
Date: May 11, 2026
To: City of Alameda Health Care District Board of Directors
From: Peter Hohl, Executive Director
Subject: Proposed District Fiscal Year 2026-2027 Operating Budget

RECOMMENDATION

Approve the District's Fiscal Year 2026-2027 operating budget and Jaber property budget.

OVERVIEW

Per Section 2.2 of the Joint Powers Agreement, the District is permitted to withhold and retain amounts from Parcel Tax Revenue to fund reasonable costs and expenses incurred by the District. This includes costs associated with required services, cost of elections, meetings, strategic planning, insurance, legal obligations and other administrative expenses.

APPROACH

The FY 26-27 District budget was developed by first reviewing all accounting transactions recorded in the District's online accounting system for FY 25-26 to determine cost categories that would be applicable for FY 26-27 and to validate/update projected spending amounts. The District then evaluated whether any new expenditures would be incurred in FY 26-27 that were not reflected in the current fiscal year and estimated the amount of those costs. Similarly, the district evaluated whether there were current FY expenditures that would not be incurred in FY 26-27 and removed those costs. Finally, the FY 26-27 budget was compared versus the 25-26 FY budget and run rate to evaluate any changes and to do a reasonability check on the amounts budgeted for FY 26-27.

Subject matter experts were consulted as needed to provide updates regarding cost estimates. For example, the District's insurance brokers provided insurance cost estimates for FY 26-27.

BUDGET SUMMARY

Revenue/Other Income. Parcel tax revenue was calculated based on an estimated 20,820 parcels paying an annual parcel tax of \$298, less 1.7% for the county commission fee. Other Income was calculated based on FY 25–26 amounts. Estimates for other income associated with Series B COP's were NOT included.

Expenses. The District's core FY 26-27 budget is \$1.9 MM and is approximately \$78K less than the FY 25-26 budget. There are 5 budget line items that account for 90% of the total budget and include interest expense, legal/professional fees, staffing, insurance, and depreciation. The largest expenditures are for COP interest payments (\$650K), legal fees related to Series B

COP's (\$300K), staffing costs (\$313K), and insurance costs (\$172K).

Jaber Properties. The Jaber properties will incur significant expenses related to the shingle replacement project (\$100K) and the repair/refurbishment of vacant apartment H (\$100K). In addition, revenue will be impacted due to the vacancy of apartment H. As a result, the Jaber properties are projected to lose approximately \$74K during the next fiscal year. Despite this, cash reserves are sufficient to fund all planned projects and the cash balance at the end of FY 26-27 is projected to be \$295K.

Transfer to AHS. The transfer of parcel tax payments to AHS, net of District expenses, COP principal and interest payments, and expenses associated with Series B COP's, is projected to be approximately \$4.3 million.

**City of Alameda Health Care District
Fiscal Year 2026 – 2027 Budget Highlights**

District Core Budget Key Drivers

Interest Expense	36%
Legal/Professional Fees	21%
Staffing	17%
Insurance	9%
Depreciation	7%

- 90% of the District's 2026 – 2027 fiscal year core budget is driven by 5 line items
- The largest budgeted expenditures are for COP interest payments of \$650K, \$300K for legal fees associated with Series B COP's, staffing costs totaling \$313K, and insurance costs of \$172K

Proposed District Budget versus Prior Year Budget

Proposed Budget	\$1,932,792
Prior Year Budget	\$2,011,220

- The proposed Core District total budget is \$78K less than last year's approved budget
- Staffing costs are \$33K less than last year driven by lower Executive Director expense and not having to pay agency fees for the District Clerk
- HARPP insurance costs are budgeted \$25K less than last year's budget
- Budgeted miscellaneous expenses are \$37K less than last year's budget

**City of Alameda Health Care District
Fiscal Year 2026 – 2027 Budget Highlights**

Rental Properties Budget

Proposed Budget Net Income	(\$74K)
Prior Year Budget Net Income	\$97K
Project FY End Cash	\$295K

