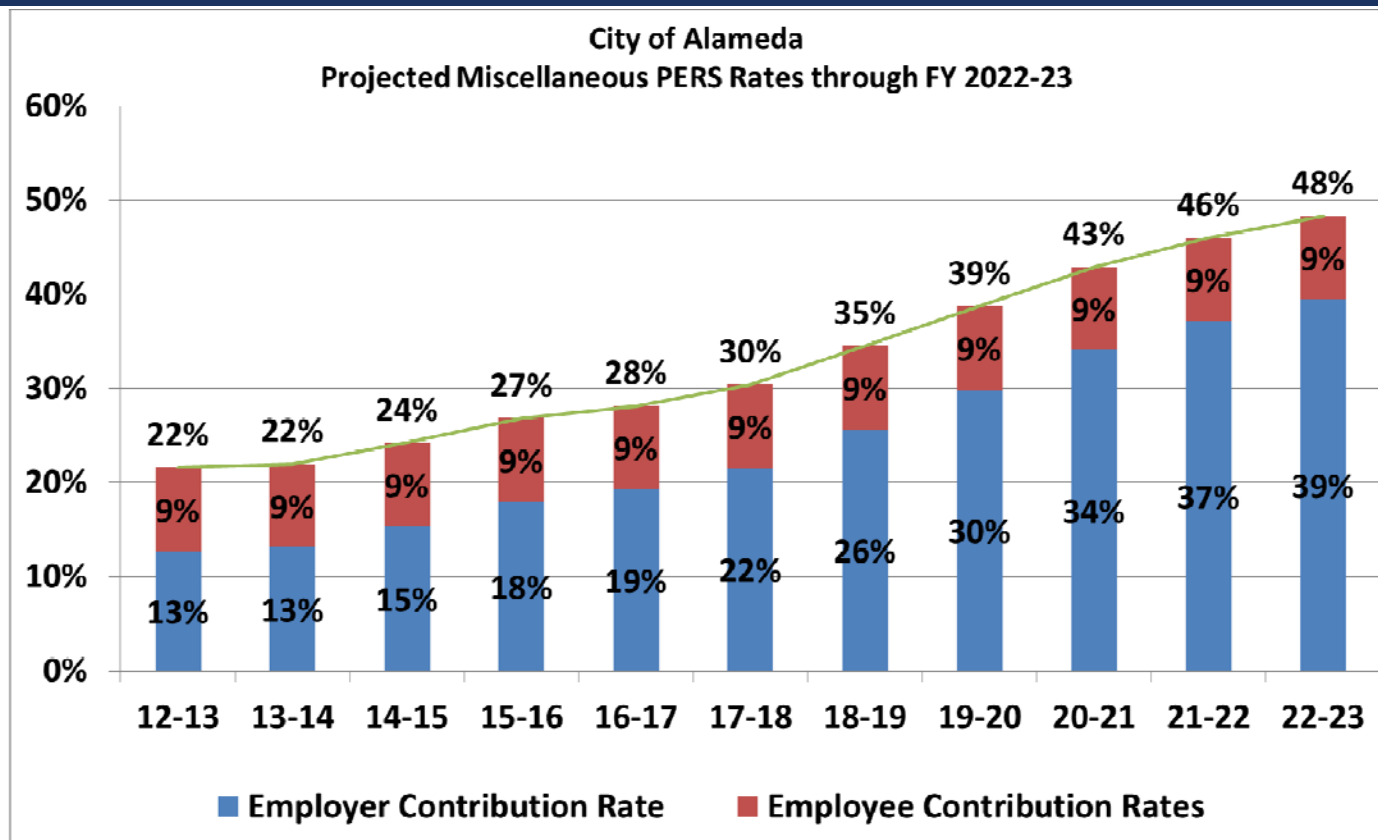
- \$18.5M in FY2018
- \$32M in FY2022
- \$40M in FY2030



PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)



PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)



ADDRESSING PERS COST INCREASES

What Has City Done?

- Alameda Pension Reform - Increased employee contributions to retirement benefits – Public Safety contributes up to 15% base salary toward PERS – highest in Alameda County
- In 2015 City Council set aside \$3M for PERS unfunded Liability and another \$3M for OPEB
 - To be deposited in new Section 115 Trust managed by PARS (Public Agency Retirement Services)
- California Public Employees' Pension Reform Act of 2013 (PEPRA)
- Created a Pension Rate Stabilization Program and OPEB Funding Policy (March 2017)

What More Can We Do?

