

# 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, March 14, 2018** at **6:00 pm**  
In the **Hearing Room 4, City Hall, 2<sup>nd</sup> Floor**, at 1 Frank Ogawa Plaza.

### **Commission Members:**

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

### **City's Representative:**

Brad Johnson – *Finance Department*

### **Meeting Agenda:**

1. Administrative Matters
  - Welcome & Attendance
  - FPPC Filing
2. Discussion regarding the 2<sup>nd</sup> Quarter Revenue & Expenditure Report, and Police & Fire Overtime Reports, see attached materials. [25 minutes]
3. Discussion regarding the Negative Fund Balance Report, see attached materials. [25 minutes]
4. Discussion regarding the proposed state of California ballot measure to amend Proposition 13, see attached materials. [15 minutes]
5. Discussion regarding the proposed Vacant Property Parcel Tax, see attached materials. [25 minutes]
6. Update regarding the status of the proposal for use of Bond and Capital Funds to support job training, see attached materials. [15 minutes]
7. Open Forum
8. Adjournment



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OAKLAND

2018 FEB 15 PM 5:13

# AGENDA REPORT

TO: Sabrina B. Landreth  
City Administrator

FROM: Katano Kasaine  
Finance Director

SUBJECT: FY 2017-18 Q2 R&E Report

DATE: February 5, 2018

City Administrator Approval

Date:

2/15/18

## RECOMMENDATION

**Staff Recommends That City Council Receive An Informational Report On Fiscal Year (FY) 2017-18 Second Quarter Revenue and Expenditure Results And Year-End Summaries For The General Purpose Fund (GPF, 1010) and Eight Selected Funds; And General Purpose Fund (GPF, 1010) Carryforward for FY 2017-18; And Overtime Analysis For The General Purpose Fund (GPF, 1010) And All Funds.**

## EXECUTIVE SUMMARY

This report details the City of Oakland's (the "City") projected Second Quarter Financial Results for Fiscal Year ("FY") 2017-18 in the General Purpose Fund ("GPF") and other selected funds. The following points highlight key findings from the City's projected year-end results (discussed in more detail in the Policy and Analysis Alternatives section of this report beginning on page 5).

### General Purpose Fund

- Revenue in the GPF is projected to exceed the FY 2017-18 Adjusted Budget by \$13.43 million of which \$6.90 million are considered one-time revenues, and \$4.73 million is growth in the Sugar Sweetened Beverage Tax (SSBT). (**Table 1**). Generally, forecasted receipt of revenue in FY 2017-18 reflects continued, but slower growth in the local economy. Notably, the market showed growth in real-estate related revenues, including property taxes, and transient occupancy taxes (**Attachment A-1**).
- The projected expenditures total \$595.95 million, which exceeds the Adjusted Budget by approximately \$11.13 million, (**Table 1**). Projections do not include the full impact of ratified and potential wage increases, however it is assumed that all funds budgeted for employee compensation (\$9.95 million) will be fully expended at fiscal year-end. Spending by department is listed in **Attachment A-2**.
- Citywide overtime (OT) expenditures across all funds is estimated to be \$60.48 million, exceeding the Adjusted Budget by \$39.90 million, of which \$34.67 million is in the GPF. Overtime spending by department is listed in **Attachment B**.

Item: \_\_\_\_\_  
Finance and Management Committee  
February 27, 2018

**Table 1: Summary of GPF Budget to Projected Actual Results**

(\$ in millions)

| Description                                   | FY 2017-18<br>Adopted<br>Budget | FY 2017-18<br>Projected<br>Actuals<br>Q2 | FY 2017-18<br>Over / Under<br>Adjusted<br>Budget |
|---|---------------------------------|--|--|
| <b>REVENUE</b>                                |                                 |  |  |
| Revenue                                       | \$584.82                        | \$591.35                                 | \$6.53   |
| Q2 Revenue Projection - ONETIME               | \$0.00                          | \$6.90                                   | \$6.90   |
| <b>FY 2016-17 Total Revenue</b>               | <b>\$584.82</b>                 | <b>\$598.25</b>                          | <b>\$13.43</b>                                   |
| <b>EXPENDITURES</b>                           |                                 |  |  |
| Expenditures                                  | \$584.82                        | \$595.95                                 | \$11.13  |
| <b>Subtotal Expenditures<sup>1</sup></b>      | <b>\$584.82</b>                 | <b>\$595.95</b>                          | <b>\$11.13</b>                                   |
| <b>Estimated Contribution to Fund Balance</b> | <b>\$0.00</b>                   | <b>\$2.30</b>                            | <b>\$2.30</b>                                    |

<sup>1</sup> The subtotal does not include estimated carryforward expenditures of \$22.79 million in FY 17-18 which are supported from prior year revenues in the GPF fund balance.

- The year-end available GPF fund balance is estimated to be a deficit \$6.11 million (**Table 2**). This balance reflects the net difference between the revenue and expenditure projections, including adjustments such as FY 2017-18 carryforward, the FY 2017-19 Adopted Budget, and reserves (**Table 8**).

**Table 2: Summary of GPF Estimated Year-End Available Fund Balance**

(\$ in millions)

| GENERAL PURPOSE FUND (1010)                       | FY 2017-18<br>Adjusted<br>Budget | Q2<br>Projected<br>FYE |
|---|----------------------------------|------------------------|
| Beginning Fund Balance - Audited                  | \$78.22                          | \$78.22                |
| Revenue   | \$584.82                         | \$598.25               |
| Expenditures                                      | \$584.82                         | \$595.95               |
| <b>Estimated Current Year Surplus/(Shortfall)</b> | <b>\$0.00</b>                    | <b>\$2.30</b>          |
| <b>Subtotal Fund Balance</b>                      | <b>\$78.22</b>                   | <b>\$80.52</b>         |
| FY 2017-19 Obligated Fund Balance                 | (\$35.59)                        | (\$40.00)              |
| Designated / Mandated Reserves                    | (\$46.22)                        | (\$46.63)              |
| <b>Estimated Ending Available Fund Balance</b>    | <b>(\$3.59)</b>                  | <b>(\$6.11)</b>        |

Non-GPF Funds

- Five (5) of the eight (8) non-GPF funds analyzed for this report have historically shown negative fund, or cash, balances (**Attachments C-1 to I-2**). The FY 2017-18 projected ending fund balance/(deficit) compared to FY 2016-17 is shown in **Table 3** below.
- The negative fund balance in the LLAD Fund (2310) continues to increase, as a result of rising costs and stagnant revenues. The Multipurpose Reserve Fund (1750) ending fund balance is projected to improved due to the informal repayment plan, as well as lower than anticipated operating expenditures. While the State Gas Tax Prop 42 Replacement Fund (2231) is estimated to deplete fund balance, the State Gas Tax Fund (2230) is projected to increase as a result of the legislation increasing the per gallon tax on gasoline which began in November 2017.
- **The Capital Reserve (5510) and Municipal Capital Improvement (5500) Funds have appropriations obligating fund balance with no revenue sources.** Administration has not provided Departments the carry forward appropriation in the MCI Fund (5500) as a result.
- The fund balance in the Self-Insurance Liability Fund (1100) is projected to continue improving primarily because of the budgeted repayment plan.

**Table 3: FY 2017-18 Projected Ending Fund Balance for Non-GPF Funds:**

(\$ in millions)

| FUND  | FY 2016-17 Audited Ending Balance | FY 2017-18 Projected Ending Balance |
|---|-----------------------------------|-------------------------------------|
| LLAD  | (\$0.66)                          | (\$1.40)                            |
| State Gas Tax                                   | \$0.18                            | \$0.34                              |
| State Gas Tax Prop 42                           | \$2.04                            | \$0.44                              |
| Facilities Fund                                 | (\$8.27)                          | (\$2.92)                            |
| Multipurpose Reserve                            | (\$0.61)                          | (\$0.12)                            |
| Self-Insurance Liability Fund                   | (\$10.31)                         | (\$6.97)                            |
| Municipal Capital Improvement Fund <sup>1</sup> | (\$5.49)                          | (\$5.52)                            |
| Capital Reserves                                | (\$0.77)                          | (\$2.34)                            |

<sup>1</sup> Projected ending fund balance assumes that the \$2.81 million of CF has been eliminated or reallocated to eligible funds and will not be paid from the MCI Fund.

The remainder of this report provides details on the projected fiscal year-end revenue and expenditures in the GPF and selected funds based on Second Quarter data (July 1, 2017 – December 31, 2017).

**BACKGROUND / LEGISLATIVE HISTORY**

On June 26, 2017, Council adopted the biennial FY 2017-19 Policy Budget of \$584.07 million (both revenues and expenditures) in the General Purpose Fund for FY 2017-18, and \$595.95 million in FY 2018-19. This budget includes a transfer of \$8.00 million from fund balance over the two year period.

During FY 2017-18 additional budget was added based on Council Resolutions as well as authorized carryforward. The Adjusted Budget for FY 2017-18 is the cumulative total of the Adopted Policy Budget and all other authorized additions.

This report contains the projected fiscal year-end results for FY 2017-18.

**ANALYSIS AND POLICY ALTERNATIVES**

**GENERAL PURPOSE FUND**

**I. REVENUES**

As reflected in **Attachment A-1**, the FY 2017-18 adjusted revenue budget is \$584.82 million. Fiscal Year-end revenues including use of fund balance are forecasted to be \$598.25 million, which represents a net increase of \$13.43 million over the FY 2017-18 Adjusted Budget.

As the Fiscal Year progresses and better data becomes available, revenue projections are updated and provided to the City Council at the end of the second and third quarter. As shown in **Table 4** below, the Fiscal Year 2017-18 year-end revenues are forecasted to be \$598.25 million. Revenues, when compared to the adjusted budget are forecasted to increase \$13.43 million, of which \$6.90 million is considered one-time revenue.

**Table 4: Summary of GPF Revenue Variance to FY 2017-18 Adjusted Budget:**

(\$ in millions)

| Description                               | FY 2017-18 Revenue |
|---|--------------------|
| <b>FY 2017-18 Adjusted Revenue Budget</b> | <b>\$584.82</b>    |
| Increases/(Decreases):                    |                    |
| Property Tax                              | \$0.82             |
| Business License Tax                      | \$2.43             |
| Utility Consumption Tax                   | \$3.37             |
| Real Estate Transfer Tax                  | \$1.39             |
| Local Tax (SSBT)                          | \$4.73             |
| All Other                                 | \$0.70             |
| <b>Net Projected GPF Revenue Growth</b>   | <b>\$13.43</b>     |
| <b>Total FY 2017-18 Projected Revenue</b> | <b>\$598.25</b>    |

**II. EXPENDITURES**

The projected year-end expenditures are estimated at \$595.95 million, which is \$11.13 million over the net Adjusted Budget Citywide (**Attachment A-2**). The overspending is primarily attributed to sworn overtime costs in the Public Safety.

**Table 5: Summary of FY 2017-18 GPF Projected Expenditure Variance:**

(\$ in millions)

| Department                        | Adjusted Budget<br>(Q2 less CF) | Projected Year-End Actuals | Year-End (Over) / Under Budget |
|-----------------------------------|---------------------------------|----------------------------|--------------------------------|
| <b>FY 2016-17 Expenditures</b>    | <b>\$584.82</b>                 | <b>\$595.95</b>            | <b>(\$11.13)</b>               |
| MAYOR                             | \$2.88                          | \$2.82                     | \$0.07                         |
| CITY COUNCIL                      | \$5.17                          | \$4.91                     | \$0.25                         |
| CITY ADMINISTRATOR                | \$15.34                         | \$15.29                    | \$0.05                         |
| CITY ATTORNEY                     | \$12.00                         | \$11.99                    | \$0.01                         |
| CITY AUDITOR                      | \$1.96                          | \$1.69                     | \$0.27                         |
| CITY CLERK                        | \$2.45                          | \$2.36                     | \$0.08                         |
| POLICE COMMISSION                 | \$2.45                          | \$2.45                     | \$0.00                         |
| PUBLIC ETHICS COMMISSION          | \$0.93                          | \$1.02                     | (\$0.09)                       |
| FINANCE DEPARTMENT                | \$26.19                         | \$25.97                    | \$0.22                         |
| INFORMATION TECHNOLOGY            | \$9.80                          | \$10.45                    | (\$0.65)                       |
| RACE & EQUITY                     | \$0.43                          | \$0.43                     | \$0.00                         |
| HUMAN RESOURCES                   | \$5.86                          | \$5.65                     | \$0.20                         |
| DEPARTMENT OF VIOLENCE PREVENTION | \$0.26                          | \$0.07                     | \$0.20                         |
| POLICE DEPARTMENT                 | \$244.60                        | \$250.90                   | (\$6.30)                       |
| FIRE DEPARTMENT                   | \$128.95                        | \$136.54                   | (\$7.59)                       |
| OAKLAND PUBLIC LIBRARY            | \$13.00                         | \$12.71                    | \$0.30                         |
| PARKS & RECREATION                | \$16.53                         | \$15.93                    | \$0.60                         |
| HUMAN SERVICES                    | \$13.10                         | \$13.00                    | \$0.10                         |
| ECONOMIC WORKFORCE & DEVELOPMENT  | \$4.06                          | \$3.22                     | \$0.85                         |
| HOUSING & COMMUNITY DEVELOPMENT   | \$0.00                          | \$0.00                     | \$0.00                         |
| PLANNING & BUILDING               | \$0.02                          | \$0.02                     | \$0.00                         |
| OAKLAND PUBLIC WORKS              | \$1.09                          | \$0.64                     | \$0.45                         |
| TRANSPORTATION                    | \$11.77                         | \$10.96                    | \$0.81                         |
| NON-DEPARTMENTAL                  | \$64.99                         | \$65.95                    | (\$0.96)                       |
| CAPITAL IMPROVEMENT PROGRAM       | \$1.01                          | \$1.01                     | \$0.00                         |

As part of a comprehensive review of the City's financial policies and in an effort to address departmental overspending in the General Purpose Fund, staff will be returning to the Council with recommended modifications to the Consolidated Fiscal Policy during Fiscal Year 2017-18. A preliminary draft of the proposed language to limit departmental overspending is included as Attachment K. In summary, this policy will require all Department Directors to develop a plan to address budgetary overspending within 30 days of the Council's acceptance of the Second Quarter Revenue and Expenditure Report. The strategies may include, but are not limited to, the following: service-level

**reductions, efficiency improvements, additional appropriation of resources to the extent available, and/or reductions in other non-personnel expenditures.**

GPF overtime expenditures exceeded the overtime Adjusted Budget by \$34.67 million (**Attachment B**), which is primarily attributed to Police and Fire. Additional details on the factors contributing to Police and Fire overtime projections are provided in two separate reports presented to the Finance Committee on February 27, 2018.

**Table 6: FY 2017-18 Public Safety GPF Projected Personnel Expenditures**

| Department                   | FY 2017-18 Adjusted Budget | FY 2017-18 Projected Actuals | Year-End (Over) / Under Budget |
|------------------------------|----------------------------|------------------------------|--------------------------------|
| <b>Police Department</b>     |                            |                              |                                |
| Overtime (OT)                | \$14.16                    | \$29.58                      | (\$15.41)                      |
| All Other Personnel (non-OT) | \$198.22                   | \$189.16                     | \$9.06                         |
| <b>OPD Total Personnel</b>   | <b>\$212.39</b>            | <b>\$218.73</b>              | <b>(\$6.35)</b>                |
| <b>Fire Department</b>       |                            |                              |                                |
| Overtime (OT)                | \$1.48                     | \$20.01                      | (\$18.52)                      |
| All Other Personnel (non-OT) | \$114.02                   | \$103.12                     | \$10.90                        |
| <b>OFD Total Personnel</b>   | <b>\$115.51</b>            | <b>\$123.13</b>              | <b>(\$7.62)</b>                |

Both OPD and OFD have brought supplemental reports to Council to discuss overtime expenditures and strategies to control overtime costs in FY 2017-18.

### III. FUND BALANCE

The audited FY 2017-18 GPF beginning fund balance was \$78.22 million. Importantly, this amount includes the City Council appropriated reserves discussed later in this report, as well as project and encumbrance balances carried forward.

The projected year-end available fund balance is estimated to be a deficit of \$6.11 million, after projecting for year-end revenues and expenditures, project and encumbrance carryforward, and amounts budgeted in FY 2017-19 (**Table 7**). The City's 7.5% GPF Emergency Reserve is set at \$43.86 million in FY 2017-18. Based on projected year-end results for FY 2017-18, the GPF Fund Balance will be negative \$6.11 million which would result in a reduced GPF Emergency Reserve balance of **6.45%**. If projections hold, per the City's Consolidated Fiscal Policy, the City Administrator will present a strategy to Council on how the City will achieve restoring the balance to 7.5%.



**Table 7: FY 2017-18 Projected Year-End Available GPF Fund Balance**

(\$ In millions)

| GENERAL PURPOSE FUND (1010)   | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 Projected<br>FYE | Year-End<br>Over / Under<br>Budget |
|---|----------------------------------|-----------------------------------|------------------------------------|
| Beginning Fund Balance - Audited  | \$78.22                          | \$78.22                           |                                    |
| Revenue   | \$584.82                         | \$598.25                          | \$13.43                            |
| Expenditures  | \$584.82                         | \$595.95                          | \$11.13                            |
| Estimated Current Year Surplus/(Shortfall)                              | \$0.00                           | \$2.30                            | \$2.30                             |
| <b>Subtotal Fund Balance</b>  | <b>\$78.22</b>                   | <b>\$80.52</b>                    |                                    |
| <b>Use of Fund Balance in FY 2017-18:</b>                               |                                  |                                   |                                    |
| Projects Carried Forward (CF) to FY 2017-18                             | (\$18.09)                        | (\$18.09)                         |                                    |
| Encumbrances Carried Forward (CF) to FY 2017-18                         | (\$4.70)                         | (\$4.70)                          |                                    |
| FY 2017-19 Adopted Policy Budget  | (\$8.00)                         | (\$8.00)                          |                                    |
| FY 2017-18 Adopted Council Resolutions                                  | (\$0.58)                         | (\$0.58)                          |                                    |
| Mosswood Insurance Proceeds   | (\$1.66)                         | (\$1.66)                          |                                    |
| Equivalent Amount of Meas. HH Revenue (Net of KF 3%)                    | \$0.00                           | (\$4.41)                          |                                    |
| 25% Excess RETT for OPEB (FY16-17 True-Up)                              | (\$1.28)                         | (\$1.28)                          |                                    |
| 25% Excess RETT for Vital Services Stabilization Fund (FY16-17 True-Up) | (\$1.28)                         | (\$1.28)                          |                                    |
| <b>Subtotal Use of Fund Balance</b>                                     | <b>(\$35.59)</b>                 | <b>(\$40.00)</b>                  |                                    |
| <b>Designated / Mandated Reserves:</b>                                  |                                  |                                   |                                    |
| 7.5% GPF Required Reserve   | (\$43.86)                        | (\$43.86)                         |                                    |
| Estimated Kid's First FY 2017-18 True-Up                                | \$0.00                           | (\$0.41)                          |                                    |
| OMERS Reversion of Assets (held with Trustee; Resolution 85098)         | (\$2.36)                         | (\$2.36)                          |                                    |
| <b>Subtotal Reserves</b>  | <b>(\$46.22)</b>                 | <b>(\$46.63)</b>                  |                                    |
| <b>Estimated Ending Available Fund Balance</b>                          | <b>(\$3.59)</b>                  | <b>(\$6.11)</b>                   |                                    |

**IV. FY 2017-18 GENERAL PURPOSE FUND CARRYFORWARD**

In September 2017, all City Departments were asked to review and provide justification for more than \$35.03 million in previously approved, but unspent project and encumbrance appropriations, referred to as "carryforwards," in the GPF (including non-departmental and capital funds). Given that departmental expenditures of carryforward drawdown available fund balance, fiscal prudence requires caution in approving GPF carryforward. The carryforward requests were further examined by finance staff and the City Administrator, and changes were made to departmental carryforward requests.