- The District will incur significant one-time expenses for the shingle replacement project (\$100K) and the repair of Apartment H (\$100K)
- Unit H is also projected to be vacant for 3 months in the new fiscal year which lowers revenue

Transfer to AHS

Gross Revenue Available	\$6.46 MM
District Funding Required	<u>\$2.14 MM</u>
Projected AHS Transfer	\$4.32 MM

- Gross revenue available is the sum of parcel tax dollars and interest income
- District Funding required includes loan principal expense, which is not included in the budget

City of Alameda Health Care District
2026 - 2027 Budget
District Core

Account	FY 26-27 Budget	FY 25-26 Budget	FY 25-26 Forecast	Variance vs. Prior Budget	Variance vs. Forecast
Operating Revenue					
Interest/Other Income	\$372,000	\$200,000	\$376,284	\$172,000	(\$4,284)
Total Operating Revenue	\$372,000	\$200,000	\$376,284	\$172,000	(\$4,284)
Expenses					
Bank Service Charges	\$0	\$0	\$850	\$0	\$850
Dues and Subscriptions	\$15,000	\$0	\$7,200	(\$15,000)	(\$7,800)
District Stipends	\$4,200	\$4,200	\$3,250	\$0	(\$950)
Other Purchased Services	\$20,436	\$0	\$21,000	(\$20,436)	\$564
Insurance	\$172,255	\$196,895	\$188,000	\$24,640	\$15,745
Payroll & Employee Benefits	\$313,106	\$0	\$202,435	(\$313,106)	(\$110,671)
Payroll Taxes	\$23,953	\$0	\$7,881	(\$23,953)	(\$16,072)
Payroll Processing Fee	\$1,800	\$0	\$644	(\$1,800)	(\$1,156)
Food and Meals	\$4,000	\$0	\$6,934	(\$4,000)	\$2,934
Executive Assistant	\$0	\$125,000	\$69,163	\$125,000	\$69,163
Accounting Fees	\$33,100	\$33,000	\$39,000	(\$100)	\$5,900
Legal and Professional Fees	\$412,000	\$396,750	\$120,000	(\$15,250)	(\$292,000)
Office Supplies	\$5,000	\$35,000	\$4,600	\$30,000	(\$400)
Admin. Building Lease	\$25,056	\$24,000	\$24,243	(\$1,056)	(\$813)
Interest Expense	\$696,250	\$713,875	\$656,579	\$17,625	(\$39,671)
Depreciation: Buildings	\$126,552	\$131,000	\$126,548	\$4,448	(\$4)
Depreciation: Equipment	\$948	\$0	\$951	(\$948)	\$3
Internet and Phone	\$3,516	\$0	\$6,120	(\$3,516)	\$2,604
Utilities	\$0	\$0	\$0	\$0	\$0
Travel	\$9,500	\$0	\$6,500	(\$9,500)	(\$3,000)
Education and Conferences	\$17,050	\$15,000	\$13,000	(\$2,050)	(\$4,050)
Community Involvement/Promotion	\$24,990	\$35,000	\$20,500	\$10,010	(\$4,490)
Community Donations	\$20,000	\$15,000	\$13,500	(\$5,000)	(\$6,500)
Miscellaneous Expense	\$4,000	\$41,500	\$1,584	\$37,500	(\$2,416)
Executive Director	\$0	\$245,000	\$152,000	\$245,000	\$152,000
Total Expenses	\$1,932,712	\$2,011,220	\$1,692,482	\$78,508	(\$240,230)
Net Operating Income	(\$1,560,712)	(\$1,811,220)	(\$1,316,198)	\$250,508	(\$244,514)