- Utilize additional cash reserves to invest with (1) CalPERS and/or (2) in the Section 115 Trust
 1. **Direct UAL Pay Down With PERS:** UAL reduced and associated payments; PERS manages funds
 2. **Section 115 Trust:** Funds grow over time and must be used for Pension or OPEB payments; PARS manages funds
- Both options aim to achieve greater investment returns than currently available for City's General Fund cash
- **Next Steps:** City staff and NHA evaluate options in more detail and present to Council in Summer 2017

ALAMEDA'S RESPONSE

- **Committed to Fiscal Responsibility and Sustainability**
 - Only Critical Hires Using General Fund Dollars
 - Use of One-Time Funds for One-time Efforts with Long-term Efficiencies
 - Focus the Next Two Years on Reducing Expenses and Evaluate Future Revenue Streams

- **In addition to Pension Trust and Designated Reserves**
 - Direct Excess Closed Pension Dollars to Fund Pension Obligations
 - Future Contract Negotiations
 - Consider Use of FY 2015-16 Available Fund Balance Toward Long-Term Obligations

ORGANIZATIONAL PRIORITIES

- Committed to Fiscal Responsibility and Sustainability
- Rapid Response Public Safety Services
- Address Aging Infrastructure and Protect Environment
- Community Development
 - Responsible Development that Ensures Diverse Commercial and Housing Opportunities
 - Social Responsibility for the Most Vulnerable
 - Economic Development
- Community Responsive Quality of Life Essentials (Recreation, Parks and Library)
- The Organization's Information Technology Infrastructure
- Stewardship of Alameda Point

COMMUNITY AND COUNCIL EFFORTS ONE-TIME FUNDS

	Estimated Cost
Additional PERS Contribution into I 15 Trust or Directly to CalPERS	\$163.0 million + *
Additional Funding to OPEB Trust	\$90.4 million + *
Investment in Historic Civic Core (Open to Public Carnegie Library and Vet Bldg)	\$3-6 Million
Purchase of UP Remnant Parcels (Tilden Way and remaining Jean Sweeney Open Space Parcels)	Grant + \$800,000-\$3.0 million

* Estimated cost based on 80% of the unfunded liability

COMMUNITY AND COUNCIL EFFORTS ON-GOING FUNDS

	Cost	
Fire Prevention Bureau with 3 new staff	\$797,000	City Council 4/18/17
Friends of the Alameda Animal Shelter	\$804,300	Anticipated 6/6/17
Infrastructure Investment (Sidewalks, City Facilities)	\$1,500,000	Current Budget Request
Homeless Assistance (\$61k from General Fund)	\$125,000	City Council 7/19/16
Rent Stabilization/Housing Trust Fund	\$1.3 million +	City Council 2016-17

COMMUNITY DEVELOPMENT

BUILDING, PLANNING, ECONOMIC DEVELOPMENT, ASSET MANAGEMENT, SSHRB

- 2.75 requested FTEs would be paid from Non-General Fund Monies:
- One new Inspector
 - 40% increase in building permit valuation from FY 14-15 to FY 16-17; trend continuing
 - 17% increase in number of inspections/inspector from FY 14-15 to FY 16-17; 30 inspections/day/inspector
- One new Permit Tech III – Planning
 - Three Planners served 4,773 customers at the counter/on the phone in 2016 (1,591 customers served/Planner)
 - Three Planners reviewed 687 Planning Permits in 2016 (230 permits reviewed/Planner)
 - Permit Tech would assist customers at the counter/on the phone
 - Eliminate one part-time Planner
- .75 IT Systems Analyst
 - Critical to customer service/green initiatives including electronic plan check, improved permit tracking/applicant notification, more on-line permits, mobile inspections
 - 1 FTE of which .75 would be paid from non-General Fund monies, .25 FTE paid from the General Fund to support Citywide technology work
- Re-assign Existing General Fund-funded Staff Position from 50% to 100% time on SSHRB/ACCYF

COMMUNITY DEVELOPMENT

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
Planning & Building (209)	\$4,347,000	\$5,058,000	\$5,317,000
Commercial Revitalization (277)	228,000	214,000	213,000
Tidelands (216)	754,000	799,000	804,000
Human Services (267)	27,000	31,000	31,000
Public Art (285)	162,000	151,000	151,000
Fleet Industrial Supply Center (FISC)(256)	1,024,000	874,000	899,000
General Fund (Human Services Support)	54,000	64,000	67,000
Other/Unallocated Fund Balance	695,000	870,000	722,000
TOTAL REVENUE	\$7,291,000	\$8,061,000	\$8,204,000

COMMUNITY DEVELOPMENT

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Expenditures			
Personnel	\$3,902,000	\$4,384,000	\$4,724,000
Services and Supplies	2,543,000	2,602,000	2,420,000
Capital Outlay	80,000	10,000	3,000
Cost Allocation	760,000	1,061,000	1,053,000
Debt Service	6,000	4,000	4,000
TOTAL EXPENDITURE	\$7,291,000	\$8,061,000	\$8,204,000

