

FISCAL YEARS 2019/2020 & 2020/2021 BIENNIAL BUDGET FAQs

The City launched a community survey in early April ahead of beginning discussion on the biennial budget for Fiscal Years 2019/2020 and 2020/2021. Over the course of the City's public outreach, including questions that came up at the April 23 budget study session, below are some frequently asked questions.

Is the Masonic Homes tax exempt?

The Masonic homes has an assessed value of \$170,000,000 of which \$157,000,000 has been determined to be tax exempt by the Alameda County Assessor's office. For the portion that is not exempt, the Masonic Homes pays \$232,000 in property related taxes of which \$94,000 went to the City of Union City. In addition to property taxes, Masonic Homes pays the normal City fees for all building related activities.

What is the City doing to Control Other Post-Employment Benefits (OPEB)?

The City has taken steps in recent years to reduce or in some cases eliminate OPEB benefits to its employees to include employee contributions and curbing of benefits. In addition, the City has created a PARS 115 Trust to set aside money for the future funding of its OPEB liability. The City is current with all of its OPEB obligations.

What can be done to control Pension Costs?

Pension options and rates are set by the CalPERS Board. The City, under contract with CalPERS and its employees agrees to provide certain retirement benefits. The City cannot change the plans offered by CalPERS. The City has created a PARS 115 Trust to set aside money for the future funding of its Pension liability. The City is current with all of its pension obligations.

What has the City done to control costs so far?

In Fiscal Year 2017/18, the City reduced its budget by \$1,300,000. These reductions included \$760,000 in personnel, \$220,000 in contracted fire services, \$257,000 in other contractual services and \$63,000 in other costs. In Fiscal Year 2018/19, the City increased these reduction by an additional \$600,000 dollars. These reductions included \$374,000 in personnel, \$220,000 in contracted fire services and \$6,000 in other costs.

Can a tax be added to support City recreation centers?

A tax specific to supporting the recreation centers would require an action by the City Council to place the measure on an upcoming ballot and then would need the support of 2/3 of the voters.

What is the average cost of each of the four fire station in the City?

The City's projected fire contract with Alameda County Fire Department for fiscal year 2019/20 is \$14,435,543 which is \$3,608,886 per station.

Who pays for the Alameda County Fire Department contract?

The fire contract is paid for by the residents of Union City out of general fund revenues. Many comments came into the City through the public outreach process with the misconception that Alameda County funds fire services in Union City. That is false. The residents pay for this service.

How have cannabis revenues been calculated into the biennial budget?

Commercial cannabis revenues are estimated to be \$500,000 in Fiscal Year 2019/20, increasing to \$800,000 in Fiscal Year 2020/21.

What are the Cities Other Post-Employment Benefits (OPEB) costs in the Alameda County Fire Department contract?

The total cost of OPEB related benefits in the projected Fiscal Year 2019/20 fire contract are \$612,056.

Have any significant new revenue sources been identified in the foreseeable future?

Currently, staff have not identified any significant revenue enhancements. Discussions surrounding several large developments in the Station District, if constructed, would bring in an estimated \$1.5 million in annual tax revenues. These projects are concepts only at this point and if built would not produce revenues until Fiscal Year 2023/25 at the earliest.