**Table 8** shows the revised amount approved for carryforward by the City Administrator by department pursuant to the City's Consolidated Fiscal Policy, Ordinance No. 13279 ("CFP"). Of the \$35.67 million available for carryforward (FY 2016-17 audited), \$18.09 million of project balances and encumbrances of \$5.32 million was authorized to carryforward into FY 2017-18. Additional encumbrance balances of \$0.62 million have been identified for reduction during the Second Quarter revenue and expenditure analysis. The remainder of \$12.26 million was returned to fund balance. A more detailed list of approved GPF carryforward by project, which has already been provided to departments, is attached to this report as **Attachment J**.

**Table 8: FY 2017-18 GPF Project & Encumbrance Carryforward**

| Department                       | Authorized for Carryforward by CAO |
|----------------------------------|------------------------------------|
| Mayor                            | 57,094                             |
| City Council                     | 36,135                             |
| City Administrator               | 1,753,453                          |
| City Clerk                       | 44,363                             |
| Human Resources                  | 391,190                            |
| Finance Department               | 536,739                            |
| Police Department                | 8,211,544                          |
| Fire Department                  | 291,125                            |
| OPW & DOT                        | 4,053,957                          |
| IT Department                    | 109,436                            |
| Parks & Recreation               | 130,514                            |
| Race & Equity Department         | 36,045                             |
| Public Ethics                    | 46,911                             |
| Human Services                   | 929,773                            |
| Economic & Workforce Development | 886,054                            |
| Housing                          | 115,000                            |
| Library                          | 182,412                            |
| Non-Departmental                 | 281,446                            |
| <b>Subtotal Project CF</b>       | <b>18,093,192</b>                  |
| Encumbrance CF                   | 5,318,658                          |
| <b>TOTAL AUTHORIZED CF</b>       | <b>23,411,850</b>                  |
| Encumbrance CF - REDUCED         | (617,305)                          |
| <b>REVISED NET TOTAL</b>         | <b>22,794,545</b>                  |

**V. RESERVES**

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (*refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax*). The summary below provides the adjusted total set-asides, including any additional contributions based on the projected excess RETT in the FY 2017-18 Second Quarter results. It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups. As stated previously, the City's 7.5% GPF Emergency Reserve is set at \$43.86 million based on the FY 2017-19 Adopted Policy Budget.

**Table 9: FY 2017-18 Projected Year-End Reserve Balances**

| (\$ in millions)  |                                      |
|---|--------------------------------------|
| Description   | Projected<br>FYE 2017-18<br>Balances |
| 7.5% GPF Required Reserve <sup>1</sup>                                    | \$43.86                              |
| Accelerate Long Term Obligations (debt, pension, OPEB, etc.) <sup>2</sup> | \$0.00                               |
| Vital Services Stabilization Fund   | \$14.15                              |
| <b>Total Reserves</b>   | <b>\$58.01</b>                       |

<sup>1</sup> The 7.5% GPF reserve is not a cumulative balance

<sup>2</sup> Prior set-asides and true-up used to pay down the negative fund balance in the Facilities Fund as part of the FY 2017-19 Adopted Policy Budget

Total budgeted reserves and set-asides of \$58.01 million are equivalent to just over one month of FY 2017-18 operating expenditures of \$593.46 million in GPF (9.77%). **The Government Finance Officers Association ("GFOA") recommends maintaining unrestricted budgetary fund balance in the general fund of no less than two months of operating expenditures (16.7%).**

The City's Consolidated Fiscal Policy is available in its entirety on the City's website.

**GENERAL PURPOSE FUND**  
*(Attachments A-1 and A-2)*

**REVENUE HIGHLIGHTS**

The FY 2017-18 Second Quarter year-end projections are \$598.25 million. This represents a net increase of \$13.43 million over the FY 2017-18 adjusted budget, of which \$6.90 million is considered one-time revenue. It is important to note that \$4.73 million of the forecasted new one-time revenue is from the collection of the Sugar Sweetened Beverage Tax.

**Attachment A-1** provides details of Second Quarter revenue forecast and comparison to the FY 2017-18 Adopted Budget.

Property Tax: +\$0.82 million compared to FY 2017-18 Adopted Budget

Property Tax revenues are forecasted to exceed FY 2017-18 Adopted Budget by \$0.82 million due to the forecasted receipt of additional Residual Property Tax Trust Fund ("RPTTF") revenues. Starting in FY 2011-12, the City began receiving a portion of the RPTTF as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less wind-down funding obligations, that would have gone to redevelopment agencies if they had not been dissolved. Net of RPTTF, Property Tax revenues increased 6.56% when compared to Fiscal Year 2016-17.

**Table 10: Historical Property Tax Revenue: FY 2011-12 through FY 2017-18**

(\$ in millions)

| Category                  | FY 2011-12      | FY 2012-13      | FY 2013-14      | FY 2014-15      | FY 2015-16      | FY 2016-17      | FY 2017-18 Q2 Forecast |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|
| Property Tax              | \$125.77        | \$129.27        | \$133.12        | \$141.03        | \$148.03        | \$160.98        | \$171.54               |
| Property Tax - RPTTF      | \$13.03         | \$24.88         | \$9.71          | \$18.33         | \$6.69          | \$10.50         | \$11.99                |
| <b>Total Property Tax</b> | <b>\$138.80</b> | <b>\$154.15</b> | <b>\$142.83</b> | <b>\$159.36</b> | <b>\$154.72</b> | <b>\$171.48</b> | <b>\$183.53</b>        |

During the depths of the Great Recession, the City lost \$2.59 billion in assessed valuation. For the past 4 years, Oakland's assessed valuation has experienced significant growth. Since FY 2011-12, the City's assessed valuation has grown \$17.15 billion.

**Table 11: Assessed Valuation: FY 2009-2010 through FY 2017-18**

| FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| -2.91%     | -3.09%     | 1.67%      | 2.15%      | 5.15%      | 5.85%      | 7.56%      | 7.47%      | 7.21%      |

Real Estate Transfer Tax: +\$1.39 million compared to FY 2017-18 Adopted Budget

Second Quarter FY 2017-18-year end real estate transfer tax (RETT) forecast is anticipated to be \$77.21 million, which is \$1.39 million above the FY 17-18 Adopted Budget. When compared to Fiscal Year 16-17, revenues derived from RETT are anticipated to decline 2.35% from \$79.07 million to \$79.21 million. **The revenue derived from baseline property sales through the Second Quarter increased 0.25% when compared to last fiscal year;** while revenue derived from larger property transactions is down 79.23% through the end of the Second Quarter (*Table 12*).

Real Estate Transfer Tax is highly volatile and revenues can increase and decrease rapidly with changing market conditions or as a result of the sale of high value properties. When certain high value commercial properties are sold, they can skew revenues upward. Furthermore, depending upon how the property is transferred and/or what type of entity is purchasing the property, the application of the City's RETT may not apply. The sale of large commercial properties listed is *Table 13*.

**Table 12: RETT Growth Rate Q2**

| RETT Growth Rate                  |         |         |         |            |                    |
|-----------------------------------|---------|---------|---------|------------|--------------------|
| Category                          | FY13-14 | FY14-15 | FY15-16 | FY 2016-17 | FY17-18 through Q2 |
| RETT                              | 7.97%   | 15.69%  | 20.16%  | 4.03%      | 0.25%              |
| RETT-Larger Commercial Properties | 434.42% | -33.30% | 172.52% | -61.68%    | -79.23%            |

**Table 13: FY 2017-18 YTD Large Property Sales**

(\$ in millions)

| Sale Quarter | Property      | FY 2016-17 RETT |
|--------------|---------------|-----------------|
| Quarter 1    | 405 Oak Tower | \$0.50          |
| Quarter 1    | 505 14th St.  | \$1.09          |
| Quarter 1    | 1300 Clay St. | \$1.23          |
| Quarter 2    | 360 22nd St.  | \$0.65          |
| Quarter 2    | 1955 Broadway | \$2.70          |
| <b>Total</b> |               | <b>\$6.17</b>   |

Business License Tax: +\$2.43 million compared to FY 2017-18 Adopted Budget

Year-end revenue derived from Business Licenses Tax is forecasted to be \$82.01 million. This is \$2.43 million higher than the Adopted FY 2017-18. The forecast includes the receipt of \$2.34 million from a single taxpayer as the result of a business tax audit that was not included in the original FY 2017-18 Adopted Budget. These audit revenues are considered one-time revenues.

Utility User Tax: +\$3.37 million compared to FY 17-18 Adopted Budget

Year-end revenue derived from Utility User Tax is forecasted to be \$54.07 million, which is 2.75% increase when compared to FY 2016-17 audited receipts.

Transient Occupancy Tax: +\$1.28 million compared to FY 17-18 Adopted Budget

Year-end Second Quarter revenue derived from Transient Occupancy Tax (TOT) revenue is forecasted to be \$23.93 million. The City is still experiencing growth in this revenue category with revenues increasing 7.00% during when compared to Fiscal Year 2016-17. The increase in TOT is being felt across the Bay Area as the demand for hotel lodging increases due to the improved business climate and an influx of foreign travelers, which also increases room rates based upon simple supply and demand. Table 14 reflects year-over-year growth of Transient Occupancy Tax.

**Table 14: Transient Occupancy Tax Growth Rate Q2**

| Category                | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY2017-18 |
|-------------------------|------------|------------|------------|------------|-----------|
| Transient Occupancy Tax | 15.99%     | 17.24%     | 18.03%     | 12.89%     | 7.00%     |

Sugar Sweetened Beverage Tax: +\$4.73 million compared to FY 17-18 Adopted Budget

Year-end revenue derived from Sugar Sweetened Beverage Tax is forecasted to be \$10.63 million. In 2016, the voters of Oakland passed Measure HH, Sugar Sweetened Beverage Tax (SSBT). The SSBT was approved by the voters in the November 2016 election. It places one cent per fluid ounce on the first distribution of sugar-sweetened beverages in Oakland, as well as added-calorie sweeteners that are used to make sugar-sweetened beverages.

**EXPENDITURE HIGHLIGHTS**

As outlined in **Attachment A-2**, the FY 2017-18 Q2 net Adjusted Budget is \$584.82 million. The fiscal year-end General Purpose Fund (GPF) expenditures are projected to be \$595.95 million, resulting in an over-spending of \$11.13 million primarily due to Public Safety personnel and overtime costs. Additionally, this attachment also summarizes department-level spending. The breakdown of projected fiscal year-end overtime spending for the General Purpose Fund and All Funds is provided in **Attachment B**. Below is a discussion of each department's estimated savings or overspending in the GPF at year-end as compared to the Adjusted Budget.

Mayor's Office

The Mayor's Office is projected to end the fiscal year with approximately \$0.07 million resulting from salary savings.

City Council

The City Council is projected to end the fiscal year with approximately \$0.25 million resulting from salary savings.

City Administrator

The City Administrator's Office is projected to end the fiscal year with an estimated savings of \$0.05 million.

City Attorney

The City Attorney is estimated to have savings of \$0.01 million primarily associated with O&M savings.

City Auditor

The City Auditor is estimated to have savings of \$0.27 million when compared to the Adjusted Budget because of vacancies.

City Clerk

The Office of the City Clerk is estimated to have savings of \$0.08 million primarily associated with salary savings.

Police Commission

The Police Commission is projected to end the fiscal year at budget.

Public Ethics Commission (PEC)

The PEC is projected to end the fiscal year with overspending of (\$0.09) million in personnel costs.

Finance Department

Finance is estimated to have savings of \$0.22 million due to salary savings from vacancies.

Information Technology Department (ITD)

ITD is projected to overspend the Adjusted Budget by (\$0.65) million which is attributed to personnel costs.

Race & Equity

The Race & Equity Department is projected to end the fiscal year at budget.

Human Resources Department (HRD)

Human Resources is projected to spend \$6.23 million compared to the Adjusted Budget of \$6.43 million, resulting in a savings of \$0.20 million due to vacancies.

Department of Violence Prevention (DVP)

DVP is projected to spend \$0.07 million compared to the Adjusted Budget of \$0.26 million, resulting in a savings of \$0.20 million. This savings is largely due to vacancies.

Oakland Police Department (OPD)

**The projected overspending in OPD of (\$6.30 million) is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending is provided in a separate report presented to the Finance and Management Committee on February 27, 2018. OPD's overtime spending is projected to be \$29.58 million, compared to the adjusted overtime budget of \$14.16 million (*Attachment B*).**

Oakland Fire Department (OFD)

**The Fire Department is projected to end FY 2017-18 with overspending of approximately (\$7.59 million) primarily due to overtime. Details on overtime spending are provided in a separate report presented to the Finance and Management Committee on February 27, 2018. Overtime spending in OFD is estimated to be \$20.0 million at fiscal year-end, which is approximately \$18.5 million over the Adjusted Budget.**

Oakland Public Library (OPL)

OPL is estimated to end the fiscal year with a savings of \$0.30 million due to salary savings.

Oakland Parks & Recreation (OPR)

OPR is projected to end the fiscal year with a savings of \$0.60 million from salary savings.

Human Services Department (HSD)

Human Services is projected to end the fiscal year with small savings of \$0.10 million primarily in personnel costs.

Economic Workforce & Development (EWD)

EWD is projected to end the fiscal year with underspending of \$0.85 million from salary savings associated with vacancies.

Housing & Community Development (HCD)

Housing is projected to end the fiscal year at budget.



Planning & Building

Planning is projected to end the fiscal year at budget.

Oakland Public Works (OPW)

OPW is projected to end the fiscal year with a savings of \$0.45 million from salary savings.

Department of Transportation (DOT)

DOT is projected to end the fiscal year with a savings of \$0.81 million from salary savings.

Non-Departmental

Non-Departmental is projected to end the fiscal year overspent by approximately \$0.96 million due to under-recovery of Central Services Overhead costs due to vacancies.

**OTHER FUNDS**  
**(Attachments C-1 through I-2)**

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), projected year-end revenue and expenditure results show a deficit of \$0.16 million (**Attachments C-1 & C2**). Additionally, when accounting for obligated amounts carried forward to FY 2017-18 and beginning fund balance deficit of \$0.66 million, the deficit increases to \$1.40 million. The LLAD had eliminated its roughly \$6.0 million negative fund balance by FYE 2014-15, however rapidly increasing costs and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining that positive fund balance. The assessment rate cannot be adjusted without voter approval; therefore, Public Works must continue to carefully manage personnel and O&M expenses throughout FY 2017-18 to mitigate any further reductions in the fund balance.

**Table A: FY 2017-18 LLAD Projected Year-End Available Fund Balance**

(\$ in millions)

| LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310) | FY 2017-18 Adjusted Budget | FY 2017-18 Q2 Projected FYE | Year-End Over / Under Budget |
|--|----------------------------|-----------------------------|------------------------------|
| Beginning Fund Balance - Audited                       | (\$0.66)                   | (\$0.66)                    |                              |
| Revenue  | \$19.93                    | \$19.80                     | (\$0.13)                     |
| Expenditures   | \$19.93                    | \$19.95                     | (\$0.03)                     |
| Estimated Current Year Surplus/(Shortfall)             | \$0.00                     | (\$0.16)                    | (\$0.16)                     |
| <b>Subtotal Fund Balance</b>                           | <b>(\$0.66)</b>            | <b>(\$0.82)</b>             |                              |
| <b>Use of Fund Balance in FY 2017-18:</b>              |                            |                             |                              |
| Budgeted Amounts Carried Forward (CF) to FY 2017-18    | (\$0.74)                   | (\$0.74)                    |                              |
| Budgeted Fund Balance Repayment                        | \$0.16                     | \$0.16                      |                              |
| <b>Estimated Ending Fund Balance</b>                   | <b>(\$1.24)</b>            | <b>(\$1.40)</b>             |                              |

| LLAD PROJECT CARRYFORWARD               |                |
|---|----------------|
| Project Description                     | CF AMOUNT      |
| 1000983 - LAKE MERRITT MNTNNC           | 570,636        |
| 1001588 - FY 15-17 PK PROJ PRIOR STUDY  | 33,417         |
| 1000640 - OAKLAND ST LIGHTING CONV PRJT | 17,796         |
| Encumbrances                            | 121,741        |
| <b>Grand Total</b>                      | <b>743,590</b> |

State Gas Tax Fund

State Gas Tax Fund (2230) is revenue from a portion of a \$0.18 cent per gallon excise tax for gasoline (Sales & Use Tax Rate), which is returned to Cities based on a population formula. **This rate has remained flat since 1995.** These funds may be used for the “research, planning, construction, improvement, maintenance and operation” of public streets and roads, including sidewalks, bikeways and public transit facilities. A small amount (\$10,000 per year) must be spent on engineering costs and admin expenses related to city streets.

Revenues are projected to end the fiscal year at \$7.42 million which is \$0.13 million lower than the Adjusted Budget. Projected expenditures of \$7.13 million are less (\$0.42 million) than the net Adjusted Budget of \$7.55 million (**Attachments D-1 & D-2**) which will offset the reduction in revenue. Table B below shows the estimated available fund balance at year-end at \$0.34 million with budgeted carryforward included. In April 2017 Governor Brown signed legislation that will increase the per gallon rate from \$0.18 cents to \$0.30 cents in November 2017, which is the first increase in the rate since 1995. The anticipated revenue increases have been incorporated into the FY 2017-19 Adopted Policy Budget.

**Table B: FY 2017-18 State Gas Tax Fund Projected Year-End Available Fund Balance**

(\$ in millions)

| STATE GAS TAX FUND (2230)                           | FY 2017-18 Adjusted Budget | FY 2017-18 Q2 Projected FYE | Year-End Over / Under Budget |
|---|----------------------------|-----------------------------|------------------------------|
| Beginning Fund Balance - Audited                    | \$0.18                     | \$0.18                      |                              |
| Revenue   | \$7.55                     | \$7.42                      | (\$0.13)                     |
| Expenditures  | \$7.55                     | \$7.13                      | \$0.42                       |
| Estimated Current Year Surplus/(Shortfall)          | \$0.00                     | \$0.29                      | \$0.29                       |
| Subtotal Fund Balance                               | \$0.18                     | \$0.47                      |                              |
| <b>Use of Fund Balance in FY 2017-18:</b>           |                            |                             |                              |
| Budgeted Amounts Carried Forward (CF) to FY 2017-18 | (\$0.13)                   | (\$0.13)                    |                              |
| Estimated Ending Fund Balance                       | \$0.05                     | \$0.34                      |                              |

| STATE GAS TAX CARRYFORWARD          |           |
|-------------------------------------|-----------|
| Project Description                 | CF AMOUNT |
| 1000986 - TRAFFIC SIGNAL CONTROLLER | 2,894     |
| Encumbrances                        | 124,503   |
| Grand Total                         | 127,397   |

**State Gas Tax - Prop 42 Replacement Fund**

State Gas Tax Fund (2231) serves as a replacement of Prop 42 (sales tax on gasoline). The revenue is a portion of a variable excise tax on gasoline (Motor Vehicle Fuel Tax Rate) that is returned to Cities based on a population formula. **The FY 2017-18 rate is \$0.278 cents per gallon which is a decrease from the FY 2015-16 rate of \$0.300 cents per gallon.** A downward adjustment would have a negative fiscal impact on revenues the City receives. These funds may be used for the "research, planning, construction, improvement, maintenance and operation" of public streets and roads, including sidewalks, bikeways and public transit facilities.