NEW REQUESTS – COMMUNITY DEVELOPMENT

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
Planning & Building	Combination Building Inspector	\$105,000	\$3,000	
Planning & Building	Permit Technician III - Planning	92,000	3,000	
Planning & Building	IT Systems Analyst (75%)	106,000	2,000	
Tideland	Office Reconfiguration		10,000	
FISC	Office Reconfiguration		10,000	
Public Art	General Fund Transfer for Program Administration	10,000		
Planning & Building	Vehicle Request		27,000	
FISC	Quonset Hut project at Alameda Point (Prior Year Carryover)		125,000	
FISC	Sister City		10,000	\$10,000

FIRE

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
General Fund - Ambulance & Inspection Fees	\$3,291,000	\$3,597,000	\$3,604,000
General Fund Support	26,000,000	26,876,000	29,108,000
SAFER Grant	743,000	1,389,000	-
Community Paramedicine	594,000	483,000	-
CERT Grant	11,000	11,000	11,000
Senior Safety Grant	12,000	12,000	12,000
TOTAL REVENUE	\$30,651,000	\$32,368,000	\$32,735,000

FIRE

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Expenditures			
Personnel	\$25,329,000	\$27,032,000	\$27,386,000
Service & Supplies	2,514,000	1,956,000	1,959,000
Capital Outlay	242,000	-	-
Cost Allocation	2,117,000	2,923,000	2,925,000
Debt Service (FRALS, IBank, Internal Loan)	449,000	457,000	465,000
TOTAL EXPENDITURES	\$30,651,000	\$32,368,000	\$32,735,000

NEW REQUESTS – FIRE DEPARTMENT

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
General Fund	Vehicle Request - Fire Engine 3		\$922,000	
General Fund	Vehicle Request - Ambulance			\$386,000
General Fund	Division Chief (FY 18-19)	\$306,000		
General Fund	Emergency Radio Replacements		\$179,000	

- Fire Engine scheduled is 26 years old, which is 9 years beyond the maximum vehicle life
- Ambulance is 21 years old, which is 13 years beyond the maximum vehicle life
- Division Chief/Fire Marshal is needed to provide Management and oversight of the Fire Prevention Bureau (FPB) and Disaster Preparedness Division
- Radios being replaced are outdated which will soon make them obsolete and unsupported on state and local radio systems.

POLICE

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
General Fund – Fines, Forfeitures, Fees	\$1,549,000	\$1,958,000	\$1,963,000
General Fund Support	26,973,000	31,220,000	32,555,000
Police Grants and Other Programs	481,000	190,000	380,000
TOTAL REVENUE	\$29,003,000	\$33,368,000	\$34,898,000
Expenditures			
Personnel	\$24,133,000	\$26,660,000	\$28,219,000
Services and Supplies	2,617,000	3,414,000	3,381,000
Capital Outlay	200,000	-	-
Cost Allocation	2,053,000	3,294,000	3,298,000
TOTAL EXPENDITURES	\$29,003,000	\$33,368,000	34,898,000

NEW REQUESTS – POLICE DEPARTMENT

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
General Fund	Capital Project – Fixed License Plate Camera Reader		\$250,000	\$250,000

RECREATION AND PARKS

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
General Fund - Parks	\$2,423,000	\$2,503,000	\$2,539,000
General Fund - Recreation	1,749,000	1,802,000	1,856,000
Recreation Fees Revenues	2,467,000	2,786,000	2,875,000
Maintenance Assessment	276,000	298,000	450,000
Mastick Senior Center – Fundraising Prog.	185,000	174,000	174,000
Golf Fund	360,000	407,000	389,000
TOTAL REVENUE	\$7,460,000	\$7,970,000	\$8,283,000
Expenditures			
Personnel	\$3,919,000	4,230,000	4,423,000
Service & Supplies	2,564,000	2,518,000	2,436,000
Cost Allocation	852,000	1,061,000	1,065,000
TOTAL EXPENDITURES	\$7,335,000	\$7,809,000	\$7,924,000

NEW REQUESTS & AVAILABLE FUNDS – RECREATION & PARKS

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
General Fund	Park Maintenance Supervisor	\$137,000		
General Fund	Park Maintenance Worker II	89,000		
Mastick Fundraising	Interior and Exterior Improvements		\$95,000	\$120,000
Adam Street Fund	Computer and Kitchen Equipment Replacement		\$40,000	\$25,000

* Net General Fund expense for Parks Maintenance = \$61,000

- Implement irrigation efficiencies: \$115,000 annual savings
- Position reclassifications after retirements: \$50,000 annual savings

RECREATION AND PARKS

- **PARKS DIVISION** - Adding two new parks, opening in FY 17/18 that total 35 acres of new parkland.
 - 14 acres of active park area and 21 acres of open space.
 - Total park acreage increasing 18% and additional park maintenance funding request is only 12.5% of parks budget.
- Surveyed comparable municipalities which average 8 acres maintained per FT staff. Alameda Parks currently maintains 16 acres per FT staff position.

