

City of Alameda General Fund Budget Study Session June 28, 2011



Fiscal Year 2011-2012 Budget and 2012-2013 Forecast

- Reflects weakness in local economy and housing market
- Includes all City funds, including CIC and ARRA
- Includes departmental accomplishments, goals, significant changes, net program costs and full-time staff allocations
- Revised to adhere to budget reporting standards of budget award programs from both CSMFO and GFOA.
- Incorporates proposed reductions and other changes as directed by the City Council at the May 31st Study Session



General Fund Budget Overview - Before Reductions

5 Year Projections for FY11-12 through 15-16 (In Millions) - without proposed changes

	11-12	12-13	13-14	14-15	15-16
Revenues	\$ 67.1	\$ 68.0	\$ 70.1	\$ 72.2	\$ 74.3
Expenses	74.6	74.9	78.7	81.0	83.4
Deficit For Year	\$ (7.5)	\$ (6.9)	\$ (8.6)	\$ (8.8)	\$ (9.1)
Ending Available Fund Balance	\$ 8.4	\$ 1.5	\$ (7.0)	\$ (15.8)	\$ (24.9)
% of Expenses	11%	2%	N/A	N/A	N/A

Ending Available Fund Balance assumes no cost-saving measures are taken.



Addressing Projected Budget Deficits Proposed Expenditure Reductions

A. General Government: \$328K (7%)

- City Attorney
 - Reorganize CAO (in progress)
- City Council
 - Reduce memberships
- City Manager
 - Reduce contractual services
 - Reorganize CMO (in progress)
- Information Services
 - Reduce contractual services



Addressing Projected Budget Deficits Proposed Expenditure Reductions (continued)

B. Administrative Services: \$195K (6%)

- Human Resources –
 - Reduce contractual services / materials and supplies

- Finance –
 - Prepare fee / cost allocation study in house
 - Perform business license audit – cost contingent on additional revenue generated



Addressing Projected Budget Deficits Proposed Expenditure Reductions (continued)

C. Public Safety

Fire (\$800K or 3.5%)

- Eliminate 1 Deputy Fire Chief, reclassify 1 Deputy Fire Chief, eliminate non-sworn staffing (4 FTEs total)
- Reduce materials and supplies

Police (\$1.3 million or 5%)

- Outsource Animal Shelter to another community or non-profit after November 1st, eliminate 4 Police Officer positions (9 FTEs total)



Addressing Projected Budget Deficits Proposed Expenditure Reductions (continued)

D. Parks, Public Works, Library

- Parks and Recreation \$325K (7%) in FY11-12, \$458K (10%) in FY12-13
 - Reduce / change staffing (3 FTEs)
- Public Works \$214K (15%)
 - Reallocate Traffic Operations to Gas Tax Fund
 - Reduce / change staffing (3 FTEs across multiple funds)
- Library \$153K (7%)
 - Reduce hours and part-time staffing (funding for Sunday hours was restored)



Addressing Projected Budget Deficits

Use of One Time Funds

- Transfer of unrestricted funds in CIP Discretionary Fund to General Fund – (\$2.7 Million – FY11-12 only)
- Add back Golf contributions for six months – (\$290K – FY11-12 only)
- Receive repayment of loan to FISC Fund for public safety services – (\$480K for both FY11-12 and FY12-13)



Addressing Projected Budget Deficits

Use of Available Reserves

- Fiscal Year 2011-12 - **\$894,000** –
Ending reserve balance of \$15.1 million – 21%
- Adheres to Council's 20% reserve policy
- Fiscal Year 2012-13 - **\$3.9 million** –
Ending reserve balance of \$11.2 million – 15%



5 Year Projections FY11-12 to 15-16 (in Millions) – With Reductions

5 Year Projections for FY11-12 through 15-16
(In Millions) - with reductions

	11-12	12-13	13-14	14-15	15-16
Revenues	\$ 67.5	\$ 68.2	\$ 70.1	\$ 72.2	\$ 74.3
Expenses	75.0	76.0	78.7	81.0	83.4
Less Reductions	(3.1)	(3.2)	(3.6)	(3.7)	(3.8)
One-Time Funds	3.5	0.7			
Deficit For Year	\$ (0.9)	\$ (3.9)	\$ (5.0)	\$ (5.1)	\$ (5.3)
Ending Available Fund Balance	\$ 15.1	\$ 11.2	\$ 6.2	\$ 1.1	\$ (4.2)
% of Expenses	21%	15%	8%	1%	N/A