Revenues are projected to end the fiscal year at \$2.21 million which is \$0.51 million higher than the Adjusted Budget. Expenditures are estimated to be \$1.89 million which exceeds the Adjusted Budget by \$0.19 million (**Attachments D-1 & D-2**). Table C below shows the estimated ending available fund balance at year-end as \$0.44 million with carryforward obligations factored in.

**Table C: FY 2017-18 State Gas Tax – Prop 42 Fund Projected Year-End Available Fund Balance**

(\$ in millions)

| STATE GAS TAX: PROP 42 REPLACEMENT<br>(FUND 2231)   | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 Projected<br>FYE | Year-End<br>Over / Under<br>Budget |
|---|----------------------------------|-----------------------------------|------------------------------------|
| Beginning Fund Balance - Audited                    | \$2.04                           | \$2.04                            |                                    |
| Revenue   | \$1.70                           | \$2.21                            | \$0.51                             |
| Expenditures  | \$1.70                           | \$1.89                            | (\$0.19)                           |
| Estimated Current Year Surplus/(Shortfall)          | \$0.00                           | \$0.33                            | \$0.33                             |
| Subtotal Fund Balance                               | \$2.04                           | \$2.37                            |                                    |
| <b>Use of Fund Balance in FY 2017-18:</b>           |                                  |                                   |                                    |
| Budgeted Amounts Carried Forward (CF) to FY 2017-18 | (\$1.93)                         | (\$1.93)                          |                                    |
| Estimated Ending Fund Balance                       | \$0.11                           | \$0.44                            |                                    |

| STATE GAS TAX - PROP 42 CARRYFORWARD  | CF AMOUNT        |
|---------------------------------------|------------------|
| Project Description                   |                  |
| 1000830 - CITYWIDE STREET RESURF-2231 | 1,158,931        |
| 1000821 - CITYWIDE ST RESURFACING II  | 445,169          |
| 1000998 - STREET REHAB RESURFACING    | 322,737          |
| <b>Grand Total</b>                    | <b>1,926,837</b> |

**Facilities Fund**

This fund is reported on a cash basis. Projected fiscal year-end results for the Facilities Fund (4400) shown in Table D indicate that revenues will be higher than expenditures by approximately \$3.79 million (**Attachments E-1 & E-2**). The estimated ending cash balance will improve by roughly \$5.35 million as a result of higher revenues, lower spending, and the budgeted repayment to fund balance of \$4.23 million. Based on FY 2017-18 projections, and despite budgeted amounts carried forward to FY 2017-18 of \$2.66 million, the negative fund balance will be eliminated ahead of the scheduled repayment plan. The projected ending cash balance is a negative \$2.92 million. The FY 2017-19 Adopted Policy Budget allocates additional one-time funding (\$4.23 million) in FY 2108-19 to eliminate the remaining negative cash balance.

**Table D: FY 2017-18 Facilities Fund Projected Year-End Available Cash Balance**

(\$ in millions)

| FACILITIES FUND (4400)                              | FY 2017-18 Adjusted Budget | FY 2017-18 Q2 Projected FYE | Year-End Over / Under Budget |
|---|----------------------------|-----------------------------|------------------------------|
| Gross Beginning Cash Balance                        | (\$8.27)                   | (\$8.27)                    |                              |
| Revenue   | \$37.92                    | \$39.06                     | \$1.15                       |
| Expenditures  | \$37.92                    | \$35.28                     | \$2.64                       |
| Estimated Current Year Surplus/(Shortfall)          | \$0.00                     | \$3.79                      | \$3.79                       |
| Subtotal Fund Balance                               | (\$8.27)                   | (\$4.49)                    |                              |
| <b>Use of Fund Balance in FY 2017-18:</b>           |                            |                             |                              |
| Budgeted Amounts Carried Forward (CF) to FY 2017-18 | (\$2.66)                   | (\$2.66)                    |                              |
| Budgeted Fund Balance Repayment                     | \$4.23                     | \$4.23                      |                              |
| Estimated Ending Cash Balance                       | (\$6.70)                   | (\$2.92)                    |                              |

| FACILITIES CARRYFORWARD                  |                  |
|--|------------------|
| Project Description                      | CF AMOUNT        |
| 1000716 - MINOR CIP                      | 995,610          |
| 1001520 - ADA TRNSTN PLAN SURVEY FY15-16 | 419,380          |
| 1001642 - ENVIRONMENTAL CMPLNCE FY05-06  | 319,312          |
| 1000719 - EMERGENCY MINOR CIP            | 136,433          |
| 1001679 - EOSC MAINTENANCE               | 211,943          |
| 1000988 - FY 05 06 MSC CLEAN UP          | 71,680           |
| 1000630 - INS-BUILDINGS                  | 62               |
| 1003321 - TASSAFARONGA GYM WATER INTR    | 9,825            |
| Encumbrances                             | 491,258          |
| <b>Grand Total</b>                       | <b>2,655,502</b> |

Multipurpose Reserve Fund

The Multipurpose Reserve Fund (1750) serves as the City's off-street parking and traffic control fund. Fund 1750 is used to budget and record the gross revenue and operating expenses of the City's off-street parking facilities. Revenues are used for staff support, parking operations and maintenance, and authorized contract management services and fees.

Expenditures are projected to end the year less (\$0.14 million) than the net Adjusted Budget of \$9.39 million. Revenues at fiscal year-end are estimated to be \$10.28 million, which is \$0.89 million higher than the Adjusted Budget (**Attachments F-1 & F-2**). Table E below shows the estimated available fund balance improving by fiscal year-end to a negative \$0.12 million.

**Table E: FY 2017-18 Multipurpose Reserve Fund Projected Year-End Available Fund Balance**

(\$ In millions)

| MULTIPURPOSE RESERVE FUND (1750)                    | FY 2017-18 Adjusted Budget | FY 2017-18 Q2 Projected FYE | Year-End Over / Under Budget |
|---|----------------------------|-----------------------------|------------------------------|
| Beginning Fund Balance - Audited                    | (\$0.61)                   | (\$0.61)                    |                              |
| Revenue   | \$9.39                     | \$10.28                     | \$0.89                       |
| Expenditures  | \$9.39                     | \$9.25                      | \$0.14                       |
| Estimated Current Year Surplus/(Shortfall)          | \$0.00                     | \$1.03                      | \$1.03                       |
| <b>Subtotal Fund Balance</b>                        | <b>(\$0.61)</b>            | <b>\$0.42</b>               |                              |
| <b>Use of Fund Balance in FY 2017-18:</b>           |                            |                             |                              |
| Budgeted Amounts Carried Forward (CF) to FY 2017-18 | (\$0.80)                   | (\$0.80)                    |                              |
| Budgeted Fund Balance Repayment                     | \$0.27                     | \$0.27                      |                              |
| <b>Estimated Ending Fund Balance</b>                | <b>(\$1.14)</b>            | <b>(\$0.12)</b>             |                              |

| MULTIPURPOSE RESERVE CARRYFORWARD        |                |
|--|----------------|
| Project Description                      | CF AMOUNT      |
| 1003472 - CMAQ MTC PARKING & MBILITY MGT | 183,597        |
| 1003269 - TFCA 28 ELCTRC VEH CHRNGG STNS | 20,000         |
| 1000840 - OUTER DIST SURVLCE CAM NETWK   | 100,000        |
| 1000630 - INS-BUILDINGS                  | 83,000         |
| 1000872 - PARKING GARAGE CONTRACT        | 98,569         |
| 1001416 - TELEGRAPH PLAZA                | 59,510         |
| 1001617 - CITY CENTER WEST GARAGE        | 13,043         |
| 1001559 - 409 12TH STREET                | 29,639         |
| Encumbrances                             | 213,420        |
| <b>Grand Total</b>                       | <b>800,778</b> |

**Self-Insurance Liability Fund**

The Self-Insurance Liability Fund (1100) receives contributions from the General Purpose Fund and select funds to cover costs associated with liability claims and settlements, insurance premiums, outside legal services and court costs.

Expenditures are projected to end the year at budget. Revenues at fiscal year-end are estimated to reach \$27.53 million, which is \$0.99 million higher than the Adjusted Budget (**Attachments G-1 & G-2**). Table F below shows the estimated ending available fund balance improving by fiscal year-end to a negative \$6.97 million primarily due to the budgeted fund balance repayment of \$2.35 million. This fund has maintained its repayment plan and is expected to eliminate the negative fund balance by FY 2021-22.

**Table F: FY 2017-18 Self-Insurance Liability Fund Projected Year-End Available Fund Balance**

(\$ in millions)

| SELF-INSURANCE LIABILITY FUND (1100)       | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 Projected<br>FYE | Year-End<br>Over / Under<br>Budget |
|--|----------------------------------|-----------------------------------|------------------------------------|
| Beginning Fund Balance - Audited           | (\$10.31)                        | (\$10.31)                         |                                    |
| Revenue                                    | \$22.75                          | \$23.73                           | \$0.99                             |
| Expenditures                               | \$22.74                          | \$22.74                           | \$0.00                             |
| Estimated Current Year Surplus/(Shortfall) | \$0.00                           | \$0.99                            | \$0.99                             |
| Subtotal Fund Balance                      | (\$10.31)                        | (\$9.32)                          |                                    |
| <b>Use of Fund Balance in FY 2017-18:</b>  |                                  |                                   |                                    |
| Budgeted Fund Balance Repayment            | \$2.35                           | \$2.35                            |                                    |
| Estimated Ending Fund Balance              | (\$7.95)                         | (\$6.97)                          |                                    |

Municipal Capital Improvement Fund

The Municipal Capital Improvement Fund (5500) no longer has any revenue source.

There are no expenditures projected for this fund at fiscal year-end. Revenues consist of a net negative \$0.03 million due to projected negative interest allocation (**Attachments H-1 & H-2**). Table G below shows the estimated ending available fund balance as a negative \$5.52 million prior to accounting for the carryforward obligations. All carryforward is on hold and must be either eliminated, or reallocated to appropriate funding sources, to ensure that the fund balance does not become more negative. **The carryforward amount on hold is \$2.81 million and comprised primarily of Pay-Go projects**

**Table G: FY 2017-18 Municipal Capital Improvement Fund Projected Year-End Available Fund Balance**

(\$ in millions)

| MUNICIPAL CAPITAL IMPROVEMENT FUND (5500)  | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 Projected<br>FYE | Year-End<br>Over / Under<br>Budget |
|--|----------------------------------|-----------------------------------|------------------------------------|
| Beginning Fund Balance - Audited           | (\$5.49)                         | (\$5.49)                          |                                    |
| Revenue                                    | \$0.00                           | (\$0.03)                          | (\$0.03)                           |
| Expenditures                               | \$0.00                           | \$0.00                            | \$0.00                             |
| Estimated Current Year Surplus/(Shortfall) | \$0.00                           | (\$0.03)                          | (\$0.03)                           |
| Subtotal Fund Balance                      | (\$5.49)                         | (\$5.52)                          |                                    |
| Estimated Ending Fund Balance <sup>1</sup> | (\$5.49)                         | (\$5.52)                          |                                    |

<sup>1</sup> This estimate does not include previously appropriated project carryforward (\$2.81 mil) that must be eliminated or reallocated to eligible funds. These carryforward amounts have not been provided to Departments because the fund is negative with no source of revenue, and therefore cannot be spent.



**Capital Reserves Fund**

The Capital Reserves Fund (5510) source of funding is typically from one-time revenues. Per the Consolidated Fiscal Policy (Ordinance No. 13279 C.M.S, Part C) revenues received from one-time activities shall be deposited into this fund unless otherwise directed by a majority vote of the City Council. Capital Reserve funds may be appropriated by Council to: fund emergency or major capital maintenance or repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program. No revenues have been directed to this fund since FY 2013-14.

Expenditures are all associated with carryforward (\$1.57 million) which is projected to be spent by FYE. This fund has no new revenues (**Attachments I-1 & I-2**) and is allocated negative interest. The carryforward amount of \$1.57 must be either eliminated, or reallocated to appropriate funding sources, to ensure that the fund balance does not reach the estimated negative ending balance of \$2.34 million. Table H below shows the estimated ending fund balance.

**Table H: FY 2017-18 Capital Reserves Fund Projected Year-End Available Fund Balance**

(\$ in millions)

| CAPITAL RESERVE FUND (5510)                         | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 Projected<br>FYE | Year-End<br>Over / Under<br>Budget |
|---|----------------------------------|-----------------------------------|------------------------------------|
| Beginning Fund Balance - Audited                    | (\$0.77)                         | (\$0.77)                          |                                    |
| Revenue   | \$0.00                           | (\$0.00)                          | (\$0.00)                           |
| Expenditures  | \$0.00                           | \$0.00                            | \$0.00                             |
| Estimated Current Year Surplus/(Shortfall)          | \$0.00                           | (\$0.00)                          | (\$0.00)                           |
| Subtotal Fund Balance                               | (\$0.77)                         | (\$0.77)                          |                                    |
| <b>Use of Fund Balance in FY 2017-18:</b>           |                                  |                                   |                                    |
| Budgeted Amounts Carried Forward (CF) to FY 2017-18 | (\$1.57)                         | (\$1.57)                          |                                    |
| Estimated Ending Fund Balance                       | (\$2.34)                         | (\$2.34)                          |                                    |

| CAPITAL RESERVE CARRYFORWARD              |                  |
|---|------------------|
| Project Description                       | CF AMOUNT        |
| 1000450 - IT LIC-SOFTWARE-911 II C468113  | 1,000,000        |
| 1001403 - MOTOROLA IPSS SUP-MAINT C234620 | 315,373          |
| 1000551 - UPS MAIN PS SITES C453710       | 74,242           |
| 1000437 - IBM MASTER LEASE C468130        | 98,115           |
| 1001140 - IT LIC-SOFTWARE-911 I C468112   | 43,520           |
| 1000552 - IT LIC - SOFTWARE C468110       | 34,420           |
| <b>Grand Total</b>                        | <b>1,565,670</b> |

**NEGATIVE FUND BALANCES**

It is important to note that the City continued to make progress in FY 2016-17 on its funds that have negative fund balances. The City ended FY 2016-17 with audited negative balances totaling an estimated \$72.57 million, which is a slight reduction over FY 2015-16.

Over the past decade, many Non-GPF funds have been depleted creating financial pressures on the GPF. They are largely attributable to historical overspending and/or under-recovery and transfers to the GPF for budget balancing measures. It is important that the City continues to plan for this contingency and cautiously approach FY 2018-19 considering large unfunded liabilities, negative fund balances, unanticipated expenditures, economic downturn, and other risks that may impact the fund balances in future years.

The last four (4) Adopted Policy Budgets (FY 2009-2017) included repayment plans for the City to repay itself for the use of pooled cash for both Program Funds and Internal Service Funds (ISFs). The Repayment Plan has been monitored closely by staff, and staff has also instituted more frequent draw-downs of grant funds, as well as increased oversight and management of expenditures for funds with negative balances. Since FY 2009-10, **over \$66.2 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest (Table 17). The FY 2017-19 Adopted Policy Budget allocates additional one-time funding to eliminate the remaining repayments in the Facilities Fund (4400) to achieve on-going savings across several City funds including the GPF. Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. Continued commitment to repayment is strongly encouraged to ensure the necessary financial progress as a commitment to external auditors. **Additional detail and recommendations for actions to further reduce negative fund balances is discussed in the Negative Fund Repayment Plan and Recommendations Report discussed at Finance and Management Committee February 27, 2018.**

**Table 15: Negative Fund Balance Summary FY 2014-15 through FY 2017-18**

| Audited Ending Fund Balance<br>(as of June 30th each FY) |                  |                  |                  |  |
|--|------------------|------------------|------------------|--|
| \$\$ in millions   |                  |                  |                  |  |
| Negative Fund Category                                   | FY 2014-15       | FY 2015-16       | FY 2016-17       |  |
| 1 Negative Funds with Repayment Plan                     | (51.74)          | (34.45)          | (26.90)          |  |
| 2 Reimbursable Negative Funds                            | (24.09)          | (24.47)          | (30.99)          |  |
| 3 Non-Reimbursable Negative Funds                        | (13.92)          | (13.96)          | (14.68)          |  |
| <b>Total Negative Funds</b>                              | <b>(\$89.75)</b> | <b>(\$72.87)</b> | <b>(\$72.57)</b> |  |

**PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

**COORDINATION**

This report was prepared in coordination between the Finance Department and the City Administrator's Office and various departments.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** No direct economic opportunities have been identified.

***Environmental:*** No direct environmental impacts have been identified.

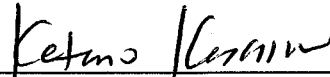
***Social Equity:*** No social equity opportunities have been identified.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends that City Council receive an informational report on the projected Fiscal Year (FY) 2017-18 Second Quarter Revenue and Expenditure results and year-end summaries for the General Purpose Fund (GPF, 1010) and eight selected funds; and General Purpose Fund (GPF, 1010) carryforward for FY 2017-18; and overtime analysis for the General Purpose Fund (1010) and All Funds.

For questions regarding this report, please contact Kirsten LaCasse, Controller, at 238-6776.