LIBRARY

	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
Library Fund – Property Tax Assessment	\$2,180,000	\$2,262,000	\$2,313,000
General Fund Support	2,097,000	2,097,000	2,097,000
Adult Literacy – Friends & Donation	29,000	63,000	81,000
TOTAL REVENUE	\$4,306,000	\$4,422,000	\$4,491,000
Expenditures			
Personnel	\$2,476,000	\$2,612,000	\$2,715,000
Services & Supplies	865,000	915,000	929,000
Capital Outlay	99,000	63,000	31,000
Cost Allocation	697,000	962,000	963,000
TOTAL EXPENDITURES	\$4,137,000	\$4,552,000	\$4,638,000

NEW REQUESTS– LIBRARY

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
Library Fund	Extra Day per Branch	\$44,000		
Library Fund	Technology Upgrade		\$65,000	\$33,000

CITY MANAGER

	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
General Fund – Charges for Services	\$35,000	\$35,000	\$35,000
General Fund Support	999,000	1,023,000	1,083,000
TOTAL REVENUE	\$1,034,000	\$1,058,000	\$1,118,000
Expenditures			
Personnel	\$772,000	\$821,000	\$861,000
Services and Supplies	219,000	150,000	171,000
Capital Outlay	2,000	2,000	1,000
Cost Allocation	41,000	85,000	85,000
TOTAL EXPENDITURES	\$1,034,000	\$1,058,000	\$1,118,000

NEW REQUESTS – CITY MANAGER

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
General Fund	Fill Authorized Assistant City Manager Position	\$280,000 ¹		
General Fund	Office Reconfiguration		\$100,000	

- ¹ Represents partial year (\$320,000 for full year including benefits)
- Since 1997 the City Manager's Office has always had 3 Executive Level Managers (including the City Manager)¹
- City Manager's Office is managing increasing number of referrals
- Position is authorized but currently vacant

¹ level of the assistants has varied

INFORMATION TECHNOLOGY

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
Departmental Charges for IT Services		\$2,153,000	\$2,145,000
Fund Balance Use		160,000	
General Fund	\$1,644,000	-	-
IT Equipment Replacement	219,000	219,000	219,000
TOTAL REVENUE	\$1,863,000	\$2,532,000	\$2,364,000
Expenditures			
Personnel	\$883,000	\$942,000	\$975,000
Services & Supplies	874,000	1,110,000	1,083,000
Capital Outlay	41,000	250,000	-
Cost Allocation	60,000	230,000	231,000
TOTAL EXPENDITURES	\$1,858,000	\$2,532,000	\$2,289,000

NEW REQUESTS – INFORMATION TECHNOLOGY

- Top 5 Cross Departmental Technology Needs identified by Strategic Consultant:
 - Enterprise Resource Planning (ERP) System – Complete Human Resources & Financial System replacement automating significantly outdated and inefficient internal manual systems relevant to all departments
 - Electronic Document Management System (EDMS) – documents stored in various locations with no integration
 - Geospatial Information System (GIS) Roadmap for data integration – optimize & standardize data layers used by multiple departments and the community
 - Smart Infrastructure (Enhance Traffic Management System, Streetlight Program, Remote Facilities Management Systems) – providing basic services through digital processes
 - Shared Service Agreements for Network separation – different regulations & more flexibility if separated from AMP's network. Allows for City WiFi and Remote Access

NEW REQUESTS – INFORMATION TECHNOLOGY

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
General Fund / IT Equipment Replacement Fund	Strategic Plan Recommendations: ERP (HR & Financial System)			\$1,500,000
General Fund / IT Equipment Replacement Fund	Other Strategic Plan Recommendations: Electronic Document Mgmt System (EDMS), GIS, Smart Infrastructure, Shared Service Agreements			\$1,500,000
General Fund / IT Equipment Replacement Fund	Strategic Plan Recommendations FY17-19 Citywide WIFI Projects		\$200,000	\$100,000
IT Internal Service Fund	IT Systems Analyst (GIS) 75% Community Development / 25% IT	\$36,000		
IT Internal Service Fund	Office Assistant	\$92,000		

