

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a **regular meeting** of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, August 10, 2016** at **6:00 pm** In **Hearing Room 4, City Hall, 2nd Floor**, at 1 Frank Ogawa Plaza.

Committee Members:

Lori Andrus, Brandon Baranco, Jon Bauer, Ken Benson, Margurite Fuller, Ed Gerber, Ken Houston, Alicia John-Baptiste, Geoffrey Johnson, Darin Ranahan, Robin Raveneau, Noelle Simmons, Adam Van de Water, Danny Wan, & Jennifer West

City's Representative:

Brad Johnson– *City Administrator's Office*

Meeting Agenda:

1. Administrative Matters
 - a. Welcome
 - b. Attendance
 - c. Approval of draft minutes
2. Receive an overview of the City's Budget. Please see the Agenda Materials attached. These agenda materials include graphics, tables, and slides regarding the City's Budget and the City's Administrative Instruction 1303 regarding cost allocation.

Please also review the City's Adopted FY 2015-17 Budget Book available here:

<http://www2.oaklandnet.com/government/o/CityAdministration/d/BudgetOffice/OAK055628>; and the most recent Five-Year Forecast Document available here:

<http://www2.oaklandnet.com/government/o/CityAdministration/d/BudgetOffice/ProposedBudget/OAK051948>

3. Subjects Identified for possible BAC consideration at the prior meeting including:
 - General Overview of the City's Budget and Budget Process
 - Key Technical and Policy Topics of Interest such as Negative Funds [
 - A Briefing on the previously issues Five-Year Forecast
 - A Briefing on Prior Work done by the BAC
 - A Briefing on Race and Equity issues related to the Budget
 - A Briefing on Open Data and prior efforts to employ the use of standardized budget templates.
 - A Briefing on Housing Inclusion issues related to the Budget
 - A Briefing on Impact Fees
 - A Briefing on the 100 Resilient Cities Network, Oakland's participation, and any related issues

4. Open Forum

5. Adjournment, Next Meeting – September 14th 2016.

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Draft Minutes

Regular Meeting, Wednesday, July 13, 2016
6:00 pm in the Hearing Room 4,
City Hall, 2nd Floor, 1 Frank Ogawa Plaza.

Commission Members Present (13):

Lori Andrus, Brandon Baranco, Jon Bauer, Ken Benson, Margurite Fuller,
Ed Gerber, Ken Houston, Alicia John-Baptiste, Geoffrey Johnson
Darin Ranahan, Noelle Simmons, Adam Van de Water & Jennifer West

Commission Members Absent (2):

Robin Raveneau & Danny Wan

City's Representatives:

Brad Johnson- *City Administrator's Office*

Meeting Agenda:

1. Administrative Matters
 - a. Welcome – [Meeting Called to Order at 6:05pm](#)
 - b. Attendance – [Quorum Confirmed – 13 of 15 members present](#)
 - c. Approval of draft minutes – [Minutes Approved Unanimously](#)
2. Receive and oral report on the scheduling significant approved and pending items of legislation. Please note that amendments were approved to the City's Midcycle Budget and are available on the City's website:
<http://www2.oaklandnet.com/government/o/CityAdministration/d/BudgetOffice/index.htm>

Members of the commission and public can receive regular updates from the website by following the steps noted in the agenda materials.

[Staff Member Johnson updated the commission on items to be heard at forthcoming City Council meetings including the proposed infrastructure bond, and the passage of the Midcycle Budget.](#)

3. Receive an overview of the City's Budget Process including Consolidated Fiscal Policy, from City Staff. Please see the Agenda Materials.

[Staff Member Johnson provided an oral overview of the City's Budget process and answered related questions from members of the BAC. Commission members asked to](#)

receive additional information on the City's open data initiatives. The Commission also requested that a review of the substance of the budget be conducted at the forthcoming meeting.

4. Subjects Identified for possible BAC consideration at the prior meeting including:
 - General Overview of the City's Budget and Budget Process
 - Key Technical and Policy Topics of Interest such as Negative Funds [
 - A Briefing on the previously issues Five-Year Forecast
 - A Briefing on Prior Work done by the BAC
 - A Briefing on Race and Equity issues related to the Budget
 - A Briefing on Open Data and prior efforts to employ the use of standardized budget templates.
 - A Briefing on Housing Inclusion issues related to the Budget
 - A Briefing on Impact Fees
 - A Briefing on the 100 Resilient Cities Network, Oakland's participation, and any related issues

This item was continued to the next meeting of the BAC.

5. Open Forum
6. Adjournment, Next Meeting – August 10th 2016.

Meeting Adjourned at 8:05pm by consensus.

Budget Advisory Commission

Budget Overview

Coding Block

Foundational Unit for All Budgetary and Financial Data

Entity – Fund – Org – Account – Project – Program

Entity: 1 City or 3 ORSA

Fund: e.g. General Purpose Fund 1010

Org: e.g. 02811 - Budget Division, or 03121 - City Clerk

Account: e.g. 41111 - Property Tax, or 51111 - Civilian Salaries

Project: e.g. P472210 - Bus Rapid Transit Final Design Phase

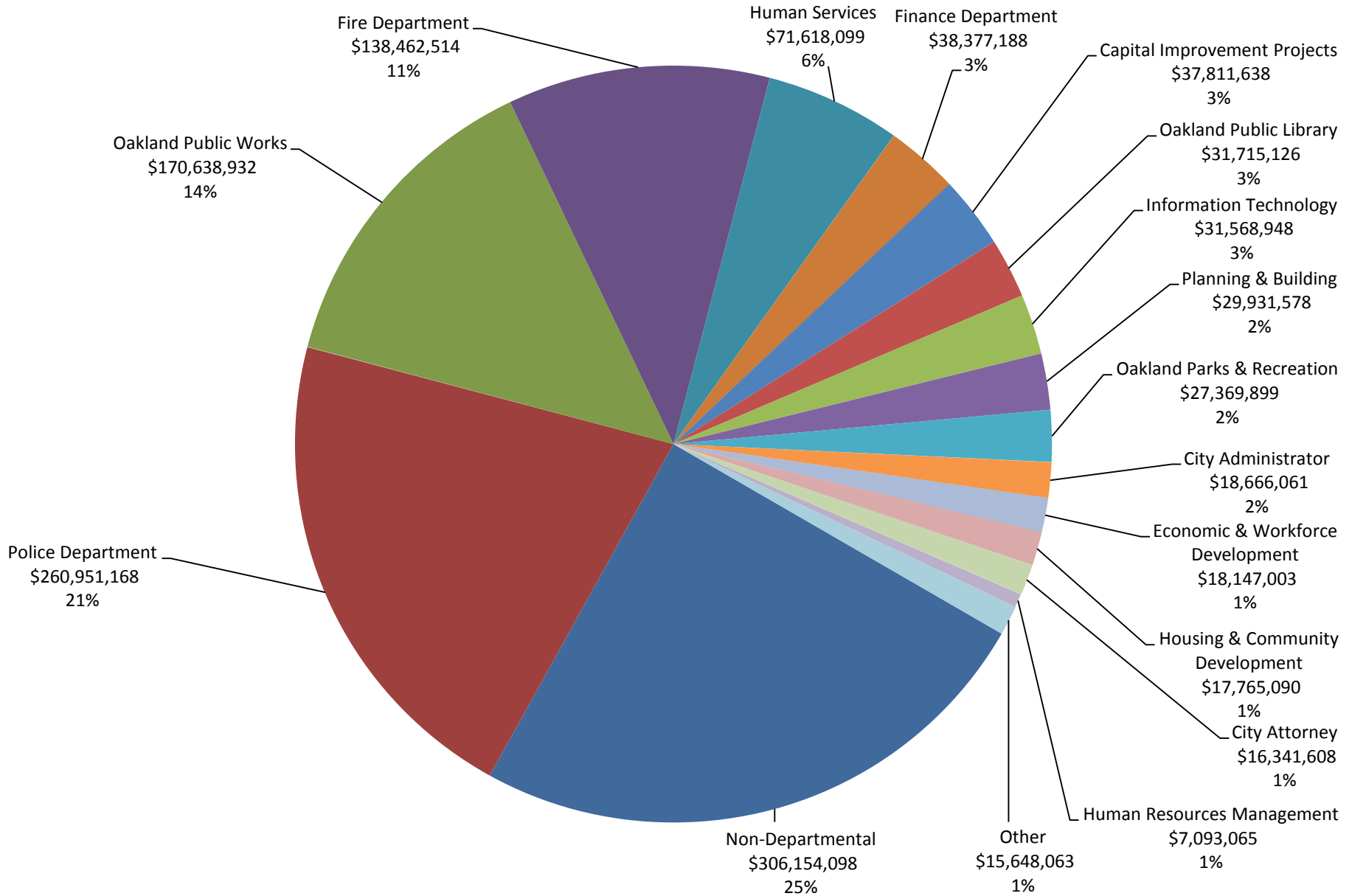
Program: e.g. IP59 - Financial Management

Funds

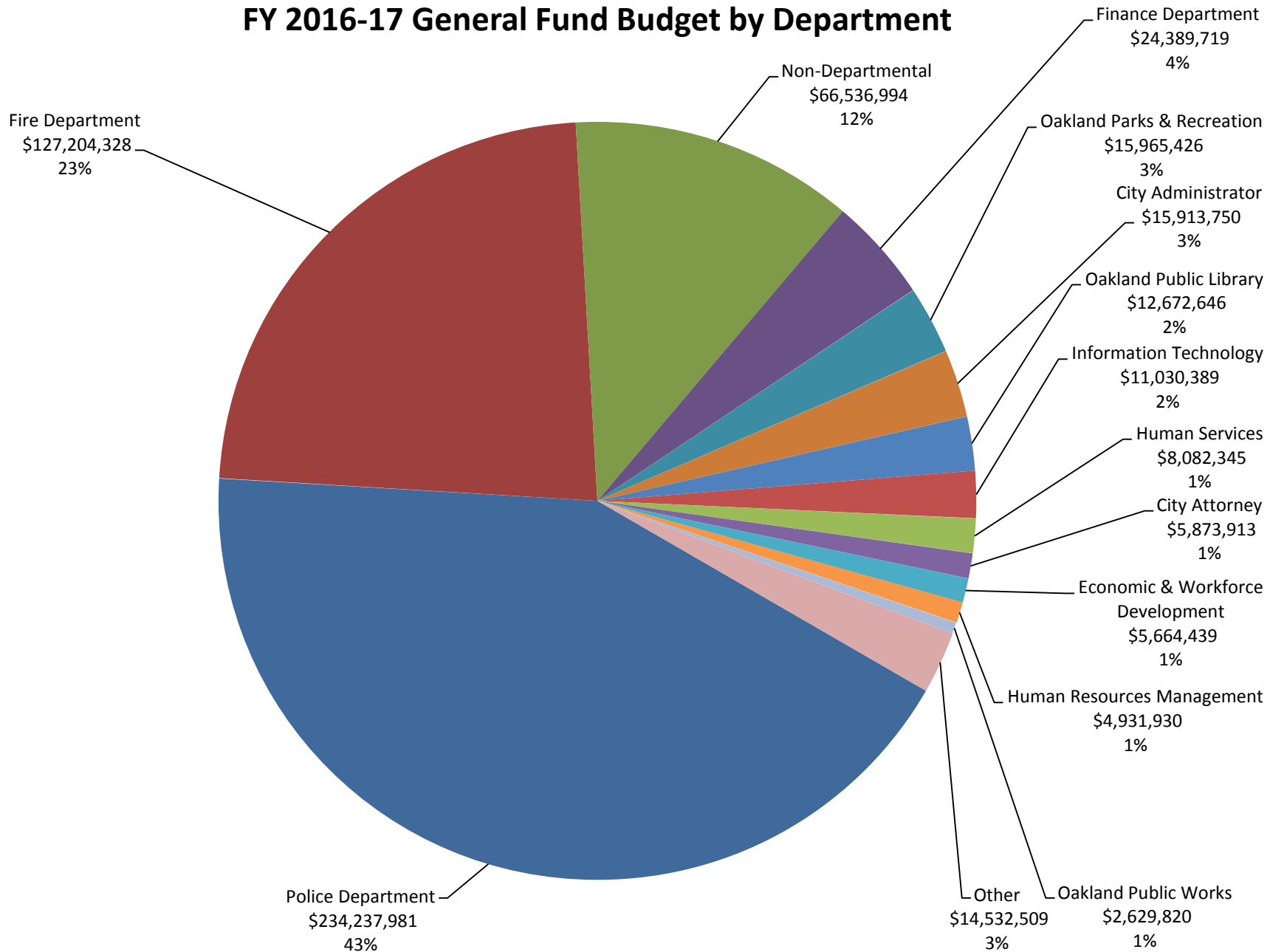
- Funds are account unit of analysis for governmental entities.
- The City has over 115 Budgeted Funds and numerous other closed or clearing funds its accounting system.