Potential State Impacts to City's Budget

- Elimination or Reduction of:
 - Redevelopment
 - Mandated Cost Reimbursement (\$50K)
 - State Library Contributions (Up to \$33K)

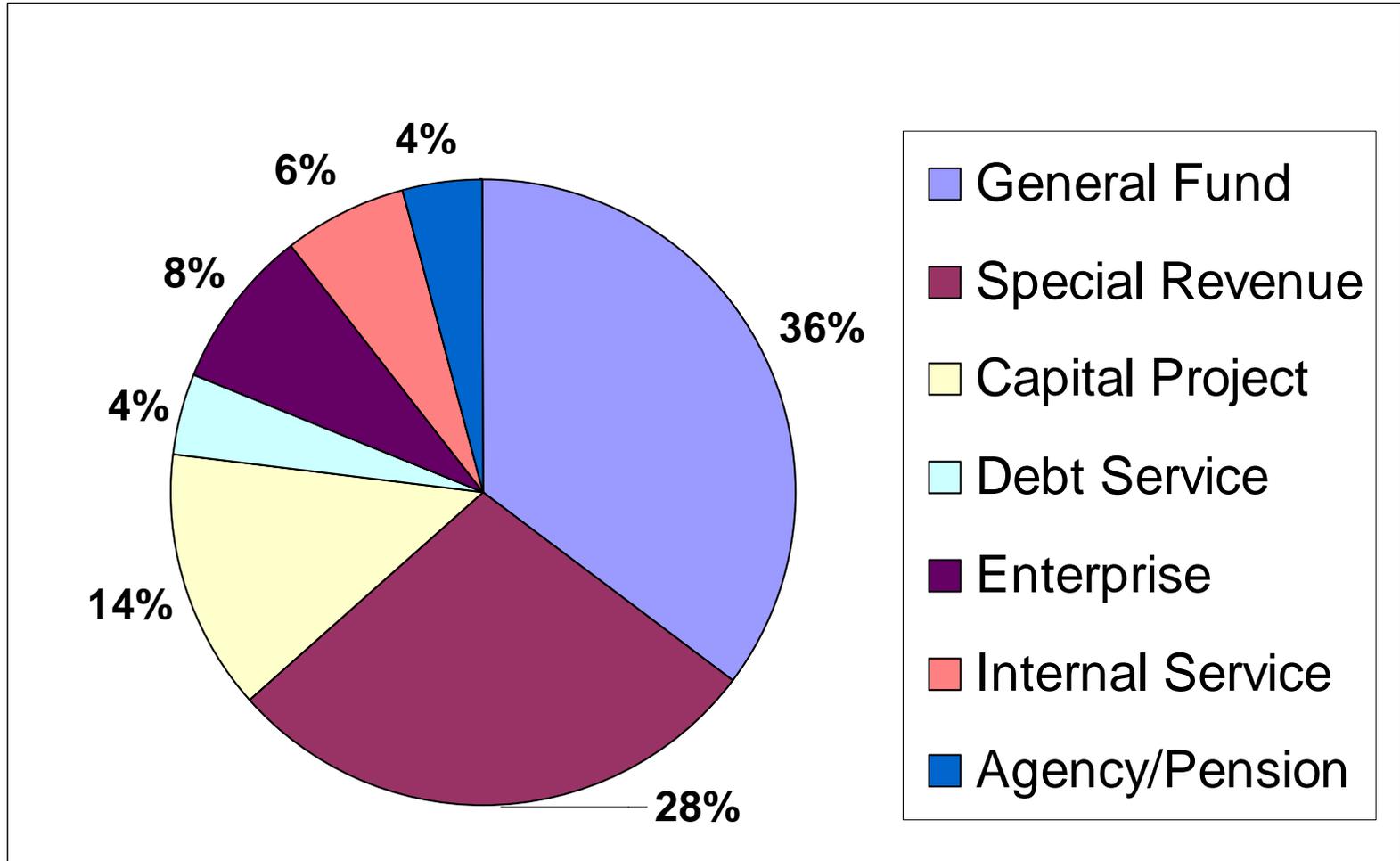


Additional Steps to Help Balance Current and Future Budgets

- Negotiate with employee bargaining units regarding proposed cost cutting measures
- Implement a new cost allocation and fee study
- Poll residents to gauge support for proposed revenue ballot measures
- Begin budget process for Fiscal Year 2012-2013 in July 2011