NONDEPARTMENTAL

	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
General Fund Support	\$756,000	\$913,000	\$895,000
TOTAL REVENUE	\$756,000	\$913,000	\$895,000
Expenditures			
Personnel	\$2,000	-	-
Services and Supplies	754,000	\$911,000	\$893,000
Cost Allocation		2,000	2,000
TOTAL EXPENDITURES	\$756,000	\$913,000	\$895,000

NEW REQUESTS – NON-DEPARTMENTAL

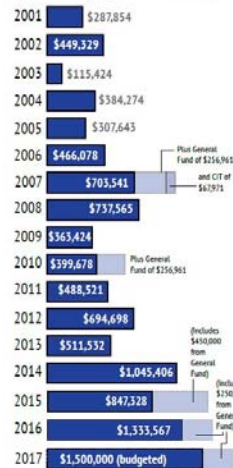
Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
General Fund & PD Grant	Homeless Assistance (\$61k General Fund & \$64k PD Grant)		\$125,000	



PUBLIC WORKS

	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues	\$47,295,000	\$41,455,000	\$45,475,000
Expenditures	\$60,336,000	\$41,494,000	\$39,913,000

Sidewalk repair spending (2001-2017)



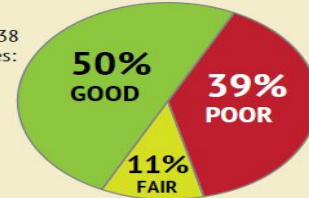
Solution to sidewalk repairs

The City has a backlog of 5,500 sidewalk repairs. Every year, another 500 repairs are added to this list.



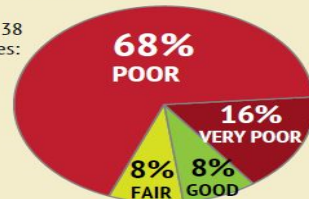
Current conditions of Alameda's Facilities (Immediate capital needs \$12,318,326)

Of the 38 facilities:



Facilities condition in 10 years doing nothing (Total capital needs would \$34,669,950)

Of the 38 facilities:



PUBLIC WORKS

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Revenues			
Sewer Assessments and Service Fees	\$10,387,000	\$10,943,000	\$11,380,000
Development Impact Fees	1,234,000	3,339,000	5,750,000
CIP Grants & Revenues	15,579,000	5,791,000	5,420,000
County Measure B/BB	4,344,000	4,355,000	4,419,000
Gas Tax	1,520,000	2,244,000	3,153,000
Maintenance District Assessments	2,385,000	2,430,000	2,504,000
Storm Drainage Fees	2,136,000	2,092,000	2,090,000
Other Public Works Revenues	8,265,000	7,903,000	8,333,000
General Fund	1,445,000	2,358,000	2,426,000
TOTAL REVENUE	\$47,295,000	\$41,455,000	\$45,475,000

PUBLIC WORKS

DIVISION	FY 16-17 Projection	FY 17-18	FY 18-19
Expenditures			
Personnel	\$7,104,000	\$9,431,000	\$10,008,000
Services and Supplies	6,691,000	7,829,000	7,209,000
Capital Outlay	43,295,000	20,289,000	18,902,000
Cost Allocation	2,780,000	3,473,000	3,476,000
Debt Services	466,000	472,000	318,000
TOTAL EXPENDITURE	\$60,336,000	\$41,494,000	\$39,913,000