Expenditure Charts & Graphics

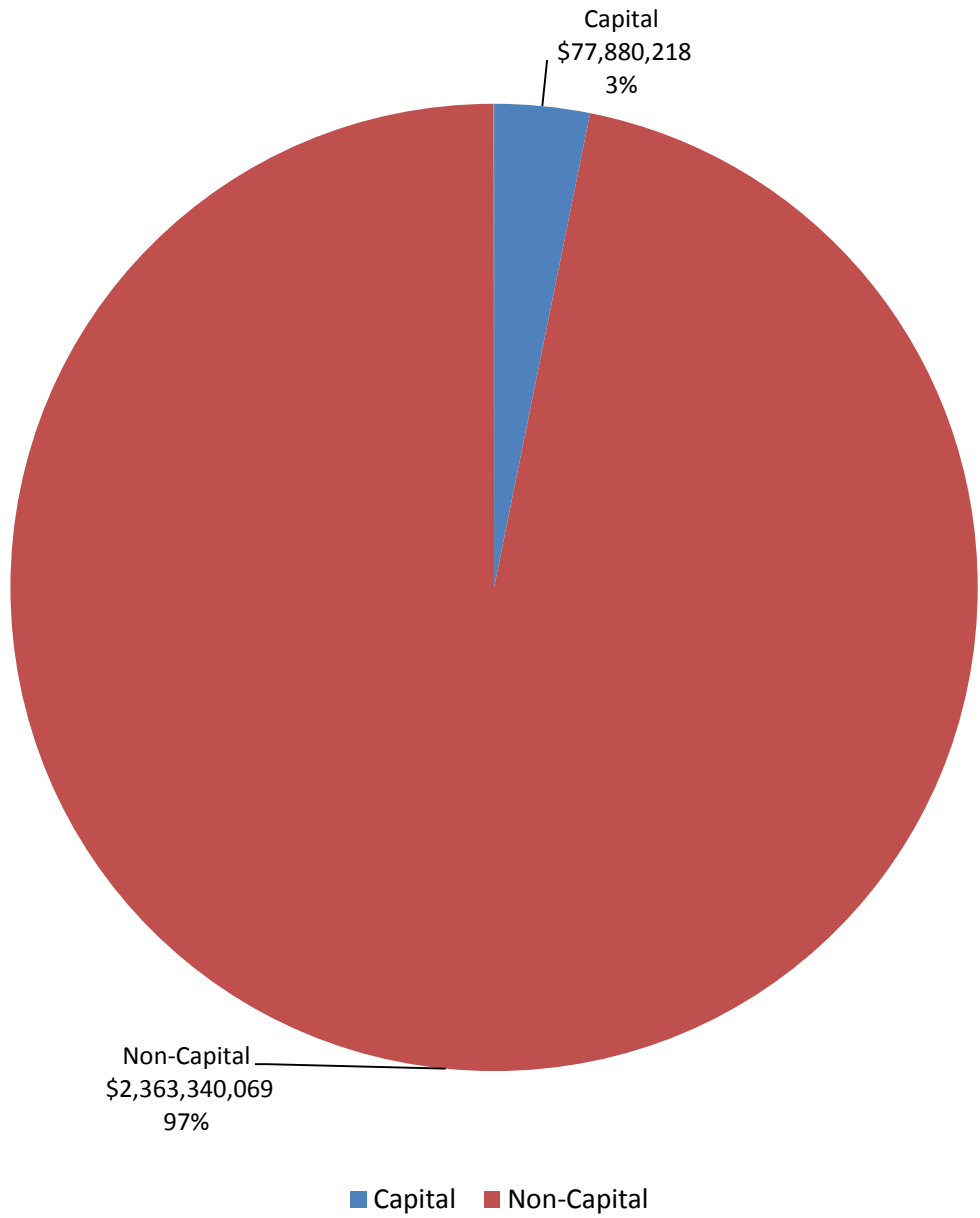
FY 2016-17 All Funds Budget by Department



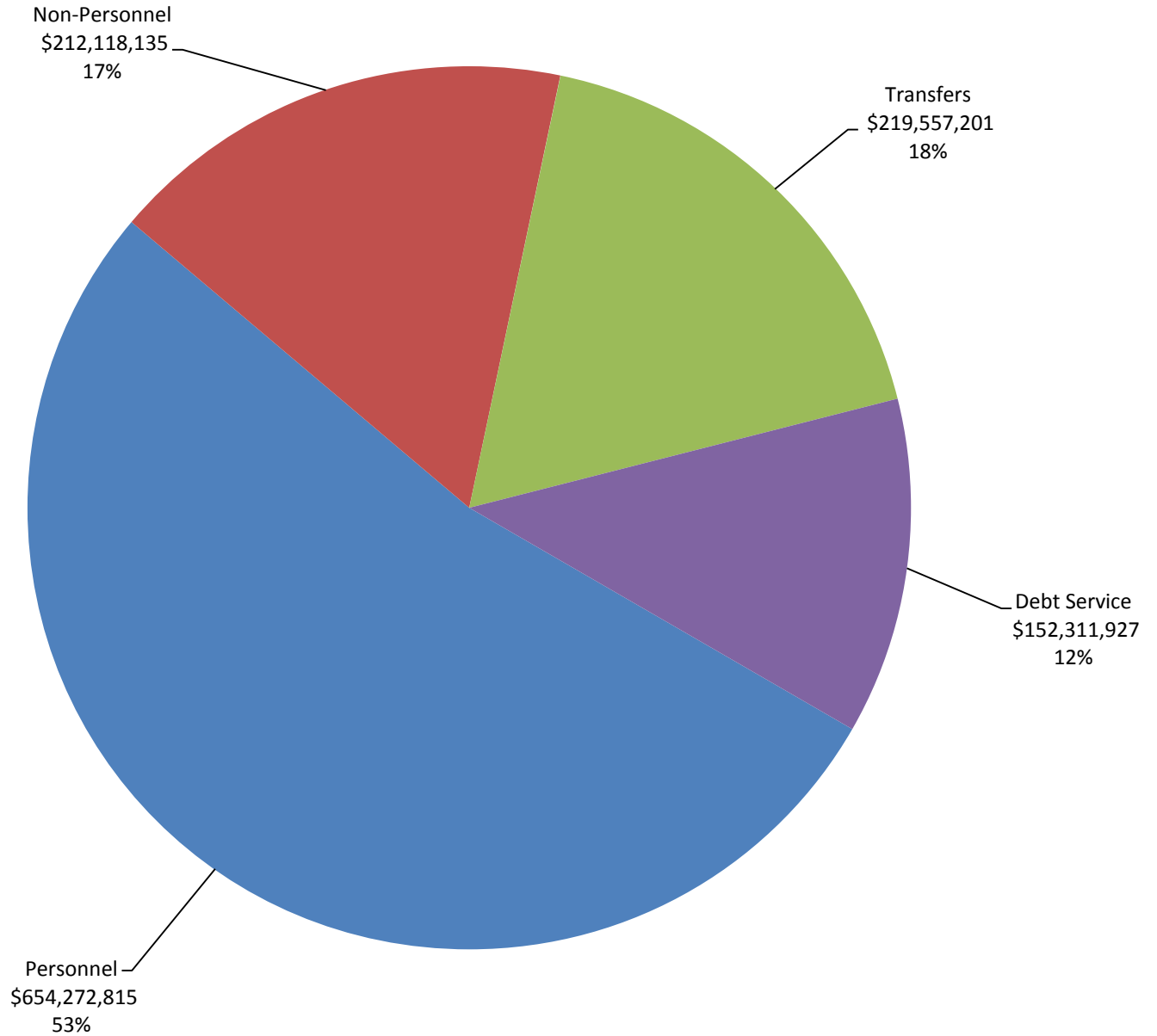
FY 2016-17 General Fund Budget by Department



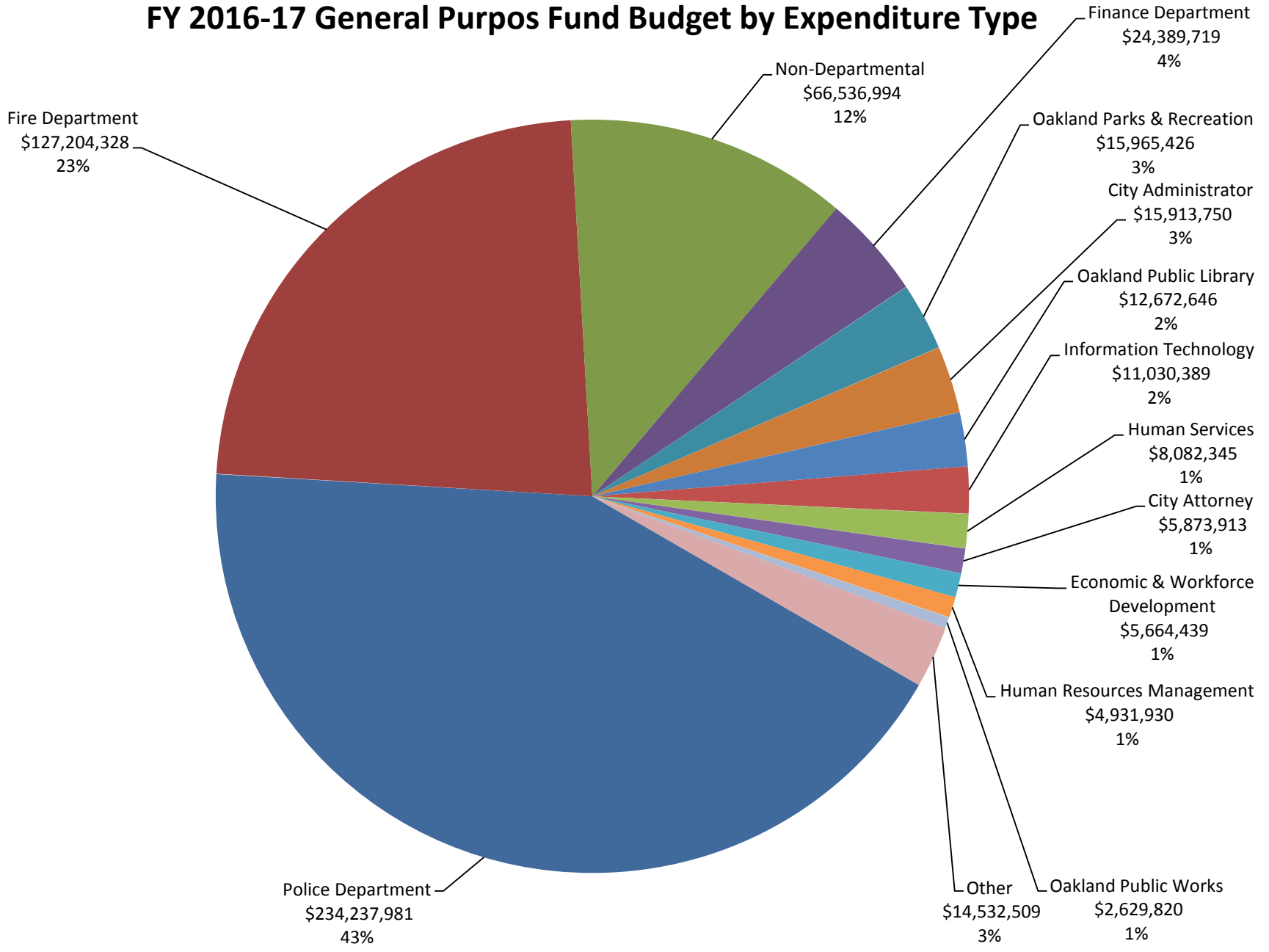
Capital vs Operating Budget - FY 2015-17