City of Alameda Health Care District
2026 - 2027 Budget
District Core

Account	FY 26-27	
	Budget	% of Budget
Expenses		
Dues and Subscriptions	\$15,000	0.8%
District Stipends	\$4,200	0.2%
Other Purchased Services	\$20,436	1.1%
Insurance	\$172,255	8.9%
Payroll & Employee Benefits	\$313,106	16.2%
Payroll Taxes	\$23,953	1.2%
Payroll Processing Fee	\$1,800	0.1%
Food and Meals	\$4,000	0.2%
Accounting Fees	\$33,100	1.7%
Legal and Professional Fees	\$412,000	21.3%
Office Supplies	\$5,000	0.3%
Admin. Building Lease	\$25,056	1.3%
Interest Expense	\$696,250	36.0%
Depreciation: Buildings	\$126,552	6.5%
Depreciation: Equipment	\$948	0.0%
Internet and Phone	\$3,516	0.2%
Utilities	\$0	0.0%
Travel	\$9,500	0.5%
Education and Conferences	\$17,050	0.9%
Community Involvement/Promotion	\$24,990	1.3%
Community Donations	\$20,000	1.0%
Miscellaneous Expense	\$4,000	0.2%
Total Expenses	\$1,932,712	100.0%

Notes:

90% of the District's total budget is for five line items:

Staffing	17.5%
Insurance	8.9%
Legal/Professional Fees	21.3%
Interest Expense	36.0%
Depreciation	6.6%

City of Alameda Health Care District
2026 - 2027 Budget
Jaber Properties

Account	FY 26-27 Budget	FY 25-26 Budget	FY 25-26 Forecast	Variance vs. Prior Budget	Variance vs. Forecast
Operating Revenue					
Rental Property Revenue	\$216,000	\$227,300	\$222,000	(\$11,300)	(\$6,000)
Laundry Income	\$1,750	\$0	\$1,750	\$1,750	\$0
Interest/Other Income	\$0	\$5,000	\$0	(\$5,000)	\$0
Total Operating Revenue	\$217,750	\$232,300	\$223,750	(\$14,550)	(\$6,000)
Expenses					
Landscaping	\$11,300	\$0	\$11,300	(\$11,300)	\$0
Management Fees	\$11,200	\$11,116	\$11,200	(\$84)	\$0
Repairs and Maintenance	\$200,000	\$50,000	\$53,000	(\$150,000)	(\$147,000)
Utilities	\$14,500	\$15,877	\$14,500	\$1,377	\$0
Insurance	\$8,926	\$8,216	\$8,216	(\$710)	(\$710)
Miscellaneous Expenses	\$2,000	\$5,000	\$1,500	\$3,000	(\$500)
Depreciation Expense	\$44,500	\$45,000	\$44,500	\$500	\$0
Total Expenses	\$292,426	\$135,209	\$144,216	(\$157,217)	(\$148,210)
Net Revenue Over Expenses	(\$74,676)	\$97,091	\$79,534	(\$171,767)	(\$154,210)

Notes

1. Includes cost to repair Unit H - \$100K
2. Includes cost to replace shingles on buildings 2 and 3 - \$100K
3. Includes reduction in rental income for Unit H for 3 months in the new fiscal year
4. The cash balance remaining at the end of fiscal year 2026 - 2027 would be approximately \$295K