Respectfully submitted,



KATANO KASAINÉ  
Finance Director, Finance Department

**Reviewed by:**  
Adam Benson  
Finance Manager  
Finance Administration

**Prepared by:**  
Kirsten LaCasse  
Controller  
Controller's Bureau

Margaret O'Brien  
Revenue & Tax Administrator  
Revenue Management Bureau

Attachments (19):

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Overtime Analysis*
- C-1: *Landscape and Lighting Assessment District Fund Revenues*
- C-2: *Landscape and Lighting Assessment District Fund Expenditures*
- D-1: *State Gas Tax & Prop 42 Replacement Fund Revenues*
- D-2: *State Gas Tax & Prop 42 Replacement Fund Expenditures*
- E-1: *Facilities Fund Revenues*
- E-2: *Facilities Fund Expenditures*
- F-1: *Multipurpose Reserve Fund Revenues*
- F-2: *Multipurpose Reserve Fund Expenditures*
- G-1: *Self-Insurance Liability Fund Revenues*
- G-2: *Self-Insurance Liability Fund Expenditures*
- H-1: *Municipal Capital Improvement Fund Revenues*
- H-2: *Municipal Capital Improvement Fund Expenditures*
- I-1: *Capital Reserve Fund Revenues*
- I-2: *Capital Reserve Fund Expenditures*
- J: *GPF Project Carryforward*
- K: *Proposed Language To Limit Departmental Overspending*

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**GENERAL PURPOSE FUND REVENUES (\$ in millions)**

| Revenue Category            | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>To Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$ Over<br>/ (Under) Adj.<br>Bud. | Explanation of<br>Over / (Under) Collection   |
|-----------------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|--|---|
| PROPERTY TAX                | 182.71                           | 83.56                           | 45.7%                            | 183.53                             | 0.82   | Property Tax revenues are forecasted to exceed budget due to the forecasted receipt of additional RPTTF revenues  |
| SALES TAX                   | 56.00                            | 20.54                           | 36.7%                            | 56.00                              | 0.00   |   |
| VEHICLE LICENSE FEES        | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00   |   |
| BUSINESS LICENSE TAX        | 79.58                            | 6.52                            | 8.2%                             | 82.01                              | 2.43   | The forecast includes the receipt of \$2.34 million from a single taxpayer as the result of a business tax audit that was not included in the original FY 2017-18 Adopted Budget. These audit revenues are considered one-time revenues |
| UTILITY CONSUMPTION TAX     | 50.70                            | 21.05                           | 41.5%                            | 54.07                              | 3.37   | Utility User Tax is forecasted at a 2.75% increase when compared to FY 2016-17 audited receipts.  |
| REAL ESTATE TRANSFER TAX    | 75.82                            | 32.94                           | 43.4%                            | 77.21                              | 1.39   |   |
| TRANSIENT OCCUPANCY TAX     | 22.65                            | 10.43                           | 46.0%                            | 23.93                              | 1.28   |   |
| PARKING TAX                 | 11.13                            | 4.88                            | 43.8%                            | 11.13                              | 0.00   |   |
| LOCAL TAX                   | 5.90                             | 4.55                            | 77.1%                            | 10.63                              | 4.73   | Year-end revenue derived from Sugar Sweetened Beverage Tax is forecasted to be \$10.63 million  |
| LICENSES & PERMITS          | 2.06                             | 1.35                            | 65.4%                            | 2.06                               | 0.00   |   |
| FINES & PENALTIES           | 22.43                            | 7.67                            | 34.2%                            | 21.69                              | (0.74)   |   |
| INTEREST INCOME             | 0.74                             | 0.06                            | 8.7%                             | 1.21                               | 0.47   |   |
| SERVICE CHARGES             | 59.50                            | 19.48                           | 32.7%                            | 59.25                              | (0.25)   |   |
| GRANTS & SUBSIDIES          | 0.12                             | 0.56                            | 470.7%                           | 0.56                               | 0.44   |   |
| MISCELLANEOUS               | 2.84                             | 0.64                            | 22.5%                            | 2.34                               | (0.50)   |   |
| INTER-FUND TRANSFERS        | 3.96                             | 1.98                            | 50.0%                            | 3.96                               | 0.00   |   |
| <b>Sub-Total Revenue</b>    | <b>\$576.14</b>                  | <b>\$216.21</b>                 | <b>37.5%</b>                     | <b>\$589.57</b>                    | <b>\$13.43</b>   |   |
| TRANSFERS FROM FUND BALANCE | 8.68                             |                                 |                                  | 8.68                               | 0.00   |   |
| <b>Total Revenue</b>        | <b>\$584.82</b>                  | <b>\$216.21</b>                 | <b>37.5%</b>                     | <b>\$598.25</b>                    | <b>\$13.43</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)**

| Agency / Department  | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>To Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of Overspending / Savings   |
|--|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| MAYOR  | 2.94                             | 1.32                            | 45.0%                            | 2.88                               | 0.07  |   |
| CITY COUNCIL   | 5.23                             | 2.16                            | 41.3%                            | 4.97                               | 0.25  |   |
| CITY ADMINISTRATOR   | 16.35                            | 5.75                            | 35.2%                            | 16.29                              | 0.05  |   |
| CITY ATTORNEY  | 11.96                            | 5.44                            | 45.5%                            | 11.95                              | 0.01  |   |
| CITY AUDITOR   | 1.96                             | 0.77                            | 39.1%                            | 1.69                               | 0.27  |   |
| CITY CLERK   | 2.58                             | 0.71                            | 27.9%                            | 2.48                               | 0.08  |   |
| POLICE COMMISSION  | 2.45                             | 0.89                            | 36.2%                            | 2.45                               | 0.00  |   |
| PUBLIC ETHICS COMMISSION   | 0.94                             | 0.48                            | 51.2%                            | 1.02                               | (0.09)  | Overspending attributed to personnel costs due to full staffing; unable to achieve budgeted vacancy rate  |
| FINANCE DEPARTMENT   | 27.66                            | 11.08                           | 40.1%                            | 27.44                              | 0.22  |   |
| INFORMATION TECHNOLOGY   | 9.83                             | 4.94                            | 50.3%                            | 10.48                              | (0.65)  | Overspending due to personnel costs   |
| RACE & EQUITY  | 0.48                             | 0.20                            | 41.7%                            | 0.48                               | 0.00  |   |
| HUMAN RESOURCES  | 6.42                             | 2.61                            | 40.7%                            | 6.22                               | 0.20  |   |
| DEPARTMENT OF VIOLENCE PREVENTION                                | 0.26                             | 0.00                            | 0.0%                             | 0.07                               | 0.20  |   |
| POLICE DEPARTMENT  | 253.93                           | 122.89                          | 48.4%                            | 260.24                             | (6.30)  | The projected overspending is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending is provided in a separate report presented to the Finance and Management Committee on February 27, 2018. |
| FIRE DEPARTMENT  | 130.02                           | 66.30                           | 51.0%                            | 137.61                             | (7.59)  | The overspending is primarily attributed to overtime. Details on overtime spending are provided in a separate report presented to the Finance and Management Committee on February 27, 2018.  |
| OAKLAND PUBLIC LIBRARY   | 13.00                            | 5.43                            | 41.8%                            | 12.71                              | 0.30  |   |
| PARKS & RECREATION   | 16.80                            | 6.98                            | 41.5%                            | 16.20                              | 0.60  |   |
| HUMAN SERVICES   | 14.50                            | 4.65                            | 32.1%                            | 14.41                              | 0.10  |   |
| ECONOMIC WORKFORCE & DEVELOPMENT                                 | 4.84                             | 1.66                            | 34.3%                            | 4.00                               | 0.85  |   |
| HOUSING & COMMUNITY DEVELOPMENT                                  | 1.12                             | 0.00                            | 0.0%                             | 1.12                               | 0.00  |   |
| PLANNING & BUILDING  | 0.22                             | 0.04                            | 17.5%                            | 0.22                               | 0.00  |   |
| OAKLAND PUBLIC WORKS   | 3.39                             | 1.08                            | 32.0%                            | 2.94                               | 0.45  |   |
| TRANSPORTATION   | 11.55                            | 3.70                            | 32.1%                            | 10.74                              | 0.81  |   |
| NON-DEPARTMENTAL   | 66.02                            | 33.02                           | 50.0%                            | 66.97                              | (0.96)  | Projected to end the fiscal year overspent due to under-recovery of Central Services Overhead costs.  |
| SUBTOTAL   | 604.42                           | 282.13                          | 46.7%                            | 615.55                             | (11.13)   |   |
| CAPITAL IMPROVEMENT PROGRAM                                      | 3.19                             | 0.69                            | 21.5%                            | 3.19                               | 0.00  |   |
| <b>Subtotal Expenditures</b>                                     | <b>\$607.62</b>                  | <b>\$282.82</b>                 | <b>46.5%</b>                     | <b>\$618.75</b>                    | <b>(\$11.13)</b>  |   |
| Amounts Carried Forward From FY 2016-17 (Project & Encumbrances) | (22.79)                          |                                 |                                  | (22.79)                            | 0.00  |   |
| <b>Total Expenditures</b>  | <b>\$584.82</b>                  | <b>\$282.82</b>                 | <b>48.5%</b>                     | <b>\$595.96</b>                    | <b>(\$11.13)</b>  |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**

**OVERTIME ANALYSIS (in Dollars)**

**GENERAL PURPOSE FUND**

| Agency / Department              | FY 2017-18<br>Adjusted Budget | FY 2017-18<br>Q2 YTD<br>Overtime<br>Actuals | FY 2017-18<br>Percent<br>To Date | FY 2017-18<br>Year-End Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | FY 2017-18<br>Year-End<br>(Over) / Under<br>as % of<br>Adjusted<br>Budget | Explanation of Over / (Under) Collection  |
|----------------------------------|-------------------------------|---|----------------------------------|---------------------------------|---|---|---|
| MAYOR                            | 8,960                         | 0   | 0.0%                             | 0                               | 8,960   | 100.0%  |   |
| CITY COUNCIL                     | 0                             | 1,854                                       | 0.0%                             | 3,782                           | (3,782)   | 0.0%  | Off-set by salary savings   |
| CITY ADMINISTRATOR               | 1,157                         | 93,044                                      | 8038.7%                          | 189,809                         | (188,651)   | (16299.0%)  | Off-set by salary savings   |
| CITY ATTORNEY                    | 0                             | 946   | 0.0%                             | 1,929                           | (1,929)   | 0.0%  | Off-set by salary savings   |
| CITY AUDITOR                     | 0                             | 1,888                                       | 0.0%                             | 3,852                           | (3,852)   | 0.0%  | Off-set by salary savings   |
| CITY CLERK                       | 11,570                        | 12,067                                      | 104.3%                           | 24,616                          | (13,046)  | (112.8%)  | Off-set by salary savings   |
| POLICE COMMISSION                | 0                             | 10,100                                      | 0.0%                             | 20,604                          | (20,604)  | 0.0%  | Off-set by salary savings   |
| FINANCE DEPARTMENT               | 49,901                        | 137,869                                     | 276.3%                           | 281,254                         | (231,353)   | (463.6%)  | Off-set by salary savings   |
| INFORMATION TECHNOLOGY           | 0                             | 47,910                                      | 0.0%                             | 97,737                          | (97,737)  | 0.0%  |   |
| HUMAN RESOURCES                  | 26,390                        | 10,587                                      | 40.1%                            | 21,597                          | 4,793   | 18.2%   | Off-set by salary savings   |
| POLICE DEPARTMENT                | 14,164,362                    | 14,741,255                                  | 104.1%                           | 29,575,087                      | (15,410,725)  | (108.8%)  | The projected overspending is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending is provided in a separate report presented to the Finance and Management Committee on February 27, 2018. |
| FIRE DEPARTMENT                  | 1,484,959                     | 9,983,729                                   | 672.3%                           | 20,007,424                      | (18,522,465)  | (1247.3%)   | The overspending is primarily attributed to overtime. Details on overtime spending are provided in a separate report presented to the Finance and Management Committee on February 27, 2018.  |
| OAKLAND PUBLIC LIBRARY           | 6,260                         | 1,708                                       | 27.3%                            | 3,485                           | 2,775   | 44.3%   | Off-set by salary savings   |
| PARKS & RECREATION               | 0                             | 20,476                                      | 0.0%                             | 41,771                          | (41,771)  | 0.0%  | Off-set by salary savings   |
| HUMAN SERVICES                   | 0                             | 2,870                                       | 0.0%                             | 5,854                           | (5,854)   | 0.0%  | Off-set by salary savings   |
| ECONOMIC WORKFORCE & DEVELOPMENT | 0                             | 10,045                                      | 0.0%                             | 20,492                          | (20,492)  | 0.0%  | Off-set by salary savings   |
| OAKLAND PUBLIC WORKS             | 0                             | 12,624                                      | 0.0%                             | 25,752                          | (25,752)  | 0.0%  | Off-set by salary savings   |
| TRANSPORTATION                   | 34,550                        | 67,016                                      | 194.0%                           | 136,712                         | (102,162)   | (295.7%)  | Off-set by salary savings   |
| <b>TOTAL</b>                     | <b>\$15,788,110</b>           | <b>\$25,155,987</b>                         | <b>159.3%</b>                    | <b>\$50,461,758</b>             | <b>(\$34,673,649)</b>   | <b>(219.6%)</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**

**OVERTIME ANALYSIS (in Dollars)**

**ALL FUNDS**

| Agency / Department              | FY 2017-18<br>Adjusted Budget | FY 2017-18<br>Q2 YTD<br>Overtime<br>Actuals | FY 2017-18<br>Percent<br>To Date | FY 2017-18<br>Year-End Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | FY 2017-18<br>Year-End<br>(Over) / Under<br>as % of<br>Adjusted<br>Budget | Explanation of Over / (Under) Collection                         |
|----------------------------------|-------------------------------|---|----------------------------------|---------------------------------|---|---|--|
| MAYOR                            | 8,910                         | 18  | 0.2%                             | 37                              | 8,872   | 99.6%   | Off-set by salary savings  |
| CITY COUNCIL                     | 0                             | 1,854                                       | 0.0%                             | 3,782                           | (3,782)   | 0.0%  | Off-set by salary savings  |
| CITY ADMINISTRATOR               | 1,157                         | 93,894                                      | 8112.2%                          | 191,543                         | (190,386)   | (16448.8%)  | Off-set by salary savings  |
| CITY ATTORNEY                    | 0                             | 2,495                                       | 0.0%                             | 5,090                           | (5,090)   | 0.0%  | Off-set by salary savings  |
| CITY AUDITOR                     | 0                             | 1,888                                       | 0.0%                             | 3,852                           | (3,852)   | 0.0%  | Off-set by salary savings  |
| CITY CLERK                       | 11,441                        | 31,672                                      | 276.8%                           | 64,611                          | (53,170)  | (464.7%)  | Off-set by salary savings  |
| POLICE COMMISSION                | 0                             | 10,100                                      | 0.0%                             | 20,604                          | (20,604)  | 0.0%  | Off-set by salary savings  |
| FINANCE DEPARTMENT               | 51,126                        | 155,723                                     | 304.6%                           | 317,675                         | (266,549)   | (521.4%)  | Off-set by salary savings  |
| INFORMATION TECHNOLOGY           | 2,190                         | 57,511                                      | 2625.6%                          | 117,322                         | (115,131)   | (5256.2%)   |  |
| HUMAN RESOURCES                  | 26,390                        | 11,840                                      | 44.9%                            | 24,153                          | 2,237   | 8.5%  | Off-set by salary savings  |
| POLICE DEPARTMENT                | 15,040,169                    | 15,412,462                                  | 102.5%                           | 30,920,750                      | (15,880,581)  | (105.6%)  | The projected overspending is largely due to overtime related to |
| FIRE DEPARTMENT                  | 3,777,893                     | 11,468,457                                  | 303.6%                           | 22,986,365                      | (19,208,472)  | (508.4%)  | The overspending is primarily attributed to overtime. Details on |
| OAKLAND PUBLIC LIBRARY           | 6,260                         | 2,436                                       | 38.9%                            | 4,970                           | 1,290   | 20.6%   | Off-set by salary savings  |
| PARKS & RECREATION               | 0                             | 35,792                                      | 0.0%                             | 73,015                          | (73,015)  | 0.0%  | Off-set by salary savings  |
| HUMAN SERVICES                   | 0                             | 13,178                                      | 0.0%                             | 26,883                          | (26,883)  | 0.0%  | Off-set by salary savings  |
| ECONOMIC WORKFORCE & DEVELOPMENT | 0                             | 11,484                                      | 0.0%                             | 23,428                          | (23,428)  | 0.0%  | Off-set by salary savings  |
| HOUSING & COMMUNITY DEVELOPMENT  | 0                             | 42,938                                      | 0.0%                             | 87,593                          | (87,593)  | 0.0%  | Off-set by salary savings  |
| PLANNING & BUILDING              | 211,813                       | 541,952                                     | 255.9%                           | 1,105,582                       | (893,769)   | (422.0%)  | Off-set by salary savings  |
| OAKLAND PUBLIC WORKS             | 1,119,835                     | 1,415,662                                   | 126.4%                           | 2,887,950                       | (1,768,115)   | (157.9%)  |  |
| TRANSPORTATION                   | 320,011                       | 761,389                                     | 237.9%                           | 1,553,233                       | (1,233,222)   | (385.4%)  |  |
| CAPITAL IMPROVEMENT PROGRAM      | 0                             | 28,017                                      | 0.0%                             | 57,154                          | (57,154)  | 0.0%  |  |
| <b>TOTAL</b>                     | <b>\$20,577,196</b>           | <b>\$30,100,761</b>                         | <b>146.3%</b>                    | <b>\$60,475,593</b>             | <b>(\$39,898,397)</b>   | <b>-193.9%</b>  |  |



**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**

**LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND REVENUES (\$ in millions)**

| Revenue Category     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>To Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>Over /<br>(Under) Adj.<br>Bud. | Explanation of<br>Over / (Under) Collection |
|----------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| TAX LEVY             | 19.16                            | 9.22                            | 48.1%                            | 19.16                              | 0.00  |   |
| LICENSES & PERMITS   | 0.05                             | 0.06                            | 120.6%                           | 0.13                               | 0.07  |   |
| INTEREST INCOME      | 0.00                             | (0.01)                          | 0.0%                             | (0.02)                             | (0.02)  |   |
| SERVICE CHARGES      | 0.21                             | (0.01)                          | -3.3%                            | (0.01)                             | (0.22)  |   |
| GRANTS & SUBSIDIES   | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00  |   |
| MISCELLANEOUS        | 0.00                             | 0.02                            | 0.0%                             | 0.04                               | 0.04  |   |
| INTERFUND TRANSFERS  | 0.51                             | 0.26                            | 50.0%                            | 0.51                               | 0.00  |   |
| <b>Total Revenue</b> | <b>\$19.93</b>                   | <b>\$9.54</b>                   | <b>47.9%</b>                     | <b>\$19.80</b>                     | <b>(0.13)</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2017 - December 31, 2017)

**LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND EXPENDITURES (\$ in millions)**

| Agency / Department                     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>To Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of (Overspending) /<br>Savings |
|---|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|--|
| FINANCE DEPARTMENT                      | 0.05                             | 0.02                            | 44.3%                            | 0.05                               | 0.00  |  |
| PARKS & RECREATION                      | 3.48                             | 1.17                            | 33.8%                            | 3.50                               | (0.03)  |  |
| HUMAN SERVICES                          | 0.00                             | 0.03                            | 0.0%                             | 0.00                               | 0.00  |  |
| ECONOMIC & WORKFORCE DEVELOPMENT        | 0.00                             | 0.00                            | 33.0%                            | 0.00                               | 0.00  |  |
| PUBLIC WORKS                            | 12.53                            | 5.17                            | 41.3%                            | 12.53                              | 0.00  |  |
| TRANSPORTATION                          | 2.60                             | 1.29                            | 49.8%                            | 2.60                               | 0.00  |  |
| NON-DEPARTMENTAL                        | 1.97                             | 0.14                            | 7.3%                             | 1.97                               | 0.00  |  |
| <b>SUBTOTAL</b>                         | <b>20.63</b>                     | <b>7.84</b>                     | <b>38.0%</b>                     | <b>20.66</b>                       | <b>(0.03)</b>   |  |
| CAPITAL IMPROVEMENT                     | 0.04                             | 0.00                            | 2.7%                             | 0.04                               | 0.00  |  |
| <b>Subtotal Expenditures</b>            | <b>\$20.67</b>                   | <b>\$7.84</b>                   | <b>40.7%</b>                     | <b>\$20.70</b>                     | <b>(\$0.03)</b>   |  |
| Amounts Carried Forward From FY 2016-17 | (0.74)                           | 0.00                            | 0.0%                             | (0.74)                             | 0.00  |  |
| <b>Total Expenditures</b>               | <b>\$19.93</b>                   | <b>\$7.84</b>                   | <b>40.7%</b>                     | <b>\$19.95</b>                     | <b>(\$0.03)</b>   |  |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**GAS TAX FUND REVENUES (\$ in millions)**

| Revenue Category                 | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>Over /<br>(Under) Adj.<br>Bud. | Explanation of<br>Over / (Under) Collection |
|----------------------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| <b>STATE GAS TAX (FUND 2230)</b> |                                  |                                 |                                  |                                    |   |   |
| GAS TAX                          | 7.41                             | 3.03                            | 40.9%                            | 7.28                               | (0.13)  |   |
| INTEREST INCOME                  | 0.00                             | (0.00)                          | 0.0%                             | (0.00)                             | (0.00)  |   |
| SERVICES CHARGES                 | 0.00                             | 0.00                            | 87.4%                            | 0.00                               | 0.00  |   |
| GRANTS & SUBSIDIES               | 0.14                             | 0.00                            | 0.0%                             | 0.14                               | 0.00  |   |
| <b>Total Revenue</b>             | <b>\$7.55</b>                    | <b>\$3.03</b>                   | <b>138.5%</b>                    | <b>\$7.42</b>                      | <b>(0.13)</b>   |   |

| Revenue Category  | FY 2015-16<br>Adjusted<br>Budget | FY 2015-16<br>Q2 YTD<br>Actuals | FY 2015-16<br>Percent<br>to Date | FY 2015-16<br>Year-End<br>Estimate | FY 2015-16<br>Year-End \$<br>Over /<br>(Under) Adj.<br>Bud. | Explanation of<br>Over / (Under) Collection |
|---|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| <b>STATE GAS TAX: PROP 42 REPLACEMENT<br/>(FUND 2231)</b> |                                  |                                 |                                  |                                    |   |   |
| FINES & PENALTIES   | 0.00                             | 0.04                            | 0.0%                             | 0.04                               | 0.04  |   |
| INTEREST INCOME   | 0.00                             | 0.00                            | 0.0%                             | 0.01                               | 0.01  |   |
| SERVICES CHARGES  | 0.01                             | 0.00                            | 0.0%                             | 0.00                               | (0.01)  |   |
| MISCELLANEOUS   | 1.69                             | 0.92                            | 54.2%                            | 2.20                               | 0.51  |   |
| <b>Total Revenue</b>                                      | <b>\$1.70</b>                    | <b>\$0.92</b>                   | <b>54.2%</b>                     | <b>\$2.21</b>                      | <b>\$0.51</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**GAS TAX FUND EXPENDITURES (\$ in millions)**

| Agency / Department                     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of (Overspending) / Savings |
|---|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| <b>STATE GAS TAX (FUND 2230)</b>        |                                  |                                 |                                  |                                    |   |   |
| PUBLIC WORKS                            | 0.47                             | 0.17                            | 35.2%                            | 0.36                               | 0.11  |   |
| TRANSPORTATION                          | 7.17                             | 3.79                            | 52.9%                            | 6.86                               | 0.31  |   |
| NON-DEPARTMENTAL                        | 0.04                             | 0.02                            | 38.8%                            | 0.04                               | 0.00  |   |
| CAPITAL IMPROVEMENT PROGRAM             | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00  |   |
| <b>Subtotal Expenditures</b>            | <b>\$7.68</b>                    | <b>\$3.97</b>                   | <b>51.7%</b>                     | <b>\$7.26</b>                      | <b>\$0.42</b>   |   |
| Amounts Carried Forward From FY 2016-17 | (0.13)                           | 0.00                            | 0.0%                             | (0.13)                             | 0.00  |   |
| <b>Total Expenditures</b>               | <b>\$7.55</b>                    | <b>\$3.97</b>                   | <b>51.7%</b>                     | <b>\$7.13</b>                      | <b>\$0.42</b>   |   |

| Agency / Department                                       | FY 2015-16<br>Adjusted<br>Budget | FY 2015-16<br>Q2 YTD<br>Actuals | FY 2015-16<br>Percent<br>to Date | FY 2015-16<br>Year-End<br>Estimate | FY 2015-16<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of (Overspending) / Savings |
|---|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| <b>STATE GAS TAX: PROP 42 REPLACEMENT<br/>(FUND 2231)</b> |                                  |                                 |                                  |                                    |   |   |
| PUBLIC WORKS  | 0.15                             | 0.01                            | 4.5%                             | 0.01                               | 0.14  |   |
| TRANSPORTATION  | 1.69                             | 0.77                            | 45.4%                            | 2.02                               | (0.33)  |   |
| NON-DEPARTMENTAL  | 0.01                             | 0.00                            | 41.2%                            | 0.01                               | 0.00  |   |
| CAPITAL IMPROVEMENT PROGRAM                               | 1.77                             | 0.10                            | 5.7%                             | 1.77                               | 0.00  |   |
| <b>Subtotal Expenditures</b>                              | <b>\$3.63</b>                    | <b>\$0.88</b>                   | <b>24.2%</b>                     | <b>\$3.81</b>                      | <b>(\$0.19)</b>   |   |
| Amounts Carried Forward From FY 2016-17                   | (1.93)                           | 0.00                            | 0.0%                             | (1.93)                             | 0.00  |   |
| <b>Total Expenditures</b>                                 | <b>\$1.70</b>                    | <b>\$0.88</b>                   | <b>24.2%</b>                     | <b>\$1.89</b>                      | <b>(\$0.19)</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**FACILITIES FUND REVENUES (\$ in millions)**

| Revenue Category     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>Over /<br>(Under) Adj.<br>Bud. | Explanation of<br>Over / (Under) Collection |
|----------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| INTEREST INCOME      | 0.00                             | (0.02)                          | 0.0%                             | (0.04)                             | (0.04)  |   |
| SERVICE CHARGES      | 0.55                             | 0.31                            | 56.1%                            | 0.62                               | 0.07  |   |
| INTERNAL SERVICE     | 33.04                            | 11.28                           | 34.2%                            | 33.85                              | 0.81  |   |
| MISCELLANEOUS        | 0.10                             | 0.20                            | 198.7%                           | 0.41                               | 0.31  |   |
| INTERFUND TRANSFERS  | 4.23                             | 4.23                            | 100.0%                           | 4.23                               | 0.00  |   |
| <b>Total Revenue</b> | <b>\$37.92</b>                   | <b>\$16.00</b>                  | <b>42.2%</b>                     | <b>\$39.06</b>                     | <b>\$1.15</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**FACILITIES FUND EXPENDITURES (\$ in millions)**

| Agency / Department                     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | FY 2017-18<br>Year-End<br>(Over) / Under<br>as % of<br>Adjusted<br>Budget | Explanation of (Overspending) / Savings |
|---|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|---|
| HUMAN RESOURCES                         | 0.11                             | 0.08                            | 76.2%                            | 0.11                               | 0.00  | 0.00%   |   |
| PUBLIC WORKS                            | 35.48                            | 13.46                           | 37.9%                            | 32.89                              | 2.59  | 7.31%   |   |
| TRANSPORTATION                          | 0.05                             | 0.00                            | 0.0%                             | 0.00                               | 0.05  | 100.00%   |   |
| NON-DEPARTMENTAL                        | 4.33                             | 0.04                            | 0.8%                             | 4.33                               | 0.00  | 0.00%   |   |
| CAPITAL IMPROVEMENT PROGRAM             | 0.61                             | 0.17                            | 28.1%                            | 0.61                               | 0.00  | 0.00%   |   |
| <b>Subtotal Expenditures</b>            | <b>\$40.57</b>                   | <b>\$13.75</b>                  | <b>33.9%</b>                     | <b>\$37.93</b>                     | <b>\$2.64</b>   | <b>6.51%</b>  |   |
| Amounts Carried Forward From FY 2016-17 | (2.66)                           | 0.00                            | 0.0%                             | (2.66)                             | 0.00  |   |   |
| <b>Total Expenditures</b>               | <b>\$37.92</b>                   | <b>\$13.75</b>                  | <b>33.9%</b>                     | <b>\$35.28</b>                     | <b>\$2.64</b>   | <b>6.51%</b>  |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**MULTIPURPOSE RESERVE FUND REVENUES (\$ in millions)**

| Revenue Category     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>Over /<br>(Under) Adj.<br>Bud. | Explanation of<br>Over / (Under) Collection |
|----------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| FINES & PENALTIES    | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00  |   |
| INTEREST INCOME      | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00  |   |
| SERVICES CHARGES     | 9.39                             | 4.79                            | 51.0%                            | 9.59                               | 0.19  |   |
| MISCELLANEOUS        | 0.00                             | 0.35                            | 0.0%                             | 0.69                               | 0.69  |   |
| <b>Total Revenue</b> | <b>\$9.39</b>                    | <b>\$5.14</b>                   | <b>51.0%</b>                     | <b>\$10.28</b>                     | <b>\$0.89</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**

**MULTIPURPOSE RESERVE FUND EXPENDITURES (\$ in millions)**

| Agency / Department                     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of (Overspending) / Savings |
|---|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| CITY ADMINISTRATOR                      | 0.06                             | 0.03                            | 48.6%                            | 0.06                               | (0.00)  |   |
| FINANCE DEPARTMENT                      | 2.90                             | 1.49                            | 51.5%                            | 2.90                               | (0.00)  |   |
| ECONOMIC WORKFORCE & DEVELOPMENT        | 0.40                             | 0.17                            | 43.2%                            | 0.40                               | 0.00  |   |
| PUBLIC WORKS                            | 0.35                             | 0.00                            | 0.1%                             | 0.17                               | 0.18  |   |
| TRANSPORTATION                          | 3.56                             | 0.32                            |                                  | 3.60                               |   |   |
| NON-DEPARTMENTAL                        | 2.90                             | 1.45                            | 50.0%                            | 2.90                               | 0.00  |   |
| CAPITAL IMPROVEMENT PROGRAM             | 0.02                             | 0.00                            | 0.0%                             | 0.02                               | 0.00  |   |
| <b>Subtotal Expenditures</b>            | <b>\$10.20</b>                   | <b>\$3.46</b>                   | <b>33.9%</b>                     | <b>\$10.05</b>                     | <b>\$0.18</b>   |   |
| Amounts Carried Forward From FY 2016-17 | (0.80)                           | 0.00                            | 0.0%                             | (0.80)                             | 0.00  |   |
| <b>Total Expenditures</b>               | <b>\$9.39</b>                    | <b>\$3.46</b>                   | <b>33.9%</b>                     | <b>\$9.25</b>                      | <b>\$0.18</b>   |   |



**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**SELF-INSURANCE LIABILITY FUND REVENUES (\$ in millions)**

| Revenue Category     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>Over / (Under)<br>Adj. Bud. | Explanation of<br>Over / (Under) Collection |
|----------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|--|---|
| INTEREST INCOME      | 0.00                             | (0.02)                          | 0.0%                             | (0.03)                             | (0.03)   |   |
| SERVICES CHARGES     | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00   |   |
| MISCELLANEOUS        | 0.00                             | 1.02                            | 20684.1%                         | 1.02                               | 1.02   |   |
| INTER-FUND TRANSFERS | 22.74                            | 11.37                           | 50.0%                            | 22.74                              | 0.00   |   |
| <b>Total Revenue</b> | <b>\$22.75</b>                   | <b>\$12.38</b>                  | <b>20734.1%</b>                  | <b>\$23.73</b>                     | <b>\$0.99</b>  |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**SELF-INSURANCE LIABILITY FUND EXPENDITURES (\$ in millions)**

| Agency / Department       | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of (Overspending) / Savings |
|---------------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| HUMAN RESOURCES           | 0.01                             | 0.00                            | 12.8%                            | 0.01                               | 0.00  |   |
| POLICE DEPARTMENT         | 5.80                             | 0.81                            | 14.0%                            | 5.80                               | 0.00  |   |
| FIRE DEPARTMENT           | 0.94                             | 0.00                            | 0.2%                             | 0.94                               | 0.00  |   |
| PARKS & RECREATION        | 0.41                             | 0.02                            | 3.7%                             | 0.41                               | 0.00  |   |
| PUBLIC WORKS              | 4.85                             | 0.58                            | 12.1%                            | 4.85                               | 0.00  |   |
| NON-DEPARTMENTAL          | 10.74                            | 2.35                            | 21.8%                            | 10.74                              | 0.00  |   |
| <b>Total Expenditures</b> | <b>\$22.74</b>                   | <b>\$3.76</b>                   | <b>16.5%</b>                     | <b>\$22.74</b>                     | <b>\$0.00</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**MUNICIPAL CAPITAL IMPROVEMENT FUND REVENUES (\$ in millions)**

| Revenue Category     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>Over / (Under)<br>Adj. Bud. | Explanation of<br>Over / (Under) Collection |
|----------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|--|---|
| INTEREST INCOME      | 0.00                             | (0.01)                          | 0.0%                             | (0.03)                             | (0.03)   |   |
| MISCELLANEOUS        | 0.00                             | (0.00)                          | 0.0%                             | (0.00)                             | (0.00)   |   |
| <b>Total Revenue</b> | <b>\$0.00</b>                    | <b>(0.01)</b>                   | <b>0.0%</b>                      | <b>(0.03)</b>                      | <b>(0.03)</b>  |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**MUNICIPAL CAPITAL IMPROVEMENT FUND EXPENDITURES (\$ in millions)**

| Agency / Department          | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of (Overspending) / Savings |
|------------------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| FIRE DEPARTMENT              | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00  |   |
| PUBLIC WORKS                 | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00  |   |
| CAPITAL IMPROVEMENT PROGRAM  | 0.00                             | 0.00                            | 0.0%                             | 0.00                               | 0.00  | CF NOT POSTED                           |
| <b>Subtotal Expenditures</b> | <b>\$0.00</b>                    | <b>\$0.00</b>                   | <b>0.0%</b>                      | <b>\$0.00</b>                      | <b>\$0.00</b>   |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**CAPITAL RESERVE FUND REVENUES (\$ in millions)**

| Revenue Category     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>Over / (Under)<br>Adj. Bud. | Explanation of<br>Over / (Under) Collection |
|----------------------|----------------------------------|---------------------------------|----------------------------------|------------------------------------|--|---|
| INTEREST INCOME      | 0.00                             | (0.00)                          | 0.0%                             | (0.00)                             | (0.00)   |   |
| MISCELLANEOUS        | 0.00                             | (0.00)                          | 0.0%                             | (0.00)                             | (0.00)   |   |
| <b>Total Revenue</b> | <b>\$0.00</b>                    | <b>(0.00)</b>                   | <b>0.0%</b>                      | <b>(0.00)</b>                      | <b>(0.00)</b>  |   |

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2017 - December 31, 2017)**  
**CAPITAL RESERVE FUND EXPENDITURES (\$ in millions)**

| Agency / Department                     | FY 2017-18<br>Adjusted<br>Budget | FY 2017-18<br>Q2 YTD<br>Actuals | FY 2017-18<br>Percent<br>to Date | FY 2017-18<br>Year-End<br>Estimate | FY 2017-18<br>Year-End \$<br>(Over) / Under<br>Adjusted<br>Budget | Explanation of (Overspending) / Savings |
|---|----------------------------------|---------------------------------|----------------------------------|------------------------------------|---|---|
| CAPITAL IMPROVEMENT PROGRAM             | 1.57                             | 0.29                            | 18.7%                            | 1.57                               | 0.00  |   |
| <b>Subtotal Expenditures</b>            | <b>\$1.57</b>                    | <b>\$0.29</b>                   | <b>18.7%</b>                     | <b>\$1.57</b>                      | <b>\$0.00</b>   |   |
| Amounts Carried Forward From FY 2016-17 | (1.57)                           | 0.00                            | 0.0%                             | (1.57)                             | 0.00  |   |
| <b>Total Expenditures</b>               | <b>\$0.00</b>                    | <b>\$0.29</b>                   | <b>18.7%</b>                     | <b>\$0.00</b>                      | <b>\$0.00</b>   |   |

| DEPARTMENT                 | PROJECT                                       | Authorized Carryforward | JUSTIFICATION   |
|----------------------------|---|-------------------------|---|
| CITY COUNCIL               | 1000894 - D6 GRANTS EVENTS PRGMS              | 24,275                  | Reserve to cover the purchase of chairs for the Fire House  |
| CITY COUNCIL-CIP           | 1003603 - DISTRICT 1 - PAY-GO                 | 5,360                   | For PayGo projects  |
| CITY COUNCIL-CIP           | 1003607 - DISTRICT 5 - PAY-GO                 | 4,730                   | For PayGo projects  |
| CITY COUNCIL-CIP           | 1003609 - DISTRICT 7 - PAY-GO                 | 984                     | For PayGo projects  |
| CITY COUNCIL-CIP           | 1003608 - DISTRICT 6 - PAY-GO                 | 286                     | For PayGo projects  |
| CITY COUNCIL-CIP           | 1003605 - DISTRICT 3 - PAY-GO                 | 267                     | For PayGo projects  |
| CITY COUNCIL-CIP           | 1003606 - DISTRICT 4 - PAY-GO                 | 131                     | For PayGo projects  |
| CITY COUNCIL-CIP           | 1003610 - AT-LARGE - PAY-GO                   | 102                     | For PayGo projects  |
| <b>CITY COUNCIL TOTAL</b>  |   | <b>36,135</b>           |   |
| CLERK                      | 1000126 - ELECTION FUNDING                    | 44,363                  | The carryforward provides for funding to support anticipated onboarding of hosted scheduling software, support for unfunded administrative elections support for candidate and measure processing; and necessary supplemental staffing. |
| <b>CITY CLERK TOTAL</b>    |   | <b>44,363</b>           |   |
| LIBRARY                    | 1003352 - OPL POPUP MOBILE VEHICLE ACQ        | 182,412                 | Reso # 86658. Project funded by the City Council to increase our service to youth in Oakland. Spending in process.  |
| <b>LIBRARY TOTAL</b>       |   | <b>182,412</b>          |   |
| PUBLIC ETHICS              | 1000466 - PUBLIC CAMPAIGN FINANCING           | 46,911                  | O.M.C. section3.13.060(C), which states that unspent funds "shall remain in the [Election Campaign] Fund and accrue for disbursement to candidates eligible for public financing in future elections"                                   |
| <b>PUBLIC ETHICS TOTAL</b> |   | <b>46,911</b>           |   |
| CAO                        | 1000107 - LABOR NEGOTIATIONS Total            | 316,553                 | Set-aside for open union negotiations and Renne Solan Sakai contract  |
| CAO                        | 1000105 - CANNABIS COOPERATIVE Total          | 620,663                 | To support administration and increased workload volume related to expected growth of Cannabis permitting   |
| CAO                        | 1001207 - DISPARITY STUDY Total               | 554,512                 | Obligated towards Mason Tillman Associates contract   |
| CAO                        | 1000106 - CPRB-INVESTIGATIONS Total           | 100,540                 | Earmarked for CPRB Database and Case Mgmt system  |
| CAO                        | 1000101 - PUBLIC INFORMATION-MEDIA PROJ Total | 54,021                  | Offset funding shortfall of project to migrate Oaklandnet.com to the new oaklandca.gov website  |
| CAO                        | 1000108 - CITY-WIDE TRAINING Total            | 49,717                  | Provide citywide training and staff development to employees scheduled for FY17/18  |
| CAO                        | 1000891 - EQUAL OPP PRGM-ONE TIME FUNDS Total | 30,564                  | Contingency for contractual and on-call services that EOPD does not have an on-going budget for   |
| CAO                        | 1000118 - WEBSITE REDESIGN Total              | 15,000                  | Offset funding shortfall of project to migrate Oaklandnet.com to the new oaklandca.gov website  |
| CAO                        | 1000120 - ANIMAL SHELTER DONATIONS Total      | 9,298                   | Donations obligated for Animal Services Expenditures  |
| CAO                        | 1000119 - ANIMAL POPULATION CONTROL Total     | 1,646                   | Allocated for Animal Services expenditures to East Bay SPCA   |
| CAO                        | 1000121 - IMPOUND SPAY AND NEUTER Total       | 941                     | Allocated for Animal Services Spay and Neuter expenditures  |
| <b>CAO TOTAL</b>           |   | <b>1,753,453</b>        |   |
| MAYOR                      | 1001131 - MAYOR'S OFFICE ADMIN SUPPORT Total  | 55,094                  | Funding will support two Temporary Contract Service Employees that will provide administrative support in the Mayor's Office  |
| MAYOR                      | 1000503 - MAYOR'S MENTORING PROGRAM Total     | 2,000                   | Funds used for Mayor's Office mentoring program activities  |
| <b>MAYOR TOTAL</b>         |   | <b>57,094</b>           |   |