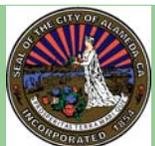
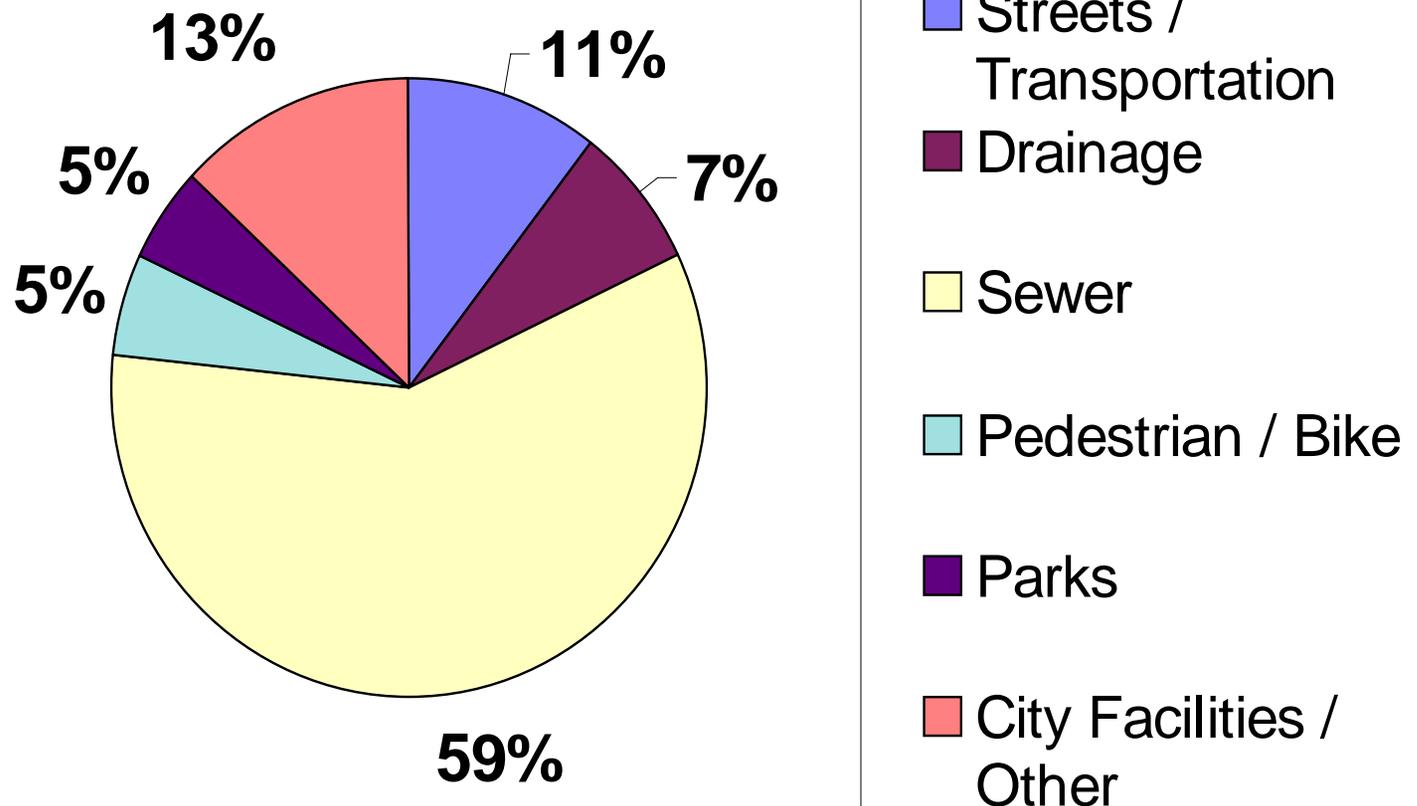