City of Alameda Health Care District
2026 - 2027 Budget
Consolidated

Account	FY 26-27 Budget	FY 25-26 Budget	FY 25-26 Forecast	Variance vs. Prior Budget	Variance vs. Forecast
Operating Revenue					
Rental Property Revenue	\$216,000	\$227,300	\$222,000	(\$11,300)	(\$6,000)
Laundry Income	\$1,750	\$0	\$1,750	\$1,750	\$0
Interest/Other Income	\$372,000	\$205,000	\$0	\$167,000	\$372,000
Total Operating Revenue	\$589,750	\$432,300	\$223,750	\$157,450	\$366,000
Expenses					
Rental Property Expenses	\$292,426	\$135,209	\$144,216	(\$157,217)	(\$148,210)
Bank Service Charges	\$0	\$0	\$850	\$0	\$850
Dues and Subscriptions	\$15,000	\$0	\$7,200	(\$15,000)	(\$7,800)
District Stipends	\$4,200	\$4,200	\$3,250	\$0	(\$950)
Other Purchased Services	\$20,436	\$0	\$21,000	(\$20,436)	\$564
Insurance	\$172,255	\$196,895	\$188,000	\$24,640	\$15,745
Payroll & Employee Benefits	\$313,106	\$0	\$202,435	(\$313,106)	(\$110,671)
Payroll Taxes	\$23,953	\$0	\$7,881	(\$23,953)	(\$16,072)
Payroll Processing Fee	\$1,800	\$0	\$644	(\$1,800)	(\$1,156)
Food and Meals	\$4,000	\$0	\$6,934	(\$4,000)	\$2,934
Executive Assistant	\$0	\$125,000	\$69,163	\$125,000	\$69,163
Accounting Fees	\$33,100	\$33,000	\$39,000	(\$100)	\$5,900
Legal and Professional Fees	\$412,000	\$396,750	\$120,000	(\$15,250)	(\$292,000)
Office Supplies	\$5,000	\$35,000	\$4,600	\$30,000	(\$400)
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Interest Expense	\$696,250	\$713,875	\$656,579	\$17,625	(\$39,671)
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Internet and Phone	\$3,516	\$0	\$6,120	(\$3,516)	\$2,604
Utilities	\$0	\$0	\$0	\$0	\$0
Travel	\$9,500	\$0	\$6,500	(\$9,500)	(\$3,000)
Education and Conferences	\$17,050	\$15,000	\$13,000	(\$2,050)	(\$4,050)
Community Involvement/Promotion	\$24,990	\$35,000	\$20,500	\$10,010	(\$4,490)
Community Donations	\$20,000	\$15,000	\$13,500		
Miscellaneous Expense	\$4,000	\$41,500	\$1,584	\$37,500	(\$2,416)
Executive Director	\$0	\$245,000	\$152,000	\$245,000	\$152,000
Total Expenses	\$2,225,138	\$2,146,429	\$1,836,698	(\$73,709)	(\$381,940)
Net Operating Income	(\$1,635,388)	(\$1,714,129)	(\$1,612,948)	\$83,741	(\$15,940)
Non-Operating Revenue					
District Tax Revenue	\$6,098,886	\$6,221,942	\$6,174,996	(\$123,056)	(\$76,110)
Total Non-Operating Revenue	\$6,098,886	\$6,221,942	\$6,174,996	(\$123,056)	(\$76,110)
Non-Operating Expenses					
Transfers to AHS	\$4,335,486	\$4,204,307	\$4,020,750	(\$131,179)	(\$314,736)
Total Non-Operating Expenses	\$4,335,486	\$4,204,307	\$4,020,750	(\$131,179)	(\$314,736)
Net Non-Operating Revenue	\$1,763,400	\$2,017,635	\$2,154,246	\$8,123	\$238,626
Net Income	\$128,012	\$303,506	\$541,298	\$91,864	\$222,686

City of Alameda Health Care District
2026 - 2027 Budget
AHS Funds Transfer

	FY 26-27 Budget	FY 25-26 Budget	Change
Total District Funding Requirement			
Total District Expenses	\$1,932,712	\$2,011,220	(\$78,508)
Less: Depreciation	\$127,500	\$131,000	\$3,500
Plus: COP Principle Expense	\$305,000	\$290,000	\$15,000
Plus: Loan Principle Expense	\$25,188	\$47,415	(\$22,227)
Total District Funding Required	\$2,135,400	\$2,217,635	(\$82,235)
Transfer Amount to AHS			
Parcel Tax Revenue	\$6,098,886	\$6,221,942	(\$123,056)
Plus: Interest Income	\$372,000	\$200,000	\$172,000
Less: District Funding Required	\$2,135,400	\$2,217,635	\$82,235
Total Transfer to AHS	\$4,335,486	\$4,204,307	\$131,179