| DEPARTMENT                          | PROJECT                                  | Authorized Carryforward | JUSTIFICATION  |
|-------------------------------------|--|-------------------------|--|
| RACE & EQUITY                       | 1000124 - RACE & EQUITY-FY15-17          | 36,045                  | Funding for start up and development of the Department of Race and Equity, which has limited operating funds   |
| <b>RACE &amp; EQUITY TOTAL</b>      |  | <b>36,045</b>           |  |
| HUMAN RESOURCES                     | 1001246 - BACKGROUND CHECK BACKLOG       | 200,790                 | Ongoing for Police Officer Trainee Background checks   |
| HUMAN RESOURCES                     | 1000395 - RECRUITMENT SUPPORT SERVICES   | 190,400                 | Ongoing for Citywide Recruitment Support   |
| <b>HUMAN RESOURCES TOTAL</b>        |  | <b>391,190</b>          |  |
| FINANCE                             | 1000054 - BUDGET SYSTEM-PURCH AND IMPL   | 205,899                 | Hyperion updates, training, oracle etc.  |
| FINANCE                             | 1000052 - FIN MGMT AUDITS                | 206,343                 | To support audit services and other service contracts  |
| FINANCE                             | 1000055 - OMERS ADMIN SUPPORT            | 124,497                 | Ongoing OMERS support and funding for renovation for the retirement workspace  |
| <b>FINANCE TOTAL</b>                |  | <b>536,739</b>          |  |
| PARKS & RECREATION                  | 1001496 - OPR GRANTS-SCHOLAR LOW INC YTH | 56,755                  | Transportation costs for the summer youth programs   |
| PARKS & RECREATION                  | 1000799 - WEST OAK YTH CTR               | 39,869                  | West Oakland Youth Center Contract Costs   |
| PARKS & RECREATION                  | 1001508 - WOYC MENTORNG FEE FY16-17      | 27,022                  | West Oakland Youth Center Contract Costs   |
| PARKS & RECREATION                  | 1000623 - WEST OAKLAND MENTORING FEE     | 7,379                   | West Oakland Youth Center Contract Costs   |
| PARKS & RECREATION                  | P43000 - YOUTH POLICY INITIATIVE         | (512)                   | To clean up negative   |
| <b>PARKS &amp; RECREATION TOTAL</b> |  | <b>130,514</b>          |  |
| OPW & DOT                           | 1001465 - PARKING METERS MGMT SYSTEM     | 1,381,574               | For contract costs per Reso #84804 for single space meters, multi space meters and parking kiosks conversions from Cale to IPS.  |
| OPW & DOT                           | 1001537 - BUS RAPID TRANSIT 1010         | 1,000,000               | Funds needed to pay existing businesses to sustain operations during and after the BRT construction.   |
| OPW & DOT                           | 1000964 - WOODMINSTER PH II ADA IMPVT    | 995,669                 | Reso 85195 litigation and settlement agreement scope. On-going project - Construction to begin Oct. 2017.  |
| OPW & DOT                           | 1001488 - ENHANCED PARK MAINTENANCE      | 235,461                 | The funding will be used to purchase equipment that supports citywide park maintenance efforts. Equipment includes:<br><ul style="list-style-type: none"> <li>• Mini Packer truck with tipster - \$120,000</li> <li>• Crew cab truck with dump bed - \$60,000</li> <li>• Bobcat (skid steer) loader for green waste management - \$55,000</li> </ul> |
| OPW & DOT                           | 1000834 - MUSEUM MINOR CIP               | 106,667                 | Funding is allocated to the Oakland Museum for minor projects per the City's lease agreement. The carryforward is being used to cover the Museum's pending projects.   |
| OPW & DOT                           | 1001565 - ON CALL ADA CIP                | 106,200                 | ADA funding for staff support/assistance on ADA projects.  |
| OPW & DOT                           | 1001002 - CALDECOTT FROG PARK            | 85,800                  | ADA funding for play area safety surface. On-going project spearheaded by community.   |
| OPW & DOT                           | 1000994 - LION TMSCAL POOL ADA UPGRDS    | 70,925                  | For repair work to the Lion Temascal Pool to make it ADA compliant.  |
| OPW & DOT                           | 1000975 - ADA TRNSITION PLAN SVY FY14-15 | 53,487                  | To extend contract for mandated as-needed sign language interpretation services; no appropriation for these services provided in FY 17-19 budget.  |
| OPW & DOT                           | 1000702 - ASTRO PARK TOT LOT IMPROV      | 8,032                   | ADA funds for safety surface scope - project construction funding for final payment and balance project funding before close out.  |



| DEPARTMENT                 | PROJECT                                  | Authorized Carryforward | JUSTIFICATION  |
|----------------------------|--|-------------------------|--|
| OPW & DOT                  | 1001030 - PAYGO D2 MADISN SQ PORTA POTTY | 5,232                   | The Pay go funds were previously used to fund maintenance equipment used to help remove waste from the geese population at Lake Merritt. In the past few years the funding has been used to pay for portable toilets at Madison Park since there are no permanent restrooms there. |
| OPW & DOT                  | 1003319 - BELLEVUE AVE PATHWAYS          | 3,573                   | On-going project in construction. CF to balance project costs.   |
| OPW & DOT                  | 1001594 - ADA AUX AIDES- SERVC PROJECT   | 1,011                   | Funds used for fulfilling requests for reasonable accommodations and conducting ADA complaint remediation activities; federally mandated.  |
| OPW & DOT                  | 1001669 - ADA REASONABLE ACCOMODATIONS   | 325                     | Funds used for fulfilling requests for reasonable accommodations and conducting ADA complaint remediation activities; federally mandated.  |
| <b>OPW &amp; DOT TOTAL</b> |  | <b>4,053,957</b>        |  |
| HUMAN SERVICES             | 1000327 - FY1617 HEAD START GPF SUBSIDY  | -                       | To absorb FY16/17 personnel expenditures related to transition of Eastmont Head Start site closure that were erroneously charged to other funding source.  |
| HUMAN SERVICES             | 1001097 - RETAINED RENTAL REV EOSC       | 234,965                 | Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities  |
| HUMAN SERVICES             | 1003804 - OAKLAND PROMISE                | 150,000                 | Obligated for Oakland Promise program  |
| HUMAN SERVICES             | 1001119 - HOMELESS PILOT PROGRAM         | 118,703                 | Funding for FY17/18 for a pilot sanctioned encampment project  |
| HUMAN SERVICES             | 1000558 - FY1617 OUTRCH SEXEXPLTD MINRS  | 100,000                 | Funds needed to provide training to City staff in direct contact with youth in awareness of and response to Commercially Sexually Exploited Minors.  |
| HUMAN SERVICES             | 1000564 - HSD-CEASEFIRE 1010             | 76,239                  | To support case management for participants referred through the City's Ceasefire efforts to reduce violent crimes.  |
| HUMAN SERVICES             | 1001133 - OABTWS GPF MATCH FY1516        | 62,631                  | To secure funding for a robust winter shelter response, considering increase in unsheltered homeless individuals.  |
| HUMAN SERVICES             | 1001317 - SVCS SXLY EXPL CHILDREN        | 55,000                  | To fund contract in place which provides transitional housing for exploited youth with case management services  |
| HUMAN SERVICES             | 1001464 - CTY-CNTY NEIGHB INIT           | 44,418                  | Authorized by Resolution No. 86861 to fund contracts that support a public health and safety initiative focused on impoverished neighborhoods.   |
| HUMAN SERVICES             | 1000317 - RETAINED RENTAL REV NOSC       | 37,337                  | Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities  |
| HUMAN SERVICES             | 1000324 - CHILDCARE CENTER               | 35,191                  | Funds to be used to improve Head Start Arroyo-Viejo site.  |
| HUMAN SERVICES             | 1001484 - COC FIT SS THP 2015 FY1617     | 30,766                  | Match funds for a HUD CoC grant which is on a different grant year cycle through the end of March 2018.  |
| HUMAN SERVICES             | 1000318 - RETAINED RENTAL REV WOSC       | 10,907                  | Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities  |
| HUMAN SERVICES             | 1001116 - HESG 2014 HMOP FY1415          | 2,618                   | Allocated for Hope Housing lease payments and several consultant contracts end-dated 06/30/19 and after. Residual funds will be reallocated to Thanksgiving dinner, which does not have a designated funding source.   |
| HUMAN SERVICES             | 1000520 - HUNGR PRGM MAYOR FY1516        | 257                     | Fund shortfall in Brown Bag/Hunger program's budget to prevent reduction of brown bag distributions.   |
| HUMAN SERVICES             | 1000434 - HMLESS PTH HIGH PRT            | (9,571)                 | Required for project clean-up  |

| DEPARTMENT                  | PROJECT                                      | Authorized Carryforward | JUSTIFICATION  |
|-----------------------------|--|-------------------------|--|
| HUMAN SERVICES              | 1000316 - RETAINED RENTAL REV DOSC           | (19,688)                | Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities  |
| <b>HUMAN SERVICES TOTAL</b> |  | <b>929,773</b>          |  |
| DIT                         | 1000438 - IBM2 ORACLE R12UPGRADE C468132     | 126,000                 | Obligated for outstanding Oracle R12 project expenditures  |
| DIT                         | 1001120 - IPSS PHASE II P467920              | 247,738                 | Authorized by Resoution No 85222 to fund IPAS2 Project to develop database that enables OPD to maintaince compliance with NSA                                      |
| DIT                         | 1000440 - ORACLE R12 UPGRADE C468150         | (264,302)               | Funds needed to clean-up project   |
| <b>DIT TOTAL</b>            |  | <b>109,436</b>          |  |
| FIRE                        | 1000746 - ACCELA PLATFORM C501910 Total      | 259,672                 | Funds obligated for Accela contract  |
| FIRE                        | 1000745 - WF DIST FORMATION A468515 Total    | 31,015                  | Allocated for Wildfire District formation  |
| FIRE                        | 1000607 - AFG WELLNESS GRT-MH G475420 Total  | 438                     | To complete project reconciliation and closure   |
| <b>FIRE TOTAL</b>           |  | <b>291,125</b>          |  |
| POLICE                      | 1000790 - DEEMED APPROVED                    | 438,897                 | Needed for ABAT Unit in order to update outdated database and office/field technology, replace two aging vehicles, and provide outreach and education to merchants |
| POLICE                      | 1001353 - 2015 COPS HIRING PROGRAM           | 1,471,997               | Required for COPS Grant Match  |
| POLICE                      | 1003260 - 2016 COPS HIRING PROGRAM           | 1,099,792               | Required for COPS Grant Match  |
| POLICE                      | 1001177 - COMPLIANCE DIRECTOR CONTRACT Total | 1,090,279               | Needed for Police Performance Solutions and Chief Warshaw contracts/Court Orders   |
| POLICE                      | 1001178 - REDUCE GUN VIOLENCE Total          | 681,725                 | Funding tied to three positions in Gun Violence Reduction program which allowed 18-months for each position from hire date.  |
| POLICE                      | 1000787 - 176TH POLICE ACADEMY Total         | 677,475                 | Fund a number of outstanding invoices associated with this academy (range, polygraph and medical bills).   |
| POLICE                      | 1000762 - 2014 COPS OPERATIONS MATCH Total   | 625,814                 | Match funds for grant ending 12/31/17  |
| POLICE                      | 1001377 - OPD WELLNESS UNIT Total            | 450,000                 | Obligated for Michael Palmertree contract authorized by Resolution 86213   |
| POLICE                      | 1000752 - SHOTSPOTTER PHASES II - III Total  | 461,477                 | Fully executed contract completed in August 2017. Funds needed to pay outstanding invoices.  |
| POLICE                      | 1001473 - 2015 COPS OPERATIONS MATCH Total   | 459,122                 | Matched funds to support 2015 COPS O&M. Not baselined and needed for the 36 months plus retention year.  |
| POLICE                      | 1001225 - COMPLIANCE DIRECTOR - RACIAL Total | 250,000                 | Needed for Dr. Eberhardt (Eberhardt Consulting) new contract (\$249,999 from September 1, 2017 - August 31, 2018).   |
| POLICE                      | 1000788 - 177TH POLICE ACADEMY Total         | 245,293                 | Current academy. Needed for upcoming and outstanding invoices.   |
| POLICE                      | 1000789 - SHOTSPOTTER Total                  | 132,446                 | Fully executed contract completed in August 2017. Funds needed to pay outstanding invoices.  |
| POLICE                      | 1000780 - TASER PROJECT Total                | 94,781                  | Funds for OPD Tasers upgrade. Will be fully spent on necessary Tasers as soon as budget is available.  |
| POLICE                      | 1001414 - DOJ FINGERPRINT FEE TRUST Total    | 20,194                  | Funds used to pay DOJ fingerprint bills.   |
| POLICE                      | 1000764 - MISC GRANT HONOR GUARD             | 12,253                  | Tied to Misc. Grant funds  |
| <b>POLICE TOTAL</b>         |  | <b>8,211,544</b>        |  |
| HOUSING                     | 1001463 - RAP SOFTWARE PROG                  | 115,000                 | Rent Adjustment Program Funds appropriated with Reso #86250. Funds will be spend on software modification.   |
| <b>HOUSING TOTAL</b>        |  | <b>115,000</b>          |  |

| DEPARTMENT                                | PROJECT                                  | Authorized Carryforward | JUSTIFICATION   |
|---|--|-------------------------|---|
| ECONOMIC & WORKFORCE DEV.                 | 1000898 - BUSINESS ATTRAC 1010-P58520    | 264,975                 | Authorized by Resolution 86821 and used as balancing offset in FY17/18 budget                                     |
| ECONOMIC & WORKFORCE DEV.                 | 1000187 - MSJP GPF 1010-P474710          | 114,508                 | Needed for Workforce Service Provider contract with Private Industry Council (PIC) authorized by Resolution 86250 |
| ECONOMIC & WORKFORCE DEV.                 | 1000235 - SURP PROP 1010-P47010          | 64,450                  | Required for Asset Mgt Plan and related appraisal services  |
| ECONOMIC & WORKFORCE DEV.                 | 1000864 - MURALS-GREEN WALLS             | 256,220                 | Set-aside for Council anti graffiti funding   |
| ECONOMIC & WORKFORCE DEV.                 | 1000166 - CULTL ATS GNT FND 1010-P385310 | 150,105                 | Funding provides support to planned arts grants to non-profit and individual artists.                             |
| ECONOMIC & WORKFORCE DEV.                 | 1003241 - GPF YU SUM 1617 1010-G505720   | 22,377                  | Needed for Workforce Service Provider contract with Youth Uprising authorized by Resolution 86250                 |
| ECONOMIC & WORKFORCE DEV.                 | 1000879 - YTH SUM JOB 16-17 1010-A501310 | 6,440                   | Needed for Youth Summer Jobs Program authorized by Resolution 86250   |
| ECONOMIC & WORKFORCE DEV.                 | 1000040 - PIC NCCW 16-17 1010-A501510    | 5,909                   | Needed for Workforce Service Provider contract with Private Industry Council (PIC) authorized by Resolution 86250 |
| ECONOMIC & WORKFORCE DEV.                 | 1003240 - GPF YEP SUM 1617 1010-G505710  | 1,069                   | Needed for Workforce Services Provider contract with Youth Employment Partnership authorized by Resoution 86250.  |
| <b>ECONOMIC &amp; WORKFORCE DEV TOTAL</b> |  | <b>886,054</b>          |   |
| NON-DEPARTMENTAL                          | 1000465 - EMPLOYEE RECOGNITION           | 12,071                  | Funds various Employee Appreciation activities during the year  |
| NON-DEPARTMENTAL                          | 1001347 - CAO CONTINGENCY                | 85,673                  | Support unforeseeable citywide/ non-departmental expenditures   |
| NON-DEPARTMENTAL                          | 1000462 - CITY COUNCIL CONTINGENCY       | 76,502                  | Support unforeseeable Council Contingency expenditures  |
| NON-DEPARTMENTAL                          | 1000507 - NATIONAL NIGHT OUT             | 13,056                  | Allocated for National Night Out promotions activities in the City of Oakland                                     |
| NON-DEPARTMENTAL                          | 1000472 - CIVIC DESIGN LAB-1TYM FND15-17 | 10,110                  | Civic Design Lab build is not completed and funding is set aside for this purpose                                 |
| NON-DEPARTMENTAL                          | 1001123 - CHORUS                         | 1,011                   | Funds support the City Employee Chorus annual Holiday Concert   |
| NON-DEPARTMENTAL                          | 1000470 - GRAFFITI EVIDENCE AND ENF PROG | 83,025                  | Required to execute graffiti evidence and enforcement program   |
| <b>NON DEPARTMENTAL TOTAL</b>             |  | <b>281,446</b>          |   |
| <b>GRAND TOTAL</b>                        |  | <b>18,093,192</b>       |   |

## PROPOSED LANGUAGE TO LIMIT DEPARTMENTAL OVERSPENDING

Excerpt from Consolidated Fiscal Policy

[...]

### Part I. Alterations to the Budget

Substantial or material alterations to the adopted budget including shifting the allocation of funds between departments and substantial or material changes to funded service levels, shall be made by resolution of the City Council.

**The Finance Department will include departmental expenditure projections in the General Purpose Fund in the Second Quarter Revenue & Expenditure Report. Each department that is forecast to overspend its adjusted GPF budget in the Second Quarter Revenue & Expenditure Report shall:**

- 1. Within 30 days following the City Council's acceptance of the Second Quarter Revenue & Expenditure Report, submit a plan of corrective action to the City Administrator.**
- 2. If the corrective action plan requires City Council approval pursuant to provisions in this ordinance or if the corrective action plan is not accepted by the City Administrator, the department shall submit a plan of corrective action within 60 days following the City Council's acceptance of the Second Quarter Revenue & Expenditure Report to the City Council.**

**Corrective actions may include, but are not limited to, the following:**

- 1. Service-level reductions;**
- 2. Hiring freezes and/or delays;**
- 3. Efficiency enhancements with quantifiable cost savings;**
- 4. Permanent reductions in other non-personnel expenditures (such as Operations & Maintenance); and,**
- 5. Identify resources for appropriations to the extent allowable (i.e., recommended increases to fees, etc.)**

[...]