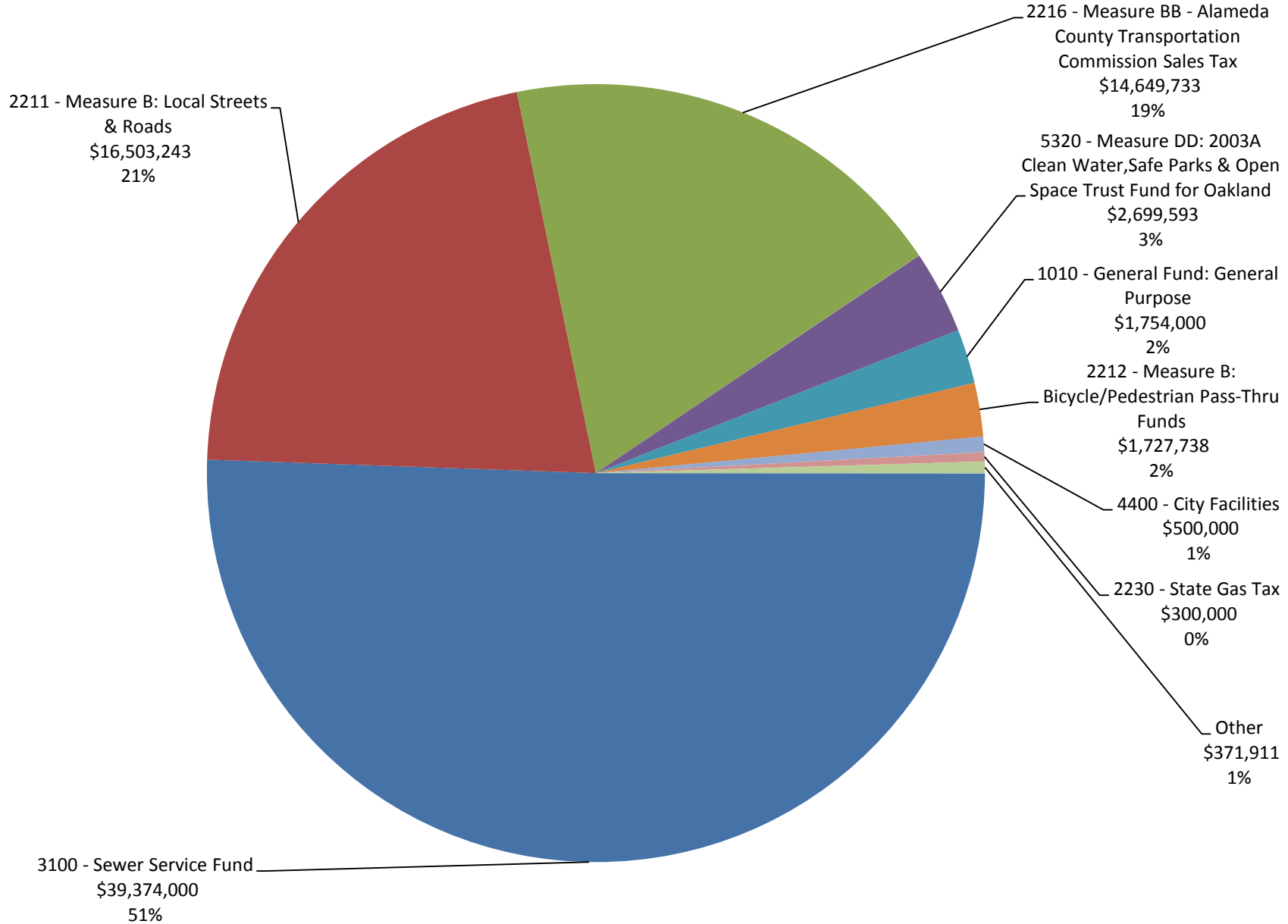
FY 2016-17 All Funds Budget by Expenditure Type