Fiscal Year 2011-2012 Budget – All Funds - \$204 Million



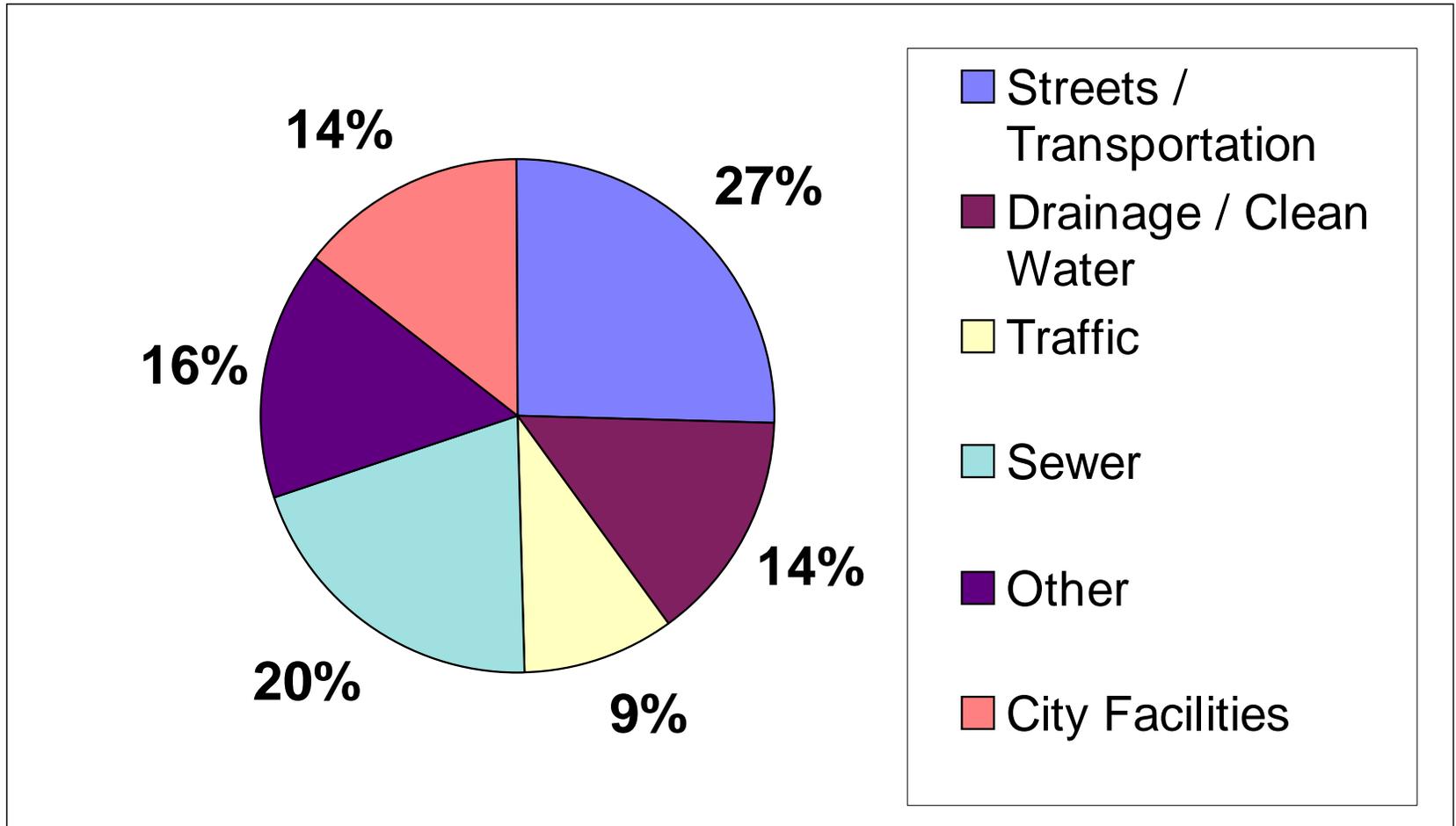
Capital Project Summary

\$12.8 Million for FY11-12



Maintenance Project Summary

\$3.7 Million for FY11-12



Next Steps

- June 28: Budget adoption
- July 2011: Begin budget planning for FY12-13
- Jan. 2012: Public presentation and commentary on FY12-13 budget framework
- Feb. 2012: Mid-year review and Council direction on FY12-13 budget framework
- Apr./May 2012: Council budget workshops
- June 2012: Council budget adoption



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