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OAKLAND

2018 FEB 22 PM 2:29

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Anne E. Kirkpatrick  
Chief of Police Department

Darin White  
Chief of Fire Department

**SUBJECT:** Second Supplemental Report on  
Overtime Policies, Procedures, and  
Controls

**DATE:** February 14, 2018

City Administrator  
Approval

Date

2/22/18

## RECOMMENDATION

**Staff Recommends That The City Council Receive This Second Supplemental Report From The Oakland Police Department (OPD) and Oakland Fire Department (OFD) That Includes Additional Information On Overtime Policies, Procedures, And Controls.**

## REASON FOR THE SUPPLEMENTAL REPORT

On October 24, 2017, staff presented the Fiscal Year (FY) 2016-17 Fourth Quarter Revenue and Expenditure Results and Year-End Summaries for the General Purpose Fund (GPF, 1010) and Eight Selected Funds; and General Purpose Fund (GPF, 1010) Carryforward for FY 2017-18; and Overtime Analysis for the General Purpose Fund (GPF, 1010) and All Funds to the Finance and Management Committee. In response, the committee requested a supplemental report with the following additional information:

- What are the policies, procedures, and processes in place in each Department for authorizing and controlling overtime?
- If backfill overtime is authorized, who is responsible, for what purposes is it authorized, and which personnel are used to cover for others?
- Who is in charge of decision making and accountability for overtime? What rank/level?

The Finance and Management Committee requested that each department articulate how the department will control overtime expenditures with real actionable changes to policies, procedures, and processes, and corresponding accountability mechanisms.

Item: \_\_\_\_\_

Finance & Management and Public Safety Committee  
February 27, 2018

On January 9, 2018, staff presented the first supplemental report to the Finance and Management Committee as well as the Public Safety Committee. Members of both committees stated that they were unable to locate the information they were seeking in the report. One of the concerns expressed by committee members was that it was difficult to distinguish information concerning OPD from information concerning OFD. OPD and OFD have each drafted standalone comprehensive overtime reports (**Attachment A** and Attachment B) that respond to the initial questions posed by Finance and Management Committee members on October 24, 2017 as well as the concerns expressed by Finance and Management Committee members and Public Safety Committee members on January 9, 2018.

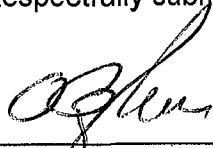
**ACTION REQUESTED OF THE FINANCE AND MANAGEMENT COMMITTEE**

Staff Recommends That The City Council Receive This Second Supplemental Report From The Oakland Police Department (OPD) That Includes Additional Information On Overtime Policies, Procedures, And Controls.

For questions regarding this report, please contact Timothy Birch, Police Services Manager I, at (510) 238-6443 or Angela Robinson Pinon, Assistant to the Director of Oakland Fire at (510) 238-4055.

Respectfully submitted,

FOR



Anne E. Kirkpatrick  
Chief of Police  
Oakland Police Department



Darin White  
Chief of Fire Department  
Oakland Fire Department

Prepared by:  
Timothy Birch, Police Services Manager I  
OPD, Training Division, Research and Planning

D. Nell Taylor Wallington, Police Services Manager I  
OPD, Bureau of Services, Fiscal Services

Angela Robinson Pinon, Assistant to the Director  
OFD, Office of the Fire Chief

Attachments (2):

A – Overtime in the Oakland Police Department – February 14, 2018

B – Overtime in the Oakland Fire Department – February 20, 2018

**Overtime in the Oakland Police Department**

**February 14, 2018**



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**Executive Summary**

For many years, the Oakland Police Department (OPD) has exceeded its approved overtime budget. This report is an attempt to explain why this happens; provide information on the overtime monitoring and approval processes; define the different categories of OPD overtime; outline strategies to reduce overtime use; and, finally, to identify impacts associated with further reductions in overtime spending.

**Why OPD Continuously Exceeds Its Overtime Budget**

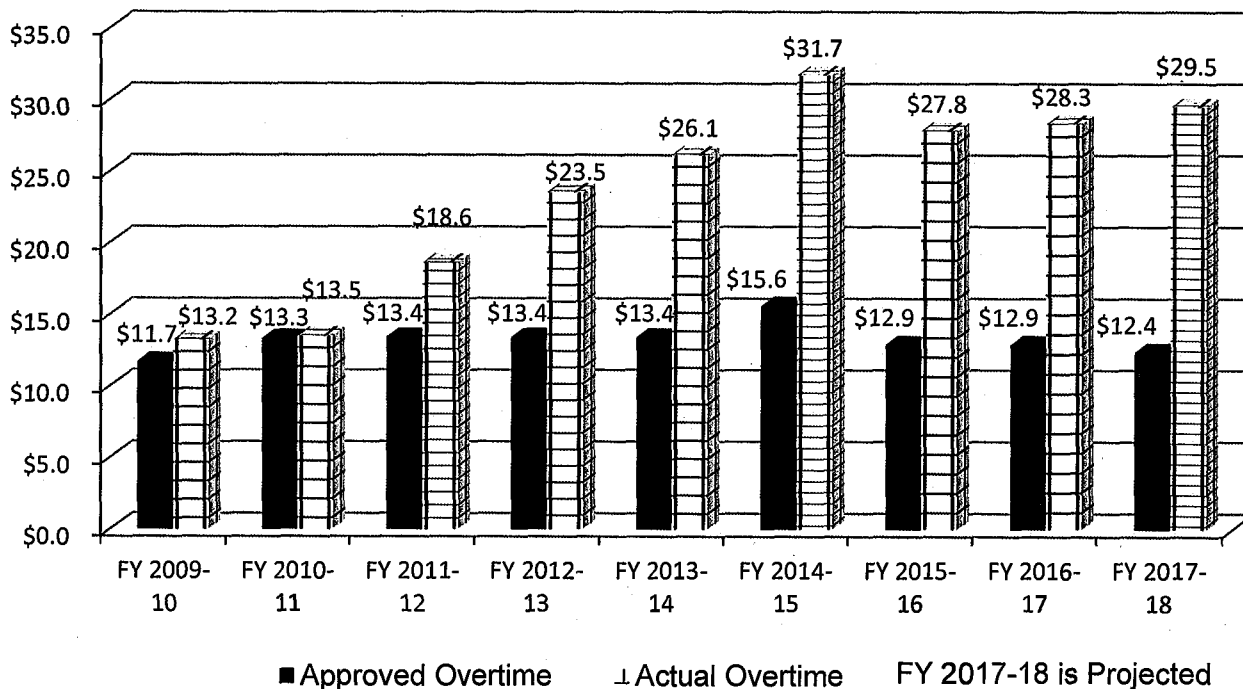
There are a number of reasons why OPD continuously exceeds its overtime budget:

- Despite actual yearly General Purpose Fund (GPF) overtime expenditures from \$20 to nearly \$30 million, insufficient funds are budgeted for OPD each year.
- Despite frequent wage increases, OPD's overtime budget does not increase and it has actually decreased for the past three fiscal years.
- Service level demands – including minimum staffing levels for patrol – incur overtime.
- Mandates, such as the Negotiated Settlement Agreement (NSA) and state-required training, result in overtime.
- Based on the amount of crime per officer, OPD continues to be the most understaffed large-city police department in the United States and relies on overtime to help meet a large number of competing demands.
- Crowd management requires tremendous human resources to protect the public and property.

**Insufficient Overtime Budget**

The below table provides approved versus actual overtime spent for the GPF from Fiscal Year (FY) 2009-10 to present. Approved overtime is the amount initially approved prior to any budget adjustments. OPD has overspent its approved GPF budget every year for nearly a decade and is expected to do so again this year. Rather than the initial approved amount reflecting the previous year expenditure, the annual overtime budget is continuously underfunded as related to service level demands.

Chart 1: GPF Overtime in OPD – Approved versus Actual (in Millions)



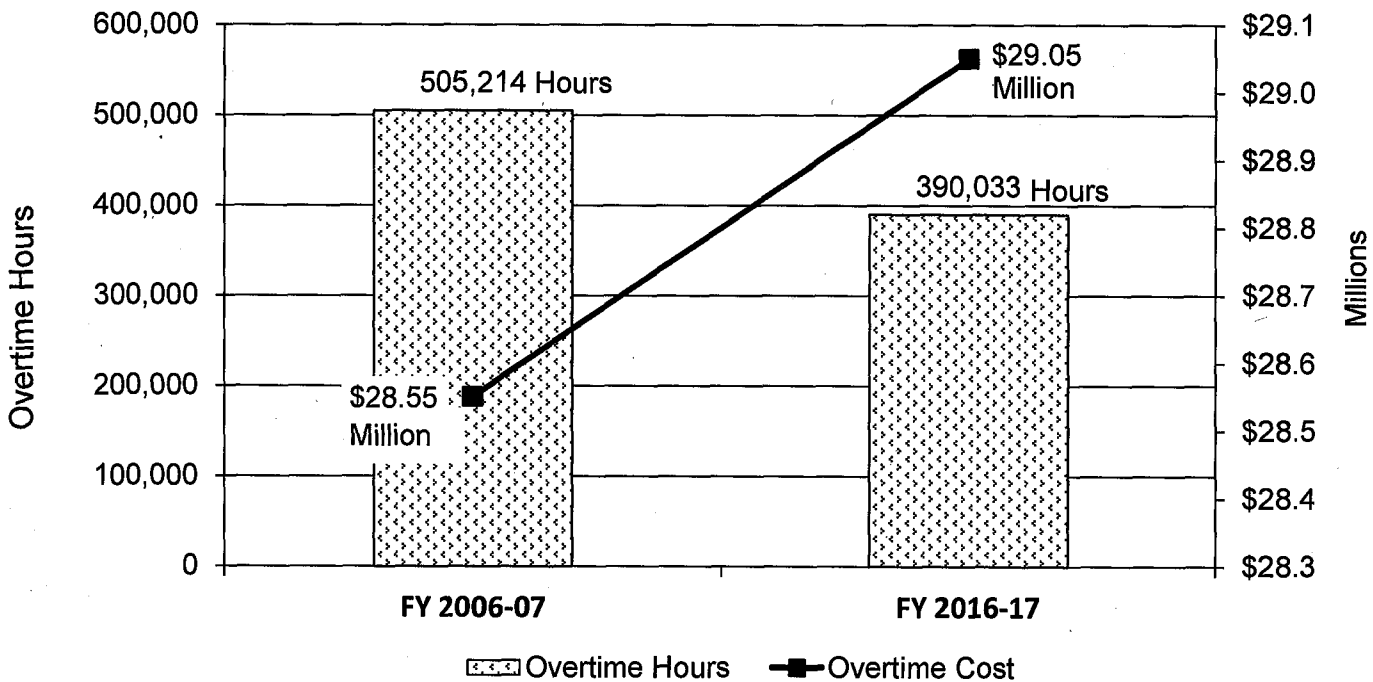
As can be seen in *Chart 1*, above, OPD has increased its overtime spending nearly every year since FY 2009-10 due to the performance of critical police operations. In spite of these increases, City Council has budgeted less than 50 percent of the annual expenditure. For FY 2015-17, the initial overtime amount was actually *reduced* by \$1 million to fund a Council-recommended gun tracing program. This budget change was approved in spite of a finding by the Oakland City Auditor’s Office that “OPD should work with the Administration to develop an overtime budget to submit to the City Council that reflects realistic estimates of overtime costs, without reducing service levels.”<sup>1</sup> As part of this same audit, the City Administrator agreed and stated, in part, “The overtime budget recommendations will be presented in conjunction with OPD staffing and levels, to the City Council as part of the FY [20]15-17 biannual budget development process.”

Cost of Living Adjustments

With few exceptions, employee bargaining units generally receive wage increases (Cost of Living Adjustments or COLAs) that take effect annually. The City of Oakland has provided a number of COLAs to members of OPD over the last several years through its negotiations with the Oakland Police Officers’ Association (OPOA) and both professional staff bargaining units. While this has inherently resulted in a higher per-hour overtime cost, there has been no corresponding increase in the OPD overtime budget to match cost increases caused by COLAs. This has created a structural imbalance between what is budgeted for OPD’s overtime versus the actual overtime expenditures.

*Chart 2*, below, provides a comparison of overtime hours used and costs for all funds for FYs 2006-07 and FY 2016-17. In FY 2006-07, OPD used 505,214 hours of overtime (sworn and professional staff) across all funds at a cost of \$28.55M. In FY 2016-17, OPD used 390,033 hours (sworn and professional staff), but spent \$29.05M. Even though OPD reduced the number of hours of overtime by more than 20 percent from FY 2006-07 to FY 2016-17, the cost actually increased by \$.5M (\$500K).

*Chart 2: Overtime Hours Used and Cost for All Funds – Ten Year Comparison*



<sup>1</sup> *Police Overtime Audit for Fiscal Year 2012-13* by the Oakland City Auditor’s Office (“audit,” published January 2015), <http://www.oaklandauditor.com/images/oakland/auditreports/policeot.pdf>

Service Level Demands

OPD has a minimum staffing level of 35 officers per shift. This provides basic levels of service and public and officer safety. With over 500,000 calls for service per year, 35 officers for shift results in extended response times. Many of these calls are related to violent crime, resulting in the highest number of violent crimes per officer of any large American city.

OPD presently has 285 officer positions assigned to Patrol. Two-hundred and forty of these positions are assigned to provide 24-hour-a -day coverage in each of the 35 patrol beats.

All 240 regular patrol officer positions are assigned to three shifts in five patrol areas, as provided below. Depending on the patrol area, day shift is 6:00 am until 4:00 pm or 7:00 am until 5:00 pm and night shift is 9:00 pm until 7:00 am or 10:00 pm until 8:00 am. Swing shift is 2:00 pm until 2:00 am in every patrol area. Table 1 shows the maximum number of officers available for each shift by day of the week for regular patrol squads.

Table 1: Maximum Patrol Officer Staffing per Shift

| TOTAL       | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|-------------|--------|--------|---------|-----------|----------|--------|----------|
| Day Shift   | 48     | 48     | 40      | 40        | 48       | 48     | 48       |
| Swing Shift | 40     | 40     | 40      | 40        | 40       | 40     | 40       |
| Night Shift | 48     | 48     | 40      | 40        | 48       | 48     | 48       |

The officer positions shown in Table 1 are the *maximum* number of officer positions per shift. This number is reduced nearly every shift by:

- Unfilled positions
- Injuries
- Special assignment
- Training
- Vacation
- Other time off

The additional 45 patrol officer positions are assigned to tactical squads. They have traditionally been assigned to supplement coverage during peak call times and times when certain resource-intensive incidents (such as shootings and sideshow) occur most frequently. Beginning in January 2018, the scheduling of tactical squads has been modified to help reduce overtime by filling vacancies in the 35 patrol beats. Table 2, below, shows the schedule of tactical squads showing the number of officers assigned. Most of the additional patrol officer positions are currently vacant due to severe staffing shortages.

Table 2: Maximum Tactical Squad Staffing (Number of Officers)

| Area 1           | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|------------------|--------|--------|---------|-----------|----------|--------|----------|
| 6:00 pm-4:00 am  |        |        | 8       | 8         | 8        | 8      |          |
| Area 5           | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
| 10:00 am-8:00 pm |        | 8      | 8       | 8         | 8        |        |          |
| 6:00 pm-4:00 am  | 8      | 8      | 8       |           |          |        | 8        |

In order to maintain a minimum staffing level of 35 officers in patrol, OPD is often required to expend overtime (known as “backfill” or “extension of shift” overtime). This is most likely to happen on days and shifts when there are only 40 officers initially available – before training, illness, and vacation or other approved time off reduces this number.

#### Federal and State Mandates

The NSA places a number of mandates on OPD that may not otherwise exist, including two mandates that have particular impact on patrol overtime. The first is that a patrol sergeant may not supervise more than eight officers. The second is that OPD cannot use acting sergeants in patrol. Taken together, a significant amount of overtime is generated because OPD must have five regular permanent (not temporary acting) sergeants in patrol for every shift to supervise the minimum of 35 officers. Administrative sergeant positions have been created to address this issue, but this has not proven to be an effective remedy. Administrative sergeants are regular permanent positions and are often assigned full-time to fill in for sergeants who are on long-term injury or other assignment.

The California Commission on Peace Officer Standards and Training (POST) mandates that every peace officer, public safety dispatcher, and public safety dispatch supervisor complete a minimum of 24 hours of POST-qualifying training every two years.<sup>2</sup> The NSA training requirement (Task 43) requires OPD to exceed the POST mandates by requiring that all sworn personnel receive 40 hours of in-service training every 18 months. NSA Task 43 also mandates 20 hours of supervisory training every eighteen months.

At present, all training is completed by sergeants and officers who are assigned to attend in lieu of their regular work assignment. For those assignments that have minimum staffing requirements (such as patrol), this practice increases the likelihood of overtime being used.

#### Critical Understaffing

Per the Uniform Crime Reports (UCRs) published by the Federal Bureau of Investigation (FBI), the number of violent crimes per OPD sworn member for 2016 (the most recent year available) is 8.08. The national large-city average for 2016 is 3.84 violent crimes per sworn position. To meet (and not exceed) this average, OPD would require 2,367 sworn personnel, an addition of 1,575 sworn personnel beyond the current permanently-budgeted 792.

In order to address the highest level of violent crime per officer in the country, OPD relies on overtime to compensate for a lack of sufficient staffing. An incredibly high number of overtime hours result directly from investigative, crime reduction, and problem solving personnel engaged in tasks that could be completed by additional personnel on straight time.

In addition to the critical understaffing caused by the number of approved positions, the problem is further exacerbated by severe staffing shortages. As of December 31, 2017, OPD had 47 sworn and 60.5 professional staff vacancies. This is a six percent vacancy rate for sworn and 16 percent vacancy rate for professional staff positions.

#### Crowd Management

The City of Oakland has a long history of civic engagement within its borders, some of which has often taken the form of street demonstrations that OPD has responded to and/or helped facilitate peaceful forms of expression to ensure safety. Previous litigation has mandated OPD’s actions in responding to street demonstrations based on allegations of misconduct and other inappropriate crowd management response. In recent years, OPD has become a nationally-recognized leader in crowd management.

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<sup>2</sup> <https://www.post.ca.gov/refresher-training.aspx>

Harm to individuals, damage to property, and litigation against the City resulting from response to demonstrations have all been dramatically reduced when OPD has been able to provide an appropriate response. Complaints against OPD personnel and uses of force have also been substantially reduced. Substantial human resources is a key ingredient in ensuring continuation of these positive strides. For large-scale demonstrations, OPD deploys hundreds of on-duty and off-duty sworn personnel. While this strategy helps to mitigate negative outcomes, this also results in significant overtime expenditures.

### **Overtime Monitoring and Approval Process**

The processes by which OPD monitors and approves overtime are as follows:

#### **Overtime Monitoring**

OPD monitors overtime usage at both the macro and micro level. At the macro level, overtime usage reports are produced by OPD Fiscal Services on a monthly basis (or as labor is posted in the financial system). These reports are shared with all commanders and managers for review. At the micro level, the Daily Notification Report (DNR) is shared with the Assistant Chief of Police and Bureau of Field Operations (BFO) executive command every day. The DNR includes detailed information about any use of overtime in patrol, including:

- The number of sergeants and officers deployed on overtime and straight time
- The name of any officer normally assigned
- The name of any officer filling in on overtime
- The number of hours of overtime for any officer receiving overtime
- The reason for the overtime

Most importantly, the DNR requires patrol commanders to explain why a sergeant or officer is receiving overtime if a sergeant or officer from another district is available on straight time. The Assistant Chief of Police holds the appropriate command staff member accountable if it is discovered that overtime was used unnecessarily.

Beyond the DNR, the Chief of Police holds division-level commanders accountable for their annual overtime expenditures.

#### **Overtime Approval**

Overtime in OPD can be approved by any commander or manager. This practice is in place due to the dynamic nature of police work. For example, a patrol officer may be in the process of obtaining a victim's statement when the officer's shift is nearing completion. Interrupting this process to obtain approval for the officer to obtain approval from a high-ranking member of the organization would be time-consuming and very insensitive to the victim's needs. Similarly, requiring high-level overtime approval for homicide investigators who are working an unfolding investigation could hinder their progress in identifying or apprehending a violent individual.