FY 2016-17 General Purpos Fund Budget by Expenditure Type

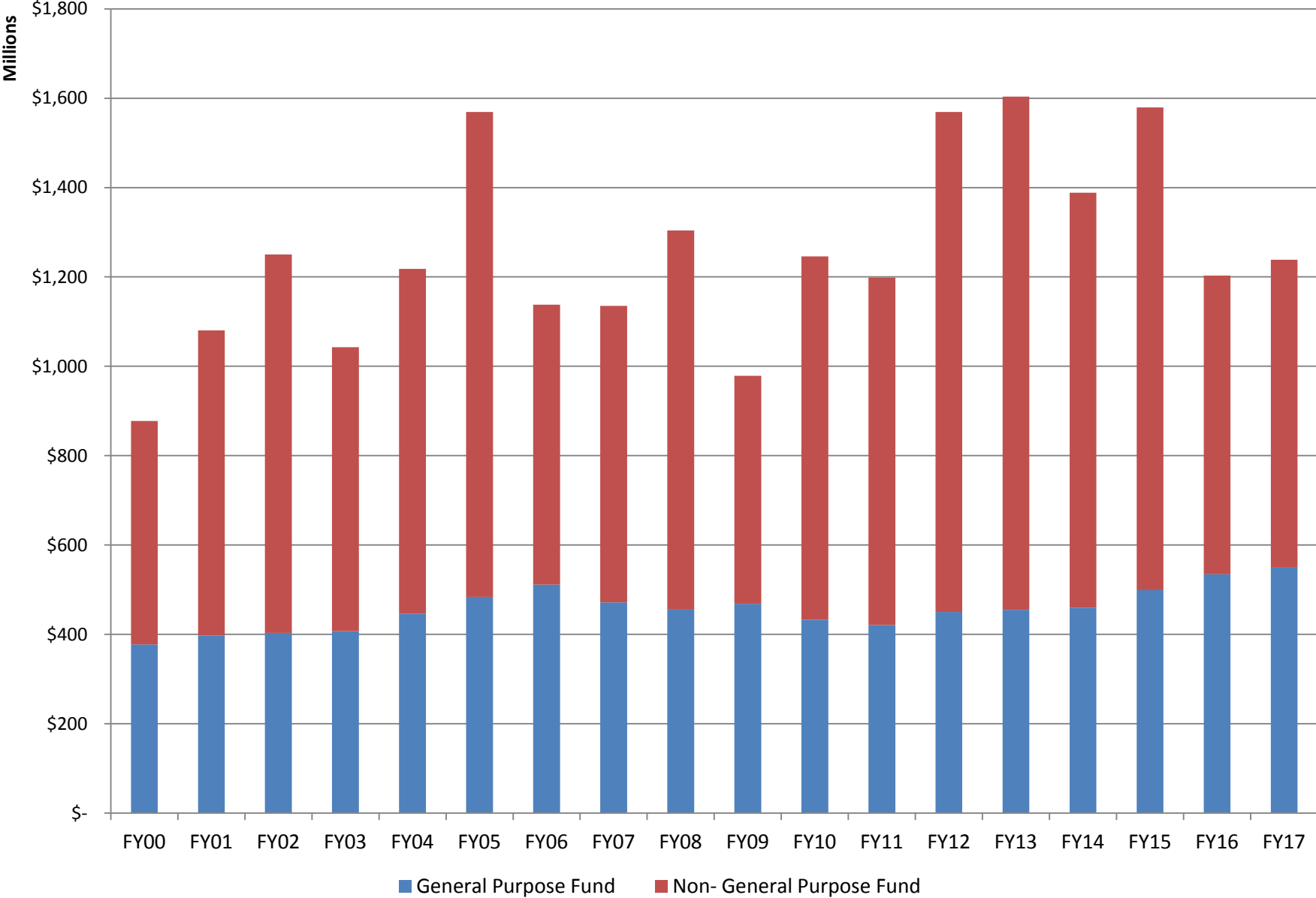


FY 2015-17 Capital Budget By Fund

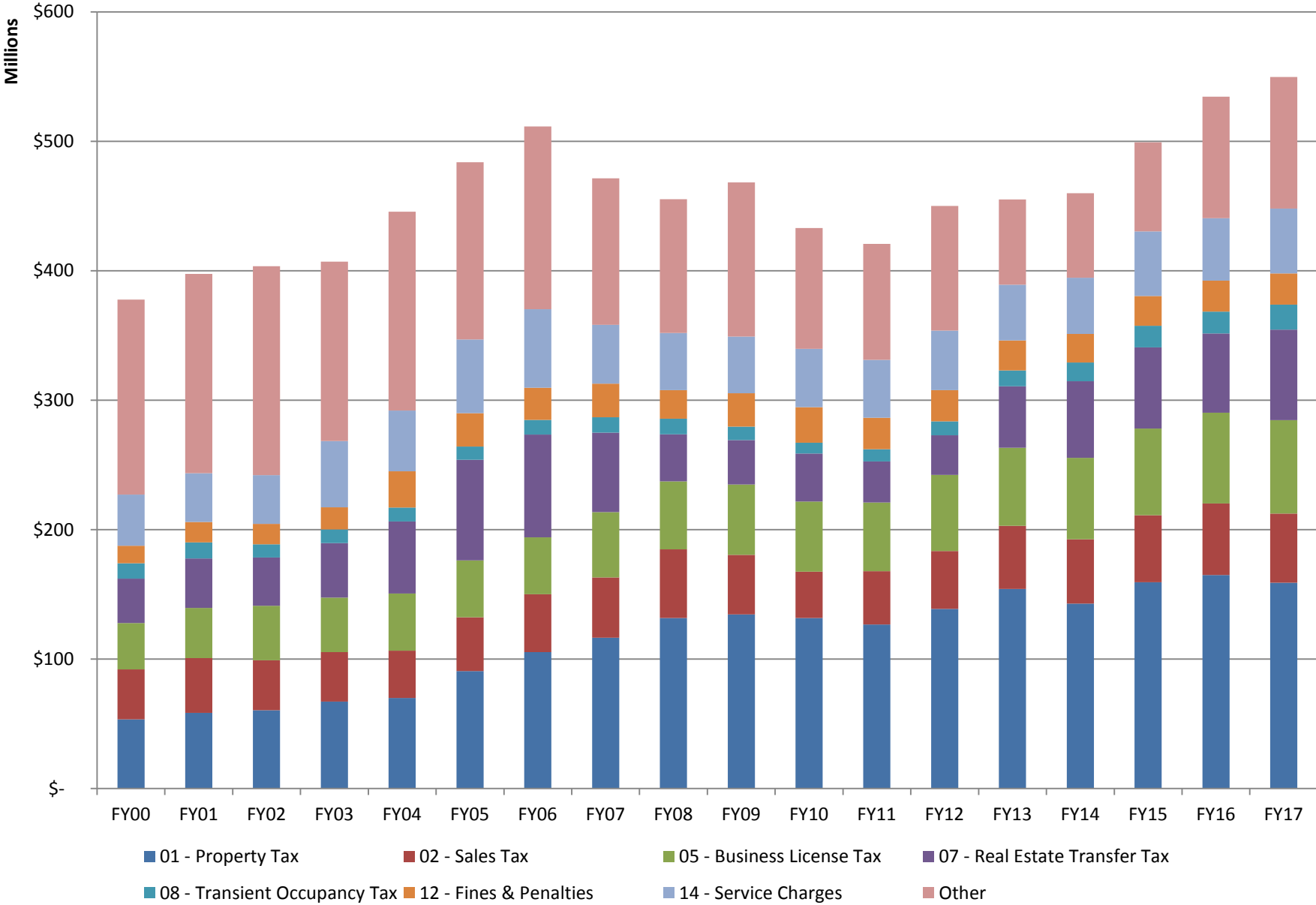


Revenue Charts & Graphics

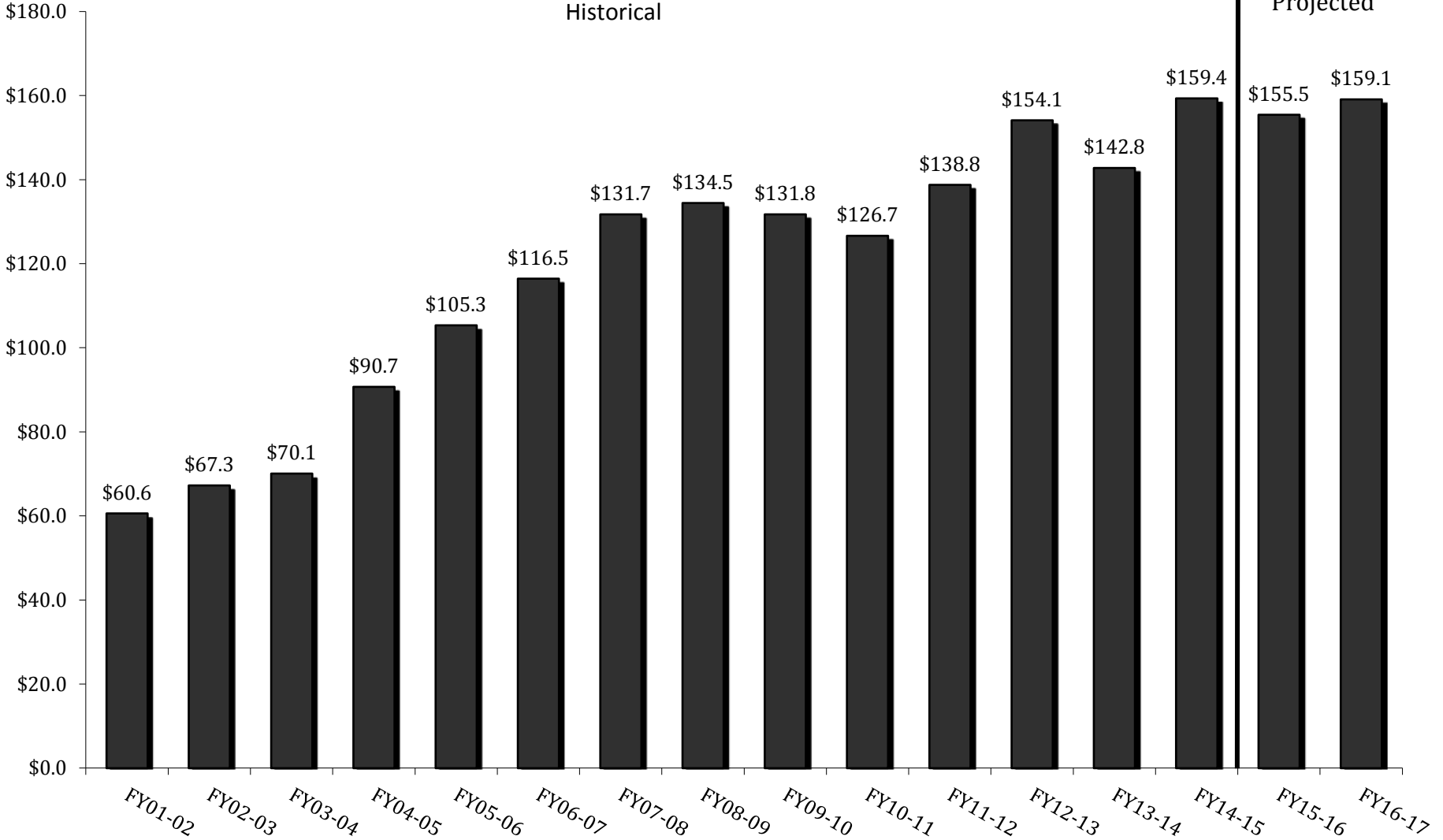
Revenues By Fund across time



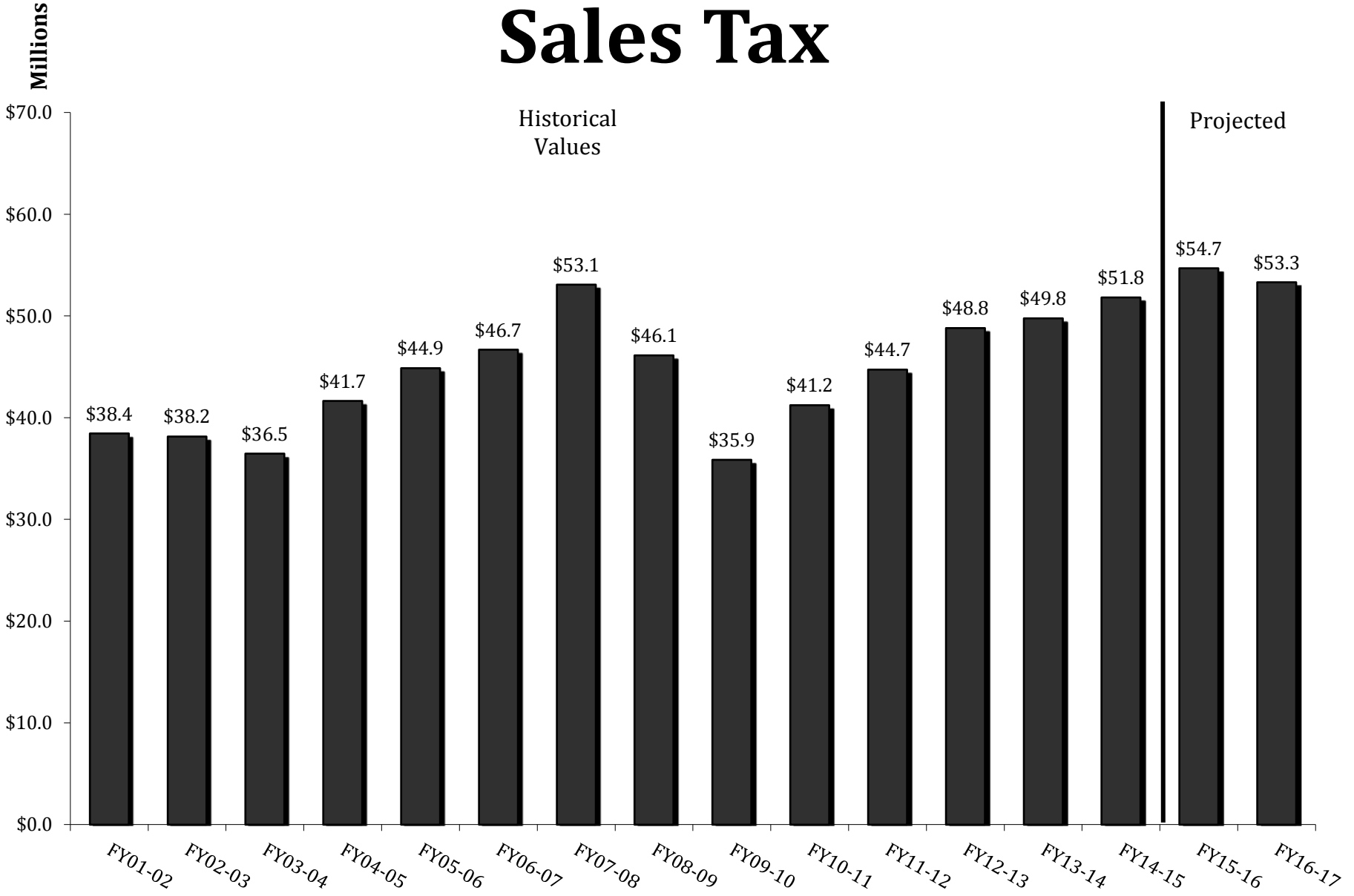
Revenues By Fund over time



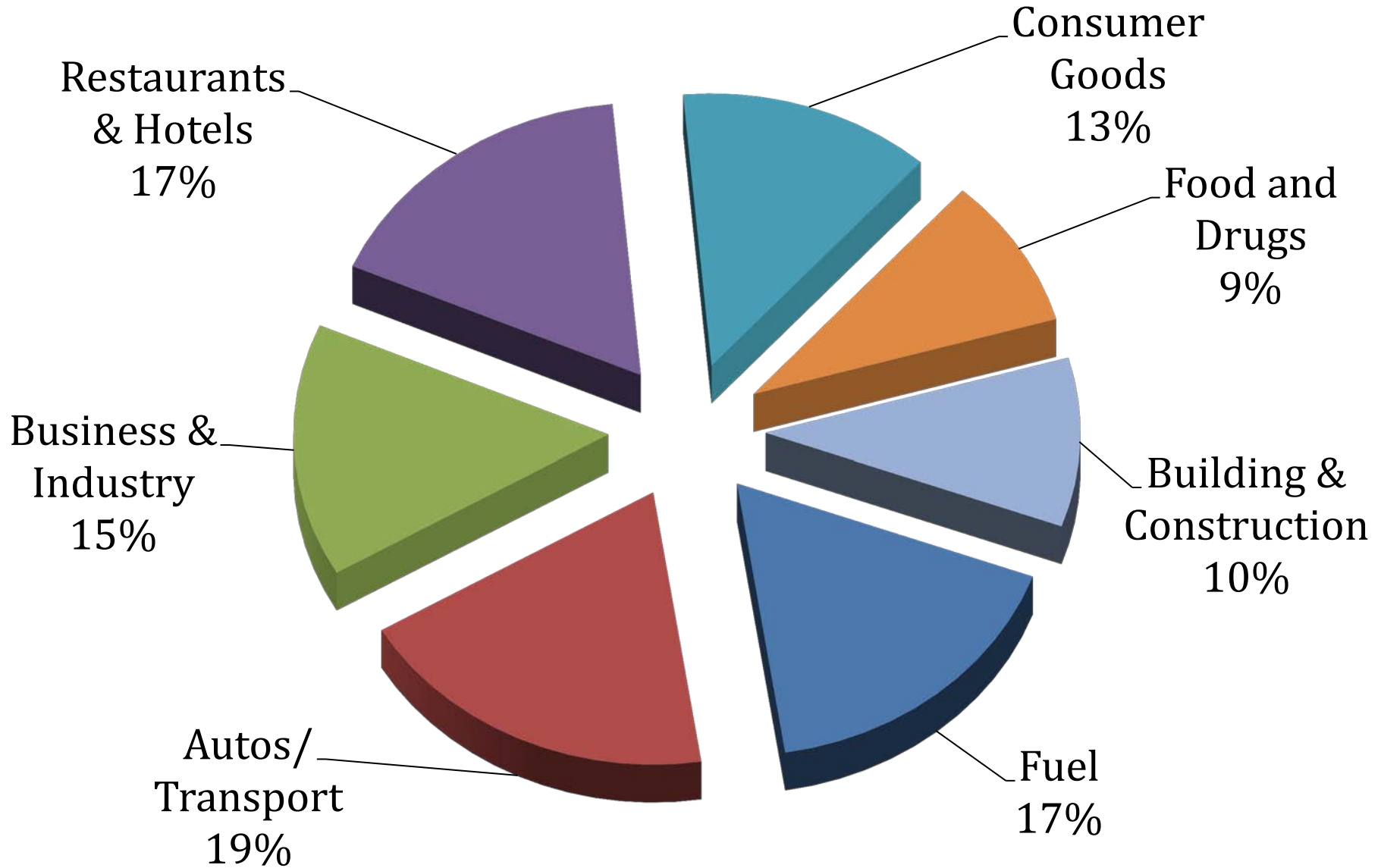
Property Tax



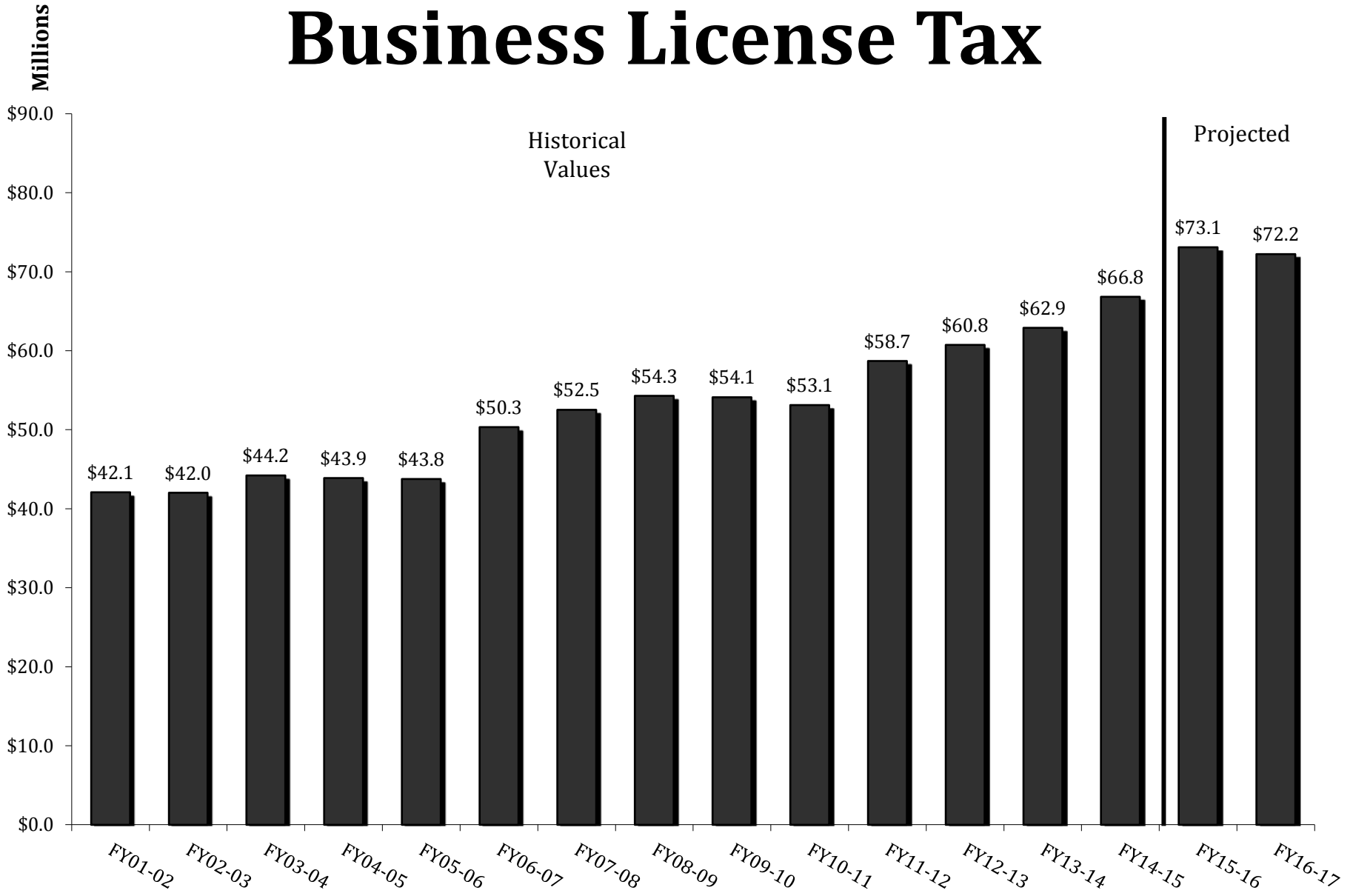
Sales Tax



Sales Tax FY 2014-15 Unaudited

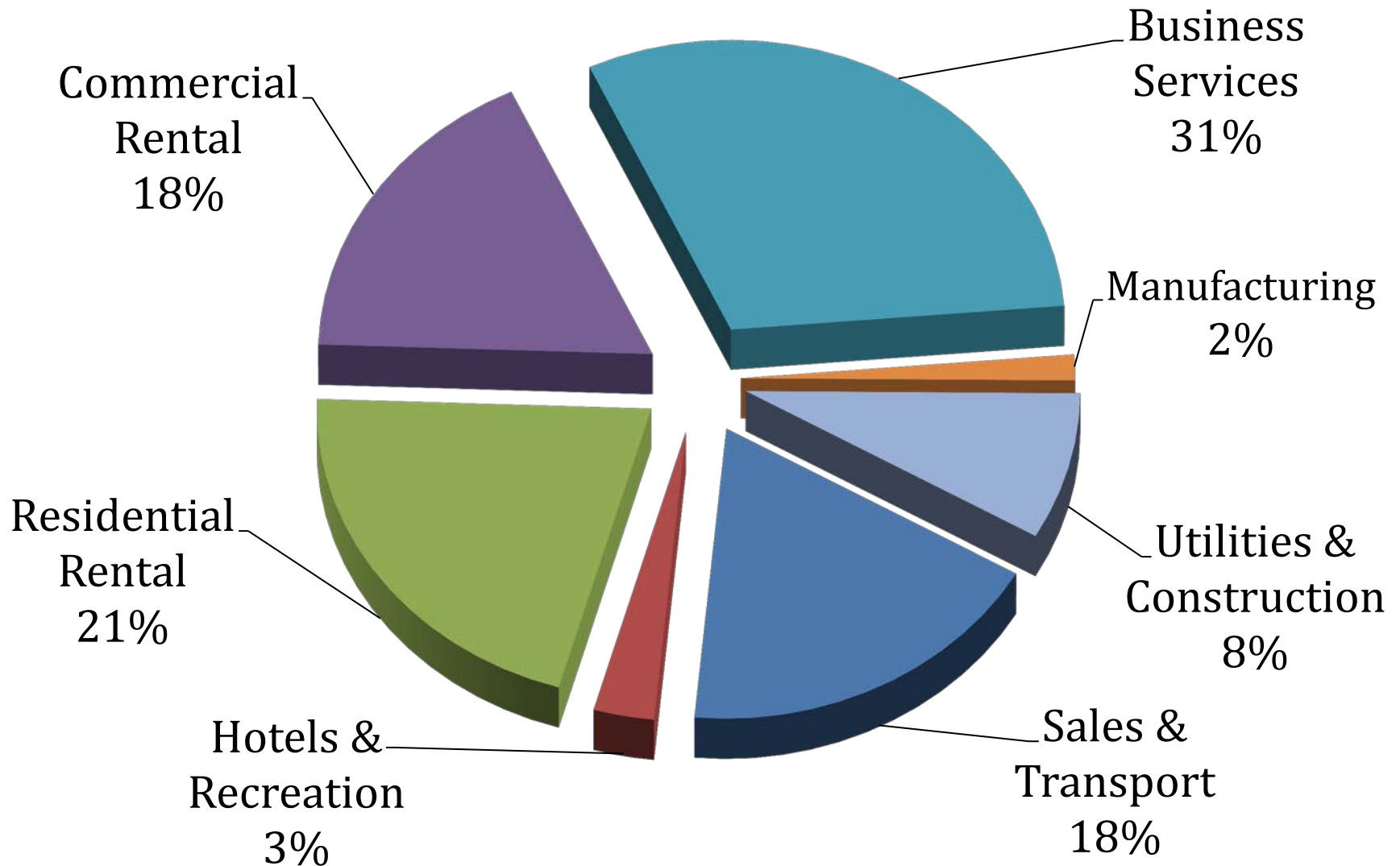


Business License Tax



Business Tax in FY 2014-15

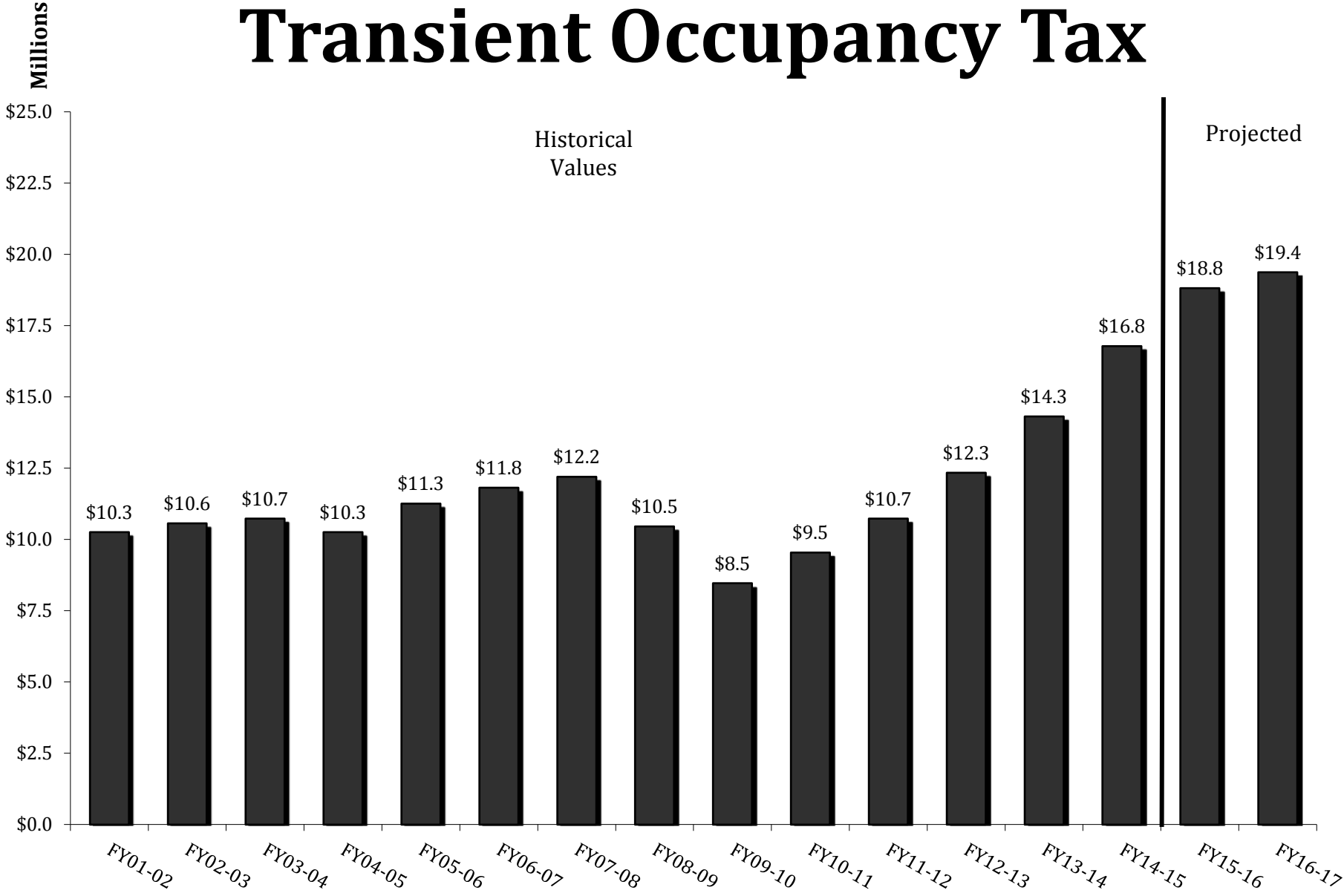
Unaudited



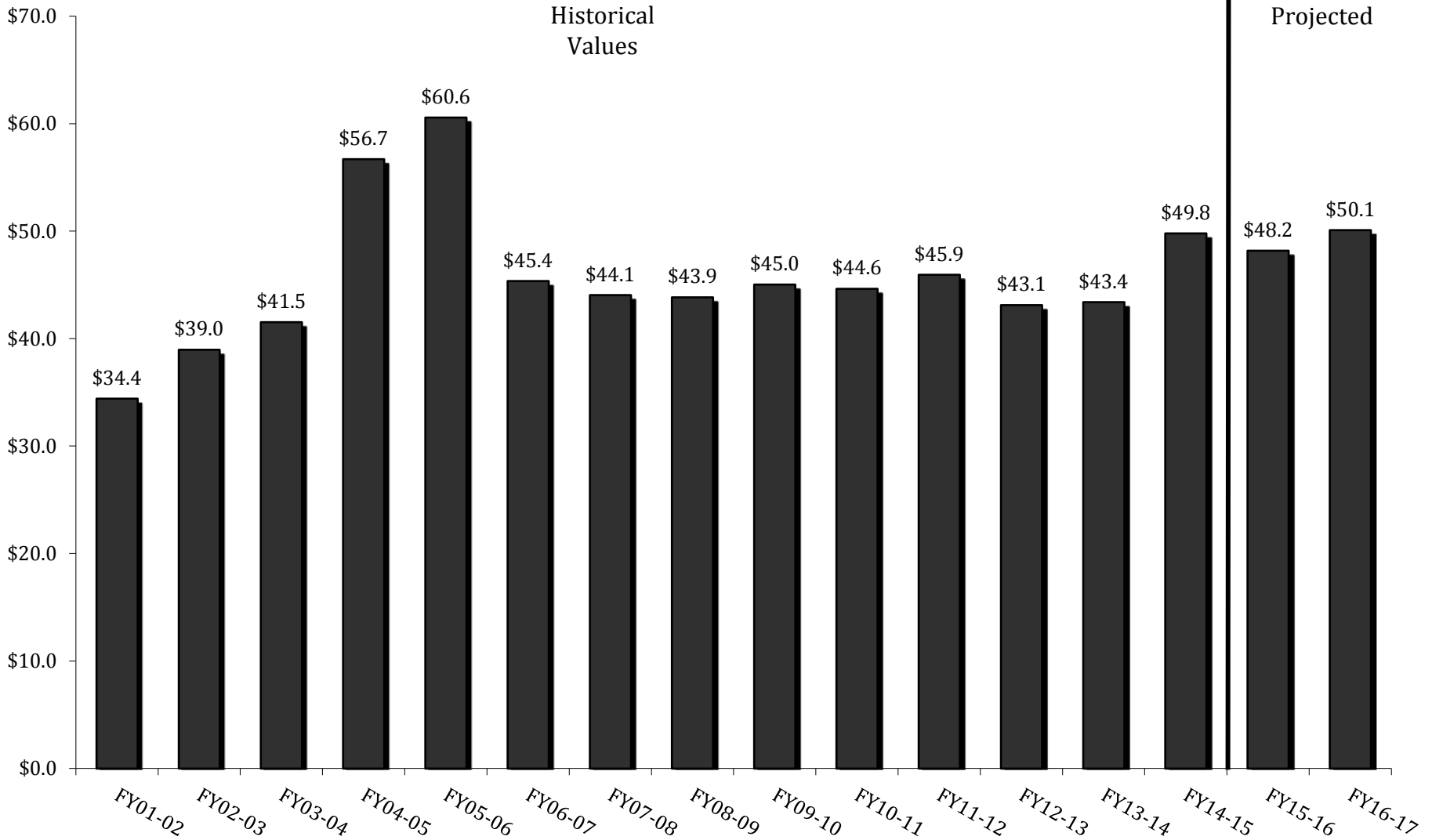
Real Estate Transfer Tax



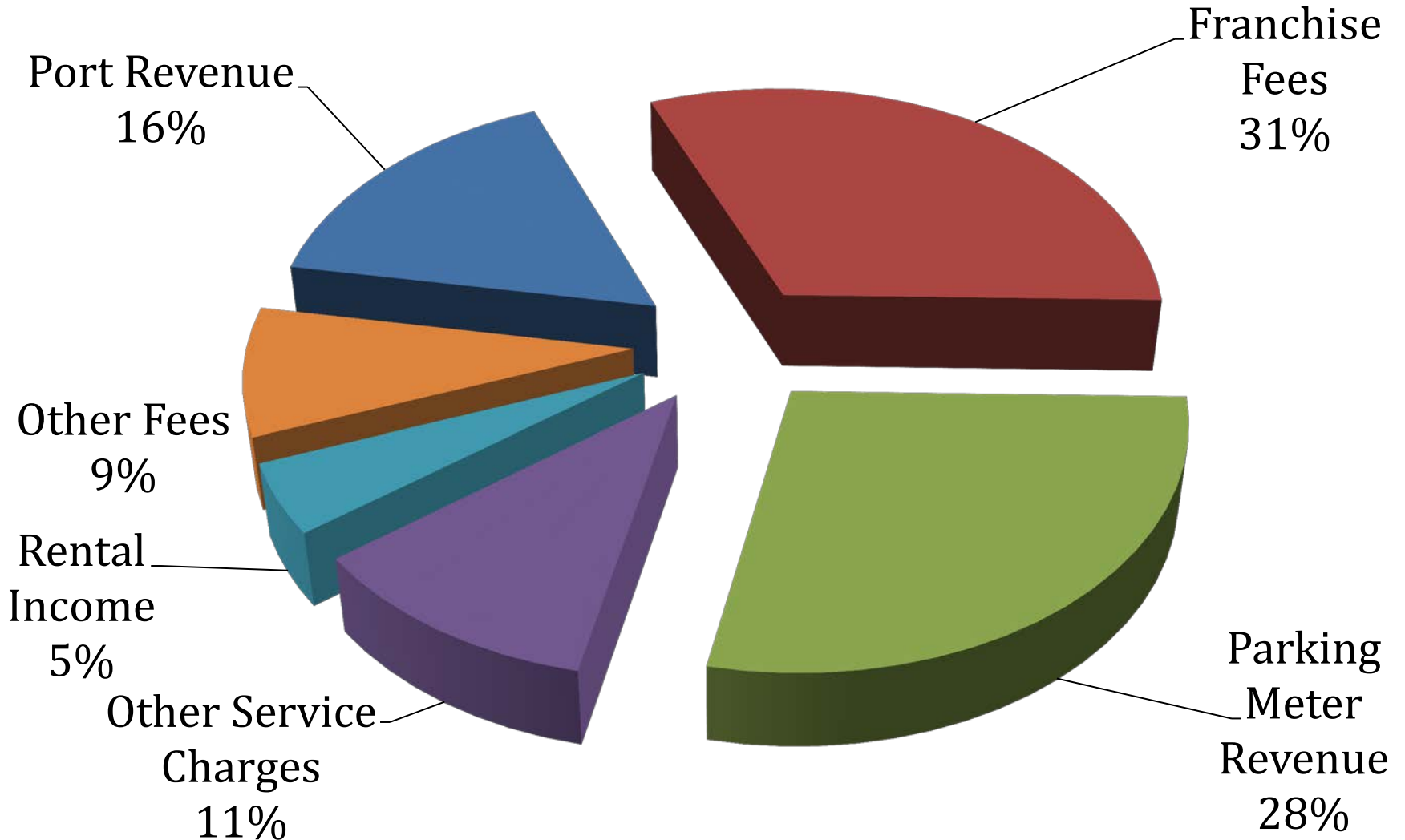
Transient Occupancy Tax



Service Charges



Budgeted Service Charges by Category in FY 2015-16



Tables

All Funds

Department	FY15-16	FY16-17
Capital	\$ 40,068,580	\$ 37,811,638
Non-Capital	\$ 1,162,891,629	\$ 1,200,448,440
Grand Total	\$ 1,202,960,209	\$ 1,238,260,078

Department	FY15-16	FY16-17
Capital Improvement Projects	\$ 40,068,580	\$ 37,811,638