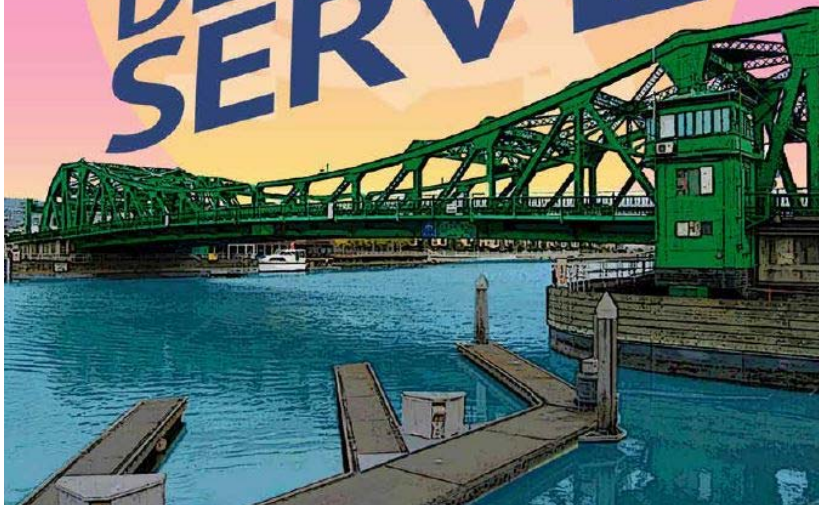
NEW REQUESTS & AVAILABLE FUNDS – PUBLIC WORKS

Fund	Request	Ongoing	One-Time FY 17-18	One-Time FY 18-19
General Fund	<i>Urgent City Building Repairs</i> Helps replace three old roofs and long-term deferred maintenance at six parks buildings, City Hall West, O'Club, and Vets Building		\$1,000,000	\$1,000,000
	<i>Sidewalks</i> 1 mile of repairs per year		\$500,000 (\$250,000/yr in FY 15-17)	\$500,000 (\$250,000/yr in FY 15-17)
	<i>Streetlights</i> Add maintenance and operations program	\$600,000		
Special Districts/Fleet	Add .5 FTE for administrative support	\$40,000		
Sewer/Urban Runoff Fund	Position upgrade: Foreperson for pump station maintenance	\$15,000		
Sewer Fund	8 vehicle replacements (avg. = 21 years old)		\$456,000	\$257,000



CITY OF ALAMEDA'S
2017-2019 CAPITAL BUDGET
& FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

**BUILD
DELIVER
SERVE**

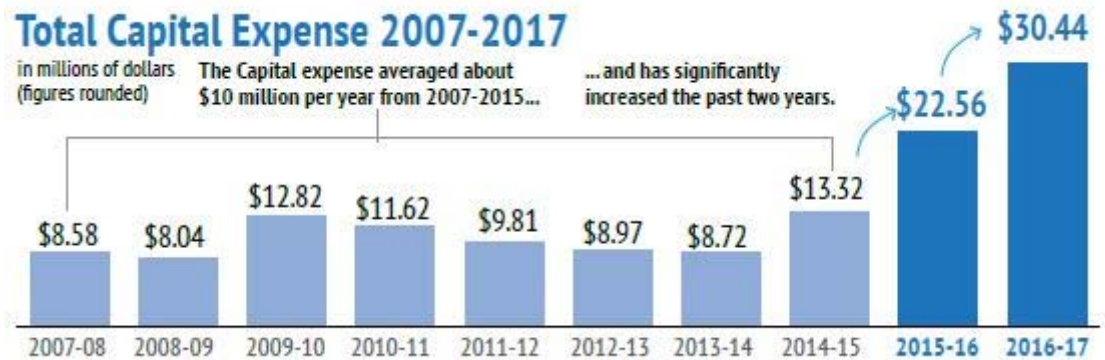


Total Capital Expense 2007-2017

in millions of dollars
(figures rounded)

The Capital expense averaged about
\$10 million per year from 2007-2015...

...and has significantly
increased the past two years.



The Metropolitan Transportation Commission ranks pavement index on this scale:

80-89 Very Good

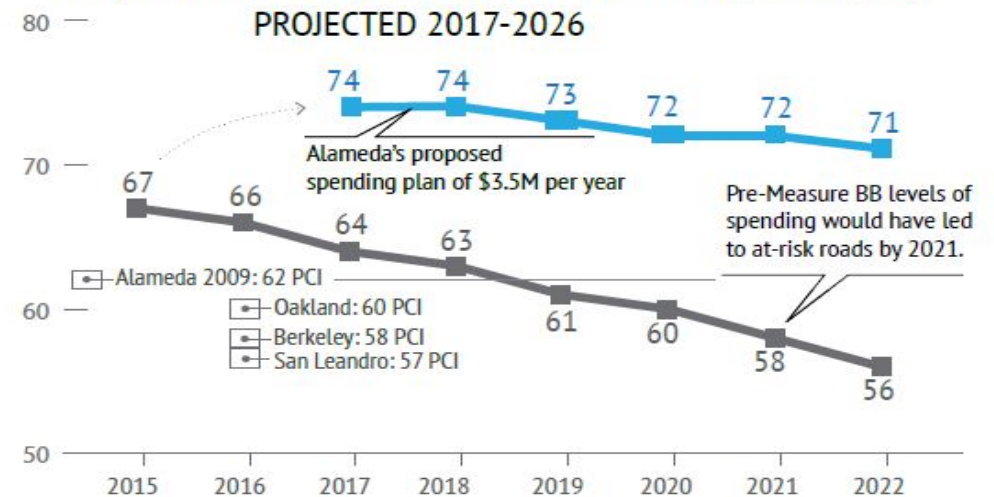
70-79 Good

60-69 Fair

50-59 At Risk

City of Alameda: Pavement Condition Index (PCI)

PROJECTED 2017-2026



Taking care of trees in 2017-2019:

7,005
trees pruned

200
trees planted

200
diseased trees
treated



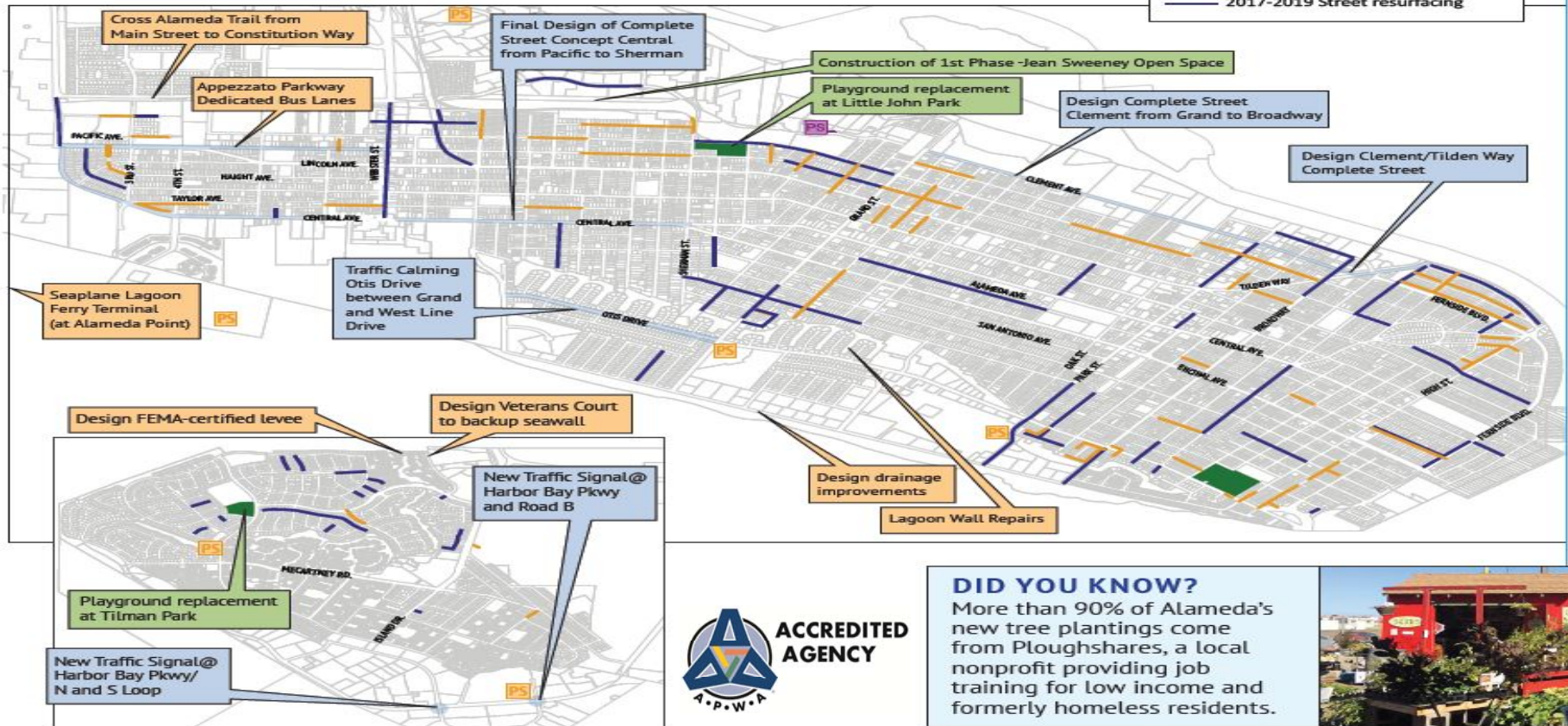
-up to \$45 million in repairs needed to
replace stormwater pump stations and
pipes
-operations cuts as soon as FY 19/20
-but.... SB 231

Alameda map of construction projects for parks, sewer, storm drain and transportation

\$42 million in one-time transportation grants

Legend

- PS Storm Pump Station Renovation
- Sewer Main Rehabilitation
- PS Sewer Pump Station Renovation
- 2017-2019 Street resurfacing



DID YOU KNOW?

More than 90% of Alameda's new tree plantings come from Ploughshares, a local nonprofit providing job training for low income and formerly homeless residents.