City Administrator	\$ 18,476,250	\$ 18,666,061
City Attorney	\$ 15,115,252	\$ 16,341,608
City Auditor	\$ 1,903,677	\$ 1,915,510
City Clerk	\$ 3,425,223	\$ 4,642,795
City Council	\$ 4,436,312	\$ 4,806,964
Economic & Workforce Development	\$ 17,652,619	\$ 18,147,003
Finance Department	\$ 36,117,569	\$ 38,377,188
Fire Department	\$ 134,969,853	\$ 138,462,514
Housing & Community Development	\$ 18,121,483	\$ 17,765,090
Human Resources Management	\$ 6,701,969	\$ 7,093,065
Human Services	\$ 69,453,990	\$ 71,618,099
Information Technology	\$ 23,267,335	\$ 31,568,948
Mayor	\$ 2,829,158	\$ 3,033,708
Non-Departmental	\$ 329,523,361	\$ 306,154,098
Oakland Parks & Recreation	\$ 26,341,522	\$ 27,369,899
Oakland Public Library	\$ 28,658,815	\$ 31,715,126
Oakland Public Works	\$ 161,919,550	\$ 170,638,932
Planning & Building	\$ 27,244,050	\$ 29,931,578
Police Department	\$ 235,570,787	\$ 260,951,168
Public Ethics	\$ 858,779	\$ 917,989
Race & Equity	\$ 304,075	\$ 331,097
Grand Total	\$ 1,202,960,209	\$ 1,238,260,078

General Purpose Fund

Department	FY15-16	FY16-17
Capital	\$ 1,252,000	\$ 502,000
Non-Capital	\$ 533,126,786	\$ 549,164,189
Grand Total	\$ 534,378,786	\$ 549,666,189

Row Labels	FY15-16	FY16-17
Capital Improvement Projects	\$ 1,252,000	\$ 502,000
City Administrator	\$ 15,926,614	\$ 15,913,750
City Attorney	\$ 5,308,541	\$ 5,873,913
City Auditor	\$ 1,903,677	\$ 1,915,510
City Clerk	\$ 1,842,217	\$ 2,932,917
City Council	\$ 4,436,312	\$ 4,806,964
Economic & Workforce Development	\$ 5,058,763	\$ 5,664,439
Finance Department	\$ 22,594,813	\$ 24,389,719
Fire Department	\$ 123,604,555	\$ 127,204,328
Housing & Community Development		\$ 365,000
Human Resources Management	\$ 4,740,469	\$ 4,931,930
Human Services	\$ 6,465,571	\$ 8,082,345
Information Technology	\$ 10,209,508	\$ 11,030,389
Mayor	\$ 2,535,425	\$ 2,719,384
Non-Departmental	\$ 85,823,691	\$ 66,536,994
Oakland Parks & Recreation	\$ 15,765,804	\$ 15,965,426
Oakland Public Library	\$ 11,129,415	\$ 12,672,646
Oakland Public Works	\$ 2,863,827	\$ 2,629,820
Planning & Building	\$ 41,466	\$ 41,648
Police Department	\$ 211,713,264	\$ 234,237,981
Public Ethics	\$ 858,779	\$ 917,989
Race & Equity	\$ 304,075	\$ 331,097
Grand Total	\$ 534,378,786	\$ 549,666,189