SUMMARY NEW POSITIONS

FTE	Department/Position	Cost FY 17-18	Cost FY 18-19	Fund
(1)	CDD - Combination Building Inspector	\$105,000	\$113,000	CDD Fund
(1)	CDD – Permit Tech III	\$92,000	\$99,000	CDD Fund
(1)	Fire Department – Division Chief (2018-2019)	-	\$306,000	General Fund
(1)	Recreation & Parks - Maintenance Supervisor	\$137,000	\$147,000	General Fund
(1)	Recreation & Parks – Maintenance Worker II	\$89,000	\$95,000	General Fund
-	City Manager – Asst. City Mgr. (Unfunded Vacant Position)	\$280,000	\$300,000	General Fund
(1)	Information Technology – Systems Analyst (CDD)	\$142,000	\$153,000	CDD Fund/IT Fund
(1)	Information Technology – Office Assistant	\$92,000	\$99,000	IT Fund
(1)	Public Works – Maintenance Foreperson	\$15,000	\$19,000	Sewer/Urban Runoff
(1)	Public Works – Intermediate Clerk	\$80,000	\$86,000	Streetlights/Fleet/ Special District Adm
(9)	Total	\$1,032,000	\$1,417,000	Various

VEHICLE REPLACEMENT REQUESTS

Department	Count	FY 17-18	FY 18-19
Police	8	\$ 160,000	\$ 148,000
Fire	5	1,031,000	434,544
Public Works	21	707,447	410,307
Recreation and Parks	4	106,000	-
Community Development	1	-	27,000
		<u>\$ 2,004,447</u>	<u>\$ 1,019,851</u>

GENERAL COMMENTS AND NEXT STEPS

- Budget Challenge process on-going for Public Input
 - Sanctuary City
 - CalPERS and OPEB Funding Challenges
 - Alameda Point Transition
- City Council general input on Summary of Requests
- Based on Council Direction, Staff will return with a Two-Year Budget

SUMMARY OF DEPARTMENT REQUESTS – ON-GOING

	FY 17-18	FY 18-19	Fund
Community Development Personnel (2.75 FTEs) Public Arts PT support	\$303,000 \$10,000	\$327,000 \$10,000	Community Development General Fund
Fire Department Personnel (Division Chief)		\$306,000	General Fund
Recreation and Parks Personnel (2 FTEs)	\$226,000	\$242,000	General Fund
Library Open extra day each Branch	\$44,000	\$45,000	Library Fund
City Manager Personnel (Assistant City Manager)	\$280,000	\$288,000	General Fund
Information Technology Personnel (1.25 FTEs)	\$128,000	\$136,000	IT Internal Service Fund
Public Works Personnel (2 FTEs)	\$204,000	\$216,000	General Fund/Special Dist/Sewer/Urban Runoff
58 Total	\$1,195,000	\$1,570,000	Various

SUMMARY OF DEPARTMENT REQUESTS – ONE-TIME

	FY 17-18	FY 18-19	Fund
Fire Department			
Engine	\$922,000		General Fund
Ambulance		\$386,000	General Fund
Other vehicles and radios	\$288,000	\$98,000	General Fund
Police Department			
Fixed License Plate Camera Reader	\$250,000	\$250,000	General Fund
City Manager			
Office reconfiguration	\$100,000		General Fund
Information Technology			
Citywide Wi-Fi	\$200,000	\$100,000	General Fund
System & Other IT Infrastr. Replacement		\$1,500,000	General Fund
Electronic Document Management – GIS		\$1,500,000	General Fund
Public Works			
CIP Building Maintenance	\$1,000,000	\$1,000,000	General Fund
CIP Sidewalk Repair	\$500,000	\$500,000	General Fund

SUMMARY OF DEPARTMENT REQUESTS – ONE-TIME

	FY 17-18	FY 18-19	Fund
Other			
Pension liabilities	TBD	TBD	General Fund
OPEB liabilities	TBD	TBD	General Fund
Homeless Assistance	\$125,000		General Fund
Investment in Historic Buildings		\$3.0 - \$6.0 million	General Fund
Purchase of UP Remnant Parcels		\$800,000 – 3.0 million	General Fund

SUMMARY OF DEPARTMENT REQUESTS – ONE-TIME

	FY 17-18	FY 18-19	Fund
Community Development			
Sister City	\$10,000	\$10,000	FISC
Vehicle acquisition	\$27,000	\$27,000	Comm. Dev./Vehicle
Quonset Hut project (carryover)	\$125,000		FISC
Office reconfiguration, training	\$28,000		Various
Parks and Recreation			
Mastick Center Improvements	\$110,000	\$15,000	Mastick Center Fund
Computer and Kitchen Equip. Replacement	\$40,000	\$25,000	Adams Street Fund
Library			
Technology Upgrade	\$65,000	\$33,000	Library Fund
Public Works			
Vehicles replacement	\$708,000	\$415,000	Sewer/Vehicle Replacemt.



QUESTIONS?