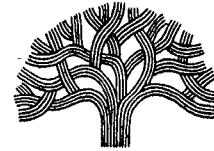
Category	FY15-16	FY16-17
01 - Civilian Salaries	\$ 181,244,634	\$ 193,542,432
02 - Civilian Overtime	\$ 3,993,093	\$ 3,999,213
03 - Civilian Retirement	\$ 55,920,080	\$ 64,252,057
04 - Civilian Fringe Benefits	\$ 66,250,231	\$ 68,006,486
05 - Sworn Salaries	\$ 136,371,019	\$ 148,385,723
06 - Sworn Overtime	\$ 15,079,862	\$ 15,120,327
07 - Sworn Retirement	\$ 51,789,238	\$ 58,785,966
08 - Sworn Fringe Benefits	\$ 50,220,122	\$ 52,130,736
09 - Allowances & Premiums	\$ 13,498,497	\$ 14,113,769
10 - Misc. Personnel Adjustments	\$ 12,928,727	\$ (1,825,992)
11 - Services & Supplies	\$ 70,363,359	\$ 71,797,036
12 - Contract Services	\$ 121,121,028	\$ 131,825,118
13 - Travel & Education	\$ 5,838,476	\$ 5,695,063
14 - Internal Services & Work Orders	\$ 75,031,164	\$ 78,031,441
15 - Capital Acquisitions	\$ 35,750,384	\$ 33,570,596
16 - Debt Payments	\$ 143,471,859	\$ 152,311,927
17 - Overhead Allocations	\$ 36,458,027	\$ 37,762,098
18 - Other Expenditures and Disbursements	\$ 24,430,429	\$ 30,622,059
19 - Operating Transfers	\$ 153,185,423	\$ 141,525,760
20 - Contributions to Fund Balances	\$ 28,754,827	\$ 24,503,380
21 - Recoveries	\$ (68,816,252)	\$ (65,115,120)
22 - Project Offsets & Carryforwards	\$ (9,924,018)	\$ (20,779,997)
Grand Total	\$ 1,202,960,209	\$ 1,238,260,078

Category	FY15-16	FY16-17
01 - Civilian Salaries	\$ 70,880,444	\$ 77,810,556
02 - Civilian Overtime	\$ 1,455,409	\$ 1,455,409
03 - Civilian Retirement	\$ 22,403,135	\$ 26,599,960
04 - Civilian Fringe Benefits	\$ 26,508,922	\$ 28,107,991
05 - Sworn Salaries	\$ 127,877,966	\$ 139,883,485
06 - Sworn Overtime	\$ 13,064,973	\$ 13,107,459
07 - Sworn Retirement	\$ 48,275,778	\$ 55,217,546
08 - Sworn Fringe Benefits	\$ 47,189,296	\$ 49,314,465
09 - Allowances & Premiums	\$ 10,773,290	\$ 11,336,291
10 - Misc. Personnel Adjustments	\$ 12,491,750	\$ (2,805,888)
11 - Services & Supplies	\$ 13,955,595	\$ 14,636,316
12 - Contract Services	\$ 30,075,373	\$ 27,581,284
13 - Travel & Education	\$ 2,275,884	\$ 2,239,994
14 - Internal Services & Work Orders	\$ 45,156,906	\$ 46,783,250
15 - Capital Acquisitions	\$ 1,004,762	\$ 104,762
16 - Debt Payments	\$ 6,148,988	\$ 6,808,150
17 - Overhead Allocations	\$ 94,844	\$ 99,836
18 - Other Expenditures and Disbursements	\$ 24,249,677	\$ 29,934,569
19 - Operating Transfers	\$ 58,508,502	\$ 60,755,200
20 - Contributions to Fund Balances	\$ 3,249,375	
21 - Recoveries	\$ (30,081,842)	\$ (24,733,784)
22 - Project Offsets & Carryforwards	\$ (1,180,241)	\$ (14,570,662)
Grand Total	\$ 534,378,786	\$ 549,666,189

Capital By Fund Source	FY15-16	FY16-17
3100 - Sewer Service Fund	\$ 17,873,000	\$ 21,501,000
2211 - Measure B: Local Streets & Roads	\$ 8,581,566	\$ 7,921,677
2216 - Measure BB - Alameda County Transportation Commission Sales Tax	\$ 10,426,918	\$ 4,222,815
5320 - Measure DD: 2003A Clean Water, Safe Parks & Open Space Trust Fund for Oakland		\$ 2,699,593
1010 - General Fund: General Purpose	\$ 1,252,000	\$ 502,000
2212 - Measure B: Bicycle/Pedestrian Pass-Thru Funds	\$ 928,816	\$ 798,922
4400 - City Facilities	\$ 500,000	
2230 - State Gas Tax	\$ 150,000	\$ 150,000
Other	\$ 356,280	\$ 15,631
Grand Total	\$ 40,068,580	\$ 37,811,638

Non-Capital By Fund Source	FY15-16	FY16-17
1010 - General Fund: General Purpose	\$ 533,126,786	\$ 549,164,189
1200 - Pension Override Tax Revenue	\$ 71,851,789	\$ 73,974,413
3100 - Sewer Service Fund	\$ 44,045,415	\$ 45,257,654
6032 - Taxable Pension Obligation: Series 2001	\$ 43,290,000	\$ 44,595,002
2415 - Development Service Fund	\$ 34,479,244	\$ 37,830,004
4400 - City Facilities	\$ 34,876,429	\$ 31,057,932
1100 - Self Insurance Liability	\$ 25,283,891	\$ 26,938,295
2252 - Measure Z - Violence Prevention and Public Safety Act of 2014	\$ 24,658,021	\$ 26,607,111
2128 - Department of Health and Human Services	\$ 25,581,965	\$ 23,236,143
4100 - Equipment	\$ 23,464,248	\$ 23,969,182
1720 - Comprehensive Clean-up	\$ 22,229,224	\$ 23,296,360
6999 - Miscellaneous Debt Service	\$ 21,500,000	\$ 21,500,000
2310 - Lighting and Landscape Assessment District	\$ 19,924,200	\$ 20,415,665
2241 - Measure Q-Library Services Retention & Enhancement	\$ 16,809,791	\$ 18,309,494
6036 - JPFA Refunding Revenue Bonds: 2008 Series A-1 (Tax-Exempt Bonds)	\$ 17,511,159	\$ 17,142,674
1780 - Kid's First Oakland Children's Fund	\$ 14,049,327	\$ 14,536,156
2230 - State Gas Tax	\$ 9,202,355	\$ 8,004,004
2108 - HUD-CDBG	\$ 8,210,190	\$ 8,383,876
4200 - Radio / Telecommunications	\$ 7,313,407	\$ 8,186,936
1820 - OPRCA Self Sustaining Revolving Fund	\$ 6,808,045	\$ 7,635,780
2419 - Measure C: Transient Occupancy Tax (TOT) Surcharge	\$ 4,728,407	\$ 5,285,304
2195 - Workforce Investment Act	\$ 4,897,390	\$ 4,569,178
2211 - Measure B: Local Streets & Roads	\$ 3,134,426	\$ 3,351,576
2413 - Rent Adjustment Program Fund	\$ 2,949,086	\$ 3,133,965
Other	\$ 142,966,834	\$ 154,067,547
Grand Total	\$ 1,162,891,629	\$ 1,200,448,440

CITY OF OAKLAND



ADMINISTRATIVE INSTRUCTION

SUBJECT	FRINGE BENEFIT AND ORGANIZATIONAL OVERHEAD RATES	NUMBER	1303
REFERENCE	OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-87	EFFECTIVE	July 1, 2016
SUPERSEDE	AI 1303 dated July 1, 2015		

I. PURPOSE

The purpose of this Administrative Instruction (AI) is to establish policies and procedures for the allocation of Fringe Benefits and Overhead expenditures associated with direct service activities. The allocation is performed in the City's financial system to set aside funds necessary to cover the actual costs related to: (a) such Fringe Benefits as retirement, medical insurance premiums, disability insurance premiums, etc.; (b) Central Services Overhead costs representing citywide support departments such as administration, personnel and legal; and (c) Departmental Overhead costs representing department-specific administrative support costs for personnel, payroll, administration and similar functions.

II. POLICY

The City shall apply overhead and fringe benefit burden rates to all applicable expenditures, as allowed by law, regulations, and contractual conditions.

III. DEFINITIONS

Term

Direct Costs

Indirect Costs

Paid Leave

Definition

A Direct Cost is a cost that can be identified specifically with a particular award, project, service, or other direct activity of an organization.

An Indirect Cost is a cost that has been incurred for a common or joint objective and cannot be readily identified with a particular award, project, service, or a direct activity of an organization. Indirect Costs are recovered via the use of the Overhead Rate tables.

Paid Leave calculations are applied to payroll

Fringe Benefits

expenditures to accumulate funds for employee earned vacation, sick and other paid leave programs. This rate is one component of the Hourly Paid Leave and Fringe Benefit Rate found on Appendix A.

Fringe Benefit calculations are applied to payroll expenditures through the burdening process to accumulate funds for employer-paid benefits, such as medical coverage, insurances, and retirement.

Appendix A Hourly Paid Leave and Fringe Benefit Rate: Use these rates when applying Fringe Benefits to hourly rate.

Appendix B Annual Fringe Benefit Rate: Use these rates when applying Fringe Benefits to gross annual salary (which already includes the paid leave component).

Appendix E Summary of calculation methodologies utilized in developing the rates appearing on Appendix A and B.

Overhead Rates

Overhead Rates are applied to recover support service costs associated with those operations providing direct services. There are two types of Overhead rates included in this AI, the Central Service Overhead, and Departmental and Divisional Overheads. These rates are further described below. Departments will use these rates when billing for services rendered.

Appendix C **Central Service Overhead:** This rate is intended to recover general administrative costs associated with those operations providing direct services. The rate is re-established on a regular basis (usually during the budget process) using federally mandated standards (OMB circular A-87). This rate is applied through the payroll expenditure process to non-General Purpose Funds for the

organizations listed. Departments use this rate when charging other City departments or a non-City entity for services rendered.

Appendix D ***Departmental and Divisional Overhead:*** This rate is intended to recover Departmental overhead costs from the direct services provided by lower organizational units within that Department or Division. The affected Departments in conjunction with the Controller's Bureau develop the rates during the biennial budget development process. This rate is applied through the payroll expenditure process to applicable funds for the organizations listed. Departments use this rate when charging other City departments or a non-City entity for services rendered.

Unallowable Costs

Unallowable Costs are costs that are excluded from the allocation base for the purpose of developing and applying Overhead Rates. Unallowable Costs include, but are not limited to: costs related to elected officials, revenue collection and costs disallowed by the Federal Office of Management and Budget Circular A-87 (OMB A-87)

IV PROCEDURES

Responsible Party
Department Head

Action

1. Assures provisions are made for all applicable Fringe Benefits, and Overhead Rates, in accordance with this AI. Applies such consideration when developing grant applications, reporting or invoicing program costs, and invoicing recipients of City services.
2. Discharges these responsibilities by preparing

Finance Department

- and submitting grant applications through staff requests to the City Council.
3. ***For Departments recovering Administrative costs through a Departmental or Divisional Overhead:*** Reviews and updates the Departmental and Divisional Overhead on an annual basis; present any adjustments to rate or methodology to the Controller's Bureau for review and approval.
 1. Reviews and updates the Paid Leave, Fringe Benefit and Organizational overhead rates on an annual basis, and issues the new rates through an updated Administrative Instruction.
 2. Monitors reports and invoices to assure applicable rates are applied.
 3. Determines the appropriate Overhead Rates for new funds and organizations.
 4. Determines and approves contract provisions for billing services and the form and content of service invoices.
 5. Ensures that Overhead Costs are applied and recorded in the accounting records, and suitable documentation and analyses are maintained.
 6. Reviews Federal grant applications to ensure provisions are made for budgeting, charging, and recovering Paid Leaves, Fringe Benefits and Overhead Costs from awarding agencies.
 7. Prepares, submits, and negotiates the A-87 Cost Allocation plan with the granting Federal agency.
 8. In preparation for biennial budget development (or mid-cycle budget review), coordinate the preparation of future rate estimates (Appendix A – Appendix D) with the Controller's Bureau, and ensure accurate incorporation of the rate projections in the budgetary system.


9. Reviews Departmental and Divisional Overhead rates as prepared by the affected departments to validate the relationship between overhead costs and the proposed recovery methodology.

V. ADDITIONAL INFORMATION

The rates indicated in Appendices A–D of this AI are to be applied for the following purposes:

- Appendix A** Hourly Paid Leave and Fringe Benefit Rate: Use these rates when applying Fringe Benefit Rates to hourly salary.
- Appendix B** Annual Fringe Benefit Rate: Use these rates when applying Fringe Benefits to gross annual salary. (NOTE: An annual salary figure already includes Paid Leaves)
- Appendix C** Central Service Overhead: Use these rates to recover general administrative costs associated with those operations providing direct services.
- Appendix D** Departmental and Divisional Overhead: Use these rates to recover Departmental overhead costs from the direct services provided by lower organizational units within that Department or Division.
- Appendix E** Provides a summary of calculation methodologies utilized in developing the rates appearing on both Appendix A and B.

Please direct any questions regarding this Administrative Instruction to the Controller's Bureau in the Finance Department.



Sabrina B. Landreth
City Administrator

HOURLY FRINGE BENEFIT RATE

FISCAL YEAR 2016 / 2017

Representation Unit:	Regular Local 1021	Regular Local 21	Regular	Electricians	Part-Time (Unrep)	Part-Time (Rep)	Senior Aides	Police	Fire	Fire Trainee	Police Trainee	Elected Officials
Representation Code:	SB1, SCI, SDI	TA1,TF1,TM1, TM 2, TW1, UH1, UM 1, UM 2	UK1, UK2, UP 1, U31, U41, U51	IE1	CON,TL1,UG1	SH,T,V1	UJ1	.PP1,UN1,UN2	FQI,UR1,UU1	US1	P T1	UX1

PAID LEAVES

Vacation	8.73	8.73	8.73	8.73	0.00	0.00	0.00	9.80	10.44	0.00	0.00	0.00
Sick Leave	5.56	5.56	5.56	5.56	3.33	3.33	0.00	3.89	7.81	0.00	0.00	0.00
Other Paid Leaves	8.61	8.61	8.61	8.61	0.00	0.00	0.00	10.48	5.43	0.00	0.00	0.00
Sub-Total: Paid Leave	22.90%	22.90%	22.90%	22.90%	3.33%	3.33%	0.00%	24.17%	23.68%	0.00%	0.00%	0.00%

FRINGE BENEFITS

Retirement ¹	43.51	43.51	43.51	43.51	3.87	3.87	6.20	47.06	45.02	3.75	3.75	35.40
Health	29.59	29.59	29.59	29.59	1.50	1.50	1.45	15.00	17.14	13.86	12.08	24.20
Retiree Medical	6.73	6.73	6.73	6.73	0.00	0.00	0.00	9.16	10.61	0.00	0.00	5.48
Worker's Compensation	5.06	5.06	5.06	5.06	3.50	3.50	3.39	13.10	17.23	14.93	11.55	4.12
Dental	1.84	1.84	1.84	1.84	0.00	0.00	0.00	2.83	2.34	1.89	2.28	1.50
Disability Insurance	1.36	1.36	1.36	1.36	1.15	1.15	0.00	0.00	0.00	0.00	0.00	1.11
Unemployment Insurance	0.61	0.61	0.61	0.61	0.52	0.52	0.00	0.62	0.62	0.50	0.50	0.50
Life Insurance	0.18	0.18	0.18	0.18	0.00	0.00	0.00	0.14	0.09	0.00	0.00	0.15
Vision Care	0.25	0.25	0.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20
Uniform Allowance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Development	0.21	0.21	0.21	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total: Fringe Benefits	89.36%	89.36%	89.36%	89.36%	10.54%	10.54%	11.04%	87.91%	93.04%	34.93%	30.16%	72.66%

¹ Police Retirement rate is annualized based on MOU employee contributions of 1% / 2% in FY 2016-17

HOURLY FRINGE BENEFIT RATE

Apply to the Hourly Salary Amount

112.26%	112.26%	112.26%	112.26%	112.26%	13.87%	13.87%	11.04%	112.08%	116.72%	34.93%	30.16%	72.66%
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WHEN TO USE:

Use the Hourly Fringe Benefit Rate to recover the costs for accrued leaves (employee sick leave, vacation, etc.).
 For example: To recover costs for services rendered by an employee with a salary rate of \$ 20.00 per hour, for ten (10) hours of service would be \$ 424.52 (\$ 20.00 x 10 hrs x 2.1226 = \$ 424.52 / assuming representation unit of Local 21)

ANNUAL FRINGE BENEFIT RATE
FISCAL YEAR 2016 / 2017

Representation Unit:	Regular Local 1021	Regular Local 21	Regular	Electricians	Part-Time (Unrep)	Part-Time (Rep)	Senior Aides	Police	Fire	Fire Trainee	Police Trainee	Elected Officials
Representation Code:	EB1, SCI, SD	TA1,TF1,TM1, TM2, TW1, UH1, UM 1, UM 2	UK1, UK2, UP 1, U31, U41, U51	IE1	CON,TL1,UG1	SH,TV1	UJ1	PP 1, UN1, UN2	FQ1, UR1, UU1	US1	PT1	UX1
FRINGE BENEFITS												
Retirement ¹	35.40	35.40	35.40	35.40	3.75	3.75	6.20	37.90	36.40	3.75	3.75	35.40
Health	24.08	24.08	24.08	24.08	1.45	1.45	1.45	12.08	13.86	13.86	12.08	24.20
Retiree Medical	5.48	5.48	5.48	5.48	0.00	0.00	0.00	7.38	8.58	0.00	0.00	5.48
Worker's Compensation	4.12	4.12	4.12	4.12	3.39	3.39	3.39	10.55	13.93	14.93	11.55	4.12
Dental	1.50	1.50	1.50	1.50	0.00	0.00	0.00	2.28	1.89	1.89	2.28	1.50
Disability Insurance	1.11	1.11	1.11	1.11	1.11	1.11	0.00	0.00	0.00	0.00	0.00	1.11
Unemployment Insurance	0.50	0.50	0.50	0.50	0.50	0.50	0.00	0.50	0.50	0.50	0.50	0.50
Life Insurance	0.15	0.15	0.15	0.15	0.00	0.00	0.00	0.11	0.07	0.00	0.00	0.15
Vision Care	0.20	0.20	0.20	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20
Uniform Allowance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Development	0.17	0.17	0.17	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

¹ Police Retirement rate is annualized based on MOU employee contributions of 1% / 2% in FY 2016-17

ANNUAL FRINGE BENEFIT RATE

Apply to the Annual Salary Amount	72.71%	72.71%	72.71%	72.71%	10.20%	10.20%	11.04%	70.80%	75.23%	34.93%	30.16%	72.66%
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WHEN TO USE:

Use the Annual Fringe Benefit Rate to calculate the annual cost for an employee.

Annual Salaries already include pay for holidays, vacation, sick and other accrued leaves; therefore, the rates is For example: To determine the cost of a position that is budgeted at \$ 40,000 annually, the total cost, including fringe benefits would be \$ 69,084 (\$ 40,000 x 1.7271 = \$69,084 / assuming representation unit of Local 21)

CENTRAL SERVICE OVERHEAD

FISCAL YEAR 2016 / 2017

City Office / Department	Organizational Range	Overhead Rate
City Council	00011 - 00911	31.71%
Economic & Workforce Development	85100 - 85599	33.84%
Fire Department	20100 - 20999	17.26%
Housing & Community Development (HCD)	89900 - 89999	23.99%
Human Services	75200 - 78499	33.69%
Mayor	01111 - 01111	39.76%
Oakland Parks and Recreation	501000 - 509999	22.37%
Oakland Public Library	61100 - 61599	17.11%
Planning & Building	84100 - 84499	21.53%
Police Department	101000 - 108999	15.36%
Public Works	30100 - 30699	27.26%

NOTE: The following departments provide support to the other City Departments and are included in the calculations of the Central Service Overhead. These departments should contact the Controller's Bureau for applicable rates if services are provided to a non-city entity. (City Administrator, City Attorney, Human Resources Management, City Auditor, City Clerk, Finance Department, Information Technology)

DEPARTMENTAL & DIVISIONAL OVERHEAD

FISCAL YEAR 2016 / 2017

Agency	Organizational Range	Departmental Overhead Rate	Division Overhead Rate
Council ²	00011 - 00911		17.88%
Human Services ²	78100 - 78499	12.93%	
Mayor ²	01111 - 01111		29.40%
Public Works ¹	30100 - 30699	18.90%	
	30200 - 30299		28.95%

¹ This rate is applied to all funds, including the General Purpose Funds, unless specifically exempted by Council action. This rate applies only to payroll expenditures in the organizational range specified. (e.g. Only Public Works personnel have the Public Works overhead rate applied to their payroll expenditures)

² This rate is not applied to General Purpose Funds, or other funds specifically exempted by Council action. This rate applies only to payroll expenditures in the organizational range specified. (e.g. Only Human Services personnel have the Human Services overhead rate applied to their payroll expenditures)

**SUMMARY OF CALCULATION METHODOLOGIES UTILIZED IN DEVELOPING FRINGE BENEFIT RATES
APPEARING ON APPENDIX A AND B**

Rate	Calculation Methodology
Vacation Sick Leave Other Paid Leaves	The leave accrual ("burdening") rates are developed by calculating the average prior year's leave usage for each of the three major employee groups (Non-Sworn; Sworn-Police; Sworn-Fire), and taking into account any balances in the Paid Leave Fund, which is used to pay employees for vacation, sick and other allowable leaves.
Retirement	The Retirement rate is provided directly by CalPERS, and may be adjusted for any known increases or decreases of contribution, e.g. as a result of prepayment of City's annual contribution to CalPERS.
Health Dental Unemployment Insurance Life Insurance Vision Care Professional Development	These rates are developed based on the prior year's actual payments for these benefits, adjusting for any known increases or decreases of rates or coverage, and distributing over the salary base of the Representation (Rep) Units receiving these benefits.
Retiree Medical	The Retiree Medical rate is developed by taking the prior year's payments for the Retiree's medical premium offset, adjusting for any known increases or decreases of rates or coverage, and distributing over the salary base of the Rep Units receiving this benefit.
Worker's Compensation	The Workers Compensation rate is developed based on the necessary funding level determined by the actuarial study, adjusting for operational costs and any known increases or decreases of rates or coverage, and distributing over the salary base of the Rep Units receiving this benefit.
Disability Insurance	The Disability Insurance rate reflects the established State Disability Rate for the Rep Units receiving this benefit.