When a watch commander is faced with a last-minute unexpected vacancy, the watch commander must act very quickly to ensure that minimum staffing levels are met. To approve higher-level approval (often outside of business hours) would be time-consuming and impractical to the point of endangering public and officer safety.

#### **Overtime Categories**

There are over 50 pay elements used by OPD to capture the various reasons and pay types for overtime. The Department consolidated these elements into 15 categories to assist in monitoring and accountability. They are defined below. Actual expenditures for Special Events/Special Enforcement for FY 2017-18 are provided following the definitions.

Overtime Categories Defined

- *Acting Higher Rank* overtime is paid to individuals who act in a higher rank on overtime, such as a Sergeant of Police serving as an acting Lieutenant of Police.
- *Administrative Investigation* overtime allows OPD to conduct investigations into potential misconduct or other malfeasance by a member of OPD. Such an investigation may result from a personnel complaint or other Internal Affairs matter. It is also used to perform use of force investigations. Failure to conduct – or complete – such investigations will result in increased mistrust in OPD, lack of compliance with the NSA, and a potential increase in misconduct or other malfeasance. This category is also used for other administrative functions.
- *Backfill* overtime allows OPD to fill a position during the absence of the regularly assigned person and meet minimum staffing levels in Patrol. Failure to meet minimum staffing levels in Patrol will result in even longer delays in responding to calls for service and an increased inability to take incident reports and perform preliminary investigations.
- *Callback* overtime allows OPD to request an employee return to work after completing his/her shift and leaving the work site. For example, an investigator may be called back to work to interview a suspect in custody.
- *Canine* overtime allows OPD to meet the requirements of the Memorandum of Understanding between the City of Oakland and the OPOA pursuant to Article III, Section G 1 c, hereof, Each employee regularly assigned and working as a Canine Handler is authorized to spend and shall be deemed to have spent fifteen (15) hours per month, over and above his/her regularly scheduled hours of work, in ordinary care and informal training of the assigned dog for such ordinary care and training that cannot be performed during regularly scheduled work hours. For those overtime hours incident to caring for the dog only, the employee shall receive overtime compensation at the rate of one and one-half (1 1/2) times the hourly rate of the State of California or City of Oakland minimum wage whichever is higher. This same overtime compensation rate of one and one-half times the State of California or City of Oakland minimum wage whichever is higher per hour shall also be paid for hours in addition to the above referenced fifteen hours for extraordinary care of the dog. Any duly authorized additional work performed by such individual not related to caring for the dog, shall be compensated pursuant to Article III, Section E, paragraph 1 at the rate of one and one-half (1 1/2) times the employee's hourly base rate of pay.
- *Community Meeting* overtime allows OPD to attend general community meetings while ensuring staffing levels are met. OPD's participation in community meetings are an intricate part of the overall goal to strengthen community trust and build relationships.
- *Comp Time Earned* overtime allows OPD to compensate employees for overtime worked by allowing the employee to earn time off in lieu of receiving overtime pay.
- *Court* overtime allows OPD to respond to subpoena or give depositions in job-related court appearance on off-duty hours.
- *Extension of Shift* overtime allows OPD to extend the current shift of an employee to complete critical tasks on an extension or hold-over basis. For example, an employee's shift may be extended to complete an on scene investigation or report related to an incident that just

occurred. Extension of Shift also includes the filling of open beats in order to maintain minimum patrol staffing – similar to Backfill overtime.

- *FLSA* overtime allows OPD to comply with the Federal Labor and Standards Act (FLSA). The City's obligations related to FLSA are contained in Administrative Instruction 124.
- *Holiday* overtime allows OPD to maintain minimum staffing levels during scheduled holidays. OPD must comply with overtime requirements outlined in applicable Memorandums of Understanding for represented employees.
- *Recruiting/Background* overtime allows OPD to recruit members and employees and conduct background investigations for Departmental employment. This task is critical to ensure acceptable staffing levels.
- *Special Enforcement* overtime allows OPD to plan and participate in special actions such as violence suppression projects (such as those related to Ceasefire), special task forces, human trafficking operations, and crowd management events that are not covered by Special Events overtime. In FY 2017-18, Special Enforcement also includes many reimbursable special events.
- *Special Events* overtime allows OPD to provide police services at sporting events and parades. Special Events are often captured in Special Enforcement.
- *Training* overtime allows OPD to prepare or present a training course and prepare or participate in Police Academy critical incidents.

#### Special Enforcement and Special Events Examples

In practice, *Special Enforcement* and *Special Events* have become nearly synonymous. As of December 29, 2017, \$5,180,195 in General Purpose Fund (GPF) overtime was charged to Special Enforcement and Special Events. *Table 3*, below, provides expenditures greater than \$30,000 for FY 2017-18 from highest to lowest.

*Table 3: Special Enforcement and Special Events over \$30,000 for FY 2017-18*

| Event                                   | Cost      |  | Event                                      | Cost     |
|---|-----------|--|--|----------|
| Patrol Special Enforcement              | \$483,351 |  | Berkeley Demonstration (8/27)              | \$73,351 |
| North Bay Fires Mutual Aid <sup>1</sup> | \$310,499 |  | SWAT Search Warrants                       | \$65,256 |
| Uptown Walking                          | \$275,619 |  | Berkeley Demonstration (9/24) <sup>4</sup> | \$50,300 |
| Criminal Investigation                  | \$226,192 |  | Special Investigation                      | \$49,523 |
| Special Operations                      | \$201,826 |  | CID Ceasefire                              | \$48,033 |
| AC Transit Project <sup>2</sup>         | \$179,141 |  | Berkeley Demonstration (9/25) <sup>4</sup> | \$44,495 |
| Raiders vs. Broncos Game <sup>3</sup>   | \$110,655 |  | A's vs. White Sox Game <sup>3</sup>        | \$40,369 |
| Raiders vs. Cowboys Game <sup>3</sup>   | \$109,441 |  | Berkeley Demonstration (9/26) <sup>4</sup> | \$37,660 |
| Raiders vs. Giants Game <sup>3</sup>    | \$107,491 |  | Vice/Narcotics                             | \$36,127 |
| Raiders vs. Ravens Game <sup>3</sup>    | \$107,109 |  | Robbery Suppression Area 2                 | \$35,358 |
| Raiders vs. Jets Game <sup>3</sup>      | \$107,073 |  | Laney Swap Meets <sup>2</sup>              | \$35,100 |
| Raiders vs. Chargers Game <sup>3</sup>  | \$103,083 |  | North Oakland Fire                         | \$32,696 |
| Raiders vs. Chiefs Game <sup>3</sup>    | \$93,442  |  | Warriors vs. Nuggets Games <sup>3</sup>    | \$31,976 |



| Event                                      | Cost     |  | Event                                  | Cost     |
|--|----------|--|--|----------|
| Raiders vs. Seahawks Game <sup>3</sup>     | \$87,952 |  | Warriors vs. Kings Games <sup>3</sup>  | \$31,771 |
| Raiders vs. Rams Game <sup>3</sup>         | \$87,950 |  | A's vs. Giants (8/1 Game) <sup>3</sup> | \$31,507 |
| DACA Demonstration                         | \$76,612 |  | A's s. Giants (7/31 Game) <sup>3</sup> | \$31,189 |
| Human Trafficking                          | \$76,534 |  | First Friday <sup>2</sup>              | \$30,405 |
| Berkeley Demonstration (9/14) <sup>4</sup> | \$74,838 |  | The Town's Half Marathon <sup>2</sup>  | \$30,275 |

<sup>1</sup> Full reimbursement is expected for North Bay/Sonoma/Napa Wildfires (State of Emergency).

<sup>2</sup> The AC Transit Project and other such projects/events are completely paid for by outside entities.

<sup>3</sup> Professional football, baseball, and basketball games are reimbursed by their respective teams.

<sup>4</sup> OPD is continuing to collect reimbursement from UC Berkeley for assistance with September 2017 demonstrations.

### Reimbursements

The Department is responsible for recovering costs for reimbursable Special Events. The average turnaround time from event to invoice is 23 days. Per the Master Fee Schedule, customers are billed at top step for officers plus central service overhead costs (currently 14.32% for OPD). OPD has been extremely successful recovering costs. *Table 4* provides invoice amounts for the last four fiscal years.

*Table 4: OPD Invoiced Overtime for Last Four Fiscal Years*

| Fiscal Year | Amount Billed |  | Fiscal Year | Amount Billed |
|-------------|---------------|--|-------------|---------------|
| 2017-18*    | \$3,557,273   |  | 2015-16     | \$4,469,117   |
| 2016-17     | \$4,966,071   |  | 2014-15     | \$3,927,914   |

\*As of February 2, 2018

### Overtime Reduction Strategies

OPD has and continues to implement overtime reduction strategies. In addition to the monthly notification of commanders and managers of overtime usage and the daily review, monitoring, and accountability protocols described earlier as related to the DNR, OPD has implemented the following overtime reduction strategies:

- Issued a patrol staffing directive.
- Substantially altered tactical squad deployment in patrol.
- Completely changed the way that mandatory training is scheduled.
- Implemented a city-wide minimum staffing mandate that requires time off requests to be approved on a city-wide basis rather than just the bureau or division level.
- Formed an overtime working group.

While not focused on overtime reduction, OPD has substantially altered the testing process for Police Officer Trainees (POTs) to increase accessibility, reduce the time to hire, and increase academy size.

### Patrol Staffing Directive

On May 23, 2017, the Department issued a directive to all OPD commanders concerning overtime use. This directive states the following:

- Area Commanders shall maintain minimum staffing levels of 35 officers Citywide.
- Overtime for backfill shall only be utilized to fill open patrol beats.

- Area Commanders shall share resources (i.e., Sergeants and Officers) in lieu of backfilling on overtime.
- Area Commanders shall ensure the information contained on the Daily Notification Report (DNR) is accurate with respect to patrol staffing.
- Watch Commanders shall plan for staffing vacancies, in advance, to avoid unnecessary backfilling on overtime.
- Compensatory time, extra vacation leave requests, and training shall be reviewed and approved, in advance, by a Watch Commander to minimize unnecessary overtime due to backfilling.
- Watch Commanders shall consider utilizing officers assigned to Tactical Squads in lieu of backfilling on overtime.
- Watch Commanders shall ensure overtime is not utilized on days and shifts when overlap squads are available.

As provided in the Overtime Monitoring section of this report, the Assistant Chief of Police reviews patrol staffing daily to ensure that the above directive is followed.

#### Tactical Squad Deployment

Previously, OPD tactical squads (additional patrol squads) were deployed based on operational need. The primary focus was violent crime and sideshow. As of January 13, 2018, tactical squads have been scheduled with a primary focus on overtime reduction. They are now scheduled to provide maximum beat coverage and reduce backfill (and extension of shift) overtime in patrol. This may have a negative impact on addressing violent crime and sideshow.

#### Mandatory Training Schedule

As mentioned in Federal and State Mandates section of this report, OPD is required to provide 40 hours of in-service training to all sworn personnel every 18 months. Prior to 2018, sergeants and officers were assigned to this training alphabetically without consideration for staffing impacts. OPD has now implemented a system in which only one officer per patrol squad is assigned to training. This should decrease the impact of the mandatory training – potentially significantly.

#### City Wide Minimum Staffing

Prior to 2017, patrol staffing was focused primarily at the area level. As long as there was sufficient staffing for a particular OPD patrol area, consideration was not necessarily given to the other patrol areas (at the bureau or division level), even if other patrol areas were short-staffed. OPD command staff now consider city-wide impacts of patrol staffing. Even if there is sufficient staffing to allow officers time off in one area, all other patrol areas are examined to ensure that officers do not need to be redeployed before time off is approved.

#### Overtime Working Group

The overtime working group includes the Acting Assistant Chief, all Deputy Chiefs, several Captains, and other key stakeholders who meet regularly to achieve the goal of overtime reduction across the organization. The group met on October 18, 2017; November 30, 2017; and January 30, 2018. The group will keep meeting to address overtime issues. The overtime working group first identified the specific causes of OPD overtime and then analyzed categories and use. The group is now working to identify all opportunities to reduce overtime as well as the trade-offs that will accompany these reductions.

**POT Testing Process**

Prior to 2018, the City of Oakland was only testing for POT one day every other month. Combined with other factors, this has resulted in very few candidates for hire. Working with the Department of Human Resource Management, OPD has worked with the South Bay Regional Training Consortium (South Bay) to substantially expand access to POT testing. South Bay provides a physical ability exam and written exam at least once a week.

**Impacts Associated with Further Overtime Reductions**

While OPD has and will continue to monitor and reduce overtime wherever possible, it is important to understand that consideration of any overtime reduction measures must include examination of impact upon service levels and federal and state mandates. To that end, this section of the report attempts to explain the potential impacts of several reduction measures.

**Reduction in Patrol**

In the Bureau of Field Operations (BFO), OPD has spent \$1.55M on backfill overtime and an additional \$1.09M on extension of shift overtime as of December 29, 2017. Much of these expenditures have taken place in patrol in order to maintain minimum citywide staffing levels of 35 officers. While OPD will continue to monitor daily patrol staffing ensure that unnecessary overtime funds are not expended, reducing staffing levels below 35 officers per shift will likely result in:

- Decreased safety to the public due to an inadequate number of patrol officers being able to address situations in which community residents are threatened with harm.
- Increases in crime due to officers being unable to respond to calls for service and perform sufficient preliminary investigations.
- Longer response times because an inadequate number of officers are able to respond to the 500,000-plus calls for service each year.
- Increased number of community complaints due to increased response times and other reductions in service.
- Diminished officer safety due to an inadequate number of officers being able to deal with violent individuals.

**Reduction in Criminal Investigations**

As of December 29, 2017, OPD has spent \$1.17M on overtime in the Criminal Investigations Division (CID) and an additional \$550,876 on overtime in Ceasefire. While OPD will continue to monitor CID to ensure that unnecessary overtime funds are not expended, substantially reducing overtime expenditures in CID and Ceasefire will likely result in an increase in crime due to incomplete and delayed investigations as well as a reduced number of prosecutions. This is particularly true in the Homicide Section, which has incurred \$731,422 in overtime as of December 29, 2017. Substantially reducing overtime in Homicide will likely result in fewer murders being solved, as homicides are rapidly-evolving events that require immediate response and investigation.

**Reduction in Call Taking and Dispatching**

As of December 29, 2017, OPD has spent just over \$1M on overtime in the Communications Division. While OPD will continue to monitor Communications to ensure that unnecessary overtime funds are not expended, substantially reducing overtime expenditures in Communications will likely result in further delays in answering emergency (9-1-1) and non-emergency calls. Substantial overtime reductions will also likely result in increased danger for the public and OPD personnel when calls are not responded to or dispatched in a timely manner.

Reductions in Background and Recruiting

As of December 29, 2017, OPD has spent \$340,955 on overtime in the Recruiting and Backgrounds Unit. While OPD will continue to monitor Recruiting and Backgrounds to ensure that unnecessary overtime funds are not expended, substantially reducing overtime expenditures in Recruiting and Backgrounds will likely result in further delays in hiring personnel. Such delays will, in turn, likely increase overtime in the many OPD units experiencing staffing shortages.

Reduction in Records Processing

As of December 29, 2017, OPD has spent \$264,828 on overtime in the Records Section. While OPD will continue to monitor Records to ensure that unnecessary overtime funds are not expended, substantially reducing overtime expenditures in Records will likely result in further delays in processing records requests for community members and failure to meet deadlines imposed by such entities as the California Department of Justice. Failure to process arrest warrants and requests for public records in a timely manner could pose risk for the City.

Reduction in Administrative (Internal) Investigations

As of December 29, 2017, OPD has spent \$124,566 on overtime in the Internal Affairs Division (IAD). While OPD will continue to monitor IAD to ensure that unnecessary overtime funds are not expended, substantially reducing overtime expenditures in IAD will likely result in non-compliance with the NSA and an inability to discipline personnel for misconduct.

# Overtime in the Oakland Fire Department

FEBRUARY 20, 2018

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### Attachments (7):

1. Article 4.2.4 Fire Suppression Staffing, IAFF, Local 55 MOU
2. OFD Historical Overtime Spending
3. Overtime Spending for Current Fiscal Year
4. Summary of Current and Potential 40-Hour Assignments
5. OFD Policy and Procedure 400.9, Overtime Sworn Personnel
6. Memo regarding Fire Chief Approval for Overtime, November 8, 2017
7. Fire Academy Costing

## **EXECUTIVE SUMMARY**

On January 9, 2018, the Finance and Management and Public Safety Committees requested that additional information from the Oakland Fire Department (OFD) and Oakland Police Department (OPD) pertaining to service levels, drivers of overtime, and plans to reduce overtime be presented in supplemental reports prepared by each department.

As shown in **Table 1**, based on year-to-date overtime expenditures, OFD is projected to overspend the overtime budget in FY 2017-18 in the General-Purpose Fund (GPF) by approximately \$18.5 million. OFD's projection includes overtime for special deployments (e.g. recent hurricanes and fires to the extent they are funded in the GPF) and other reimbursable events.

**Table 1. FY 2017-18 Overtime Projection v. Adopted Budget in the GPF (in Millions)**

|                 | <b>Projected OT<br/>FY 2017-18</b> | <b>Budgeted OT<br/>FY 2017-18</b> | <b>Projected (Over) /<br/>Under Budget</b> |
|-----------------|------------------------------------|-----------------------------------|--|
| Fire Department | <b>\$20.0</b>                      | <b>\$1.5</b>                      | <b>(\$18.5)</b>                            |

Overtime expenditures are largely the result of backfill due to vacancies, training and other special assignments, and other negotiated provisions pursuant to Memoranda of Understanding (MOU), such as leave accruals (vacation, sick, personal, etc.). For OFD, a key driver of overtime is the MOU mandated minimum staffing requirement in Fire Suppression. OFD ended FY 2016-17 with overspending of approximately \$7.59 million, primarily due to suppression staff overtime. Overall, ninety-three percent (93%) of overtime authorized in FY 2016-17 was necessary to meet MOU staffing requirements. Details on OFD overtime spending was provided in a separate report to the Finance and Management Committee on February 27, 2018.

There is no single solution to reduce overtime in OFD to the amount authorized in the FY 2017-19 Adopted Budget. OFD has adopted administrative and procedural changes to reduce overtime and improve accountability. However, because overtime expenditures are mostly driven by service levels and labor provisions, the proposed strategies are likely insufficient to reduce overtime spending to budgeted levels. Such a result will require substantial changes to service levels and/or negotiated collective bargaining agreements. OFD will continue to work cooperatively to explore and implement measures to control expenditures and improve accountability.

## **BACKGROUND / LEGISLATIVE HISTORY**

On October 24, 2017, staff in the Finance Department presented the FY 2016-17 Fourth Quarter Revenue and Expenditure report to the Finance and Management Committee. This report included an overview of the unaudited overtime expenditure results for all departments across all funds, including in the GPF.

The report showed significant overtime overspending by OFD relative to the FY 2016-17 Adjusted Budget. As shown in **Table 2**, as reported in the fourth quarter, OFD overspent its overtime budget by \$16.8 million.

**Table 2. FY 2016-17 Adjusted Overtime Budget & Unaudited Actuals in the GPF<sup>1</sup>**

|                 | Adjusted OT<br>Budget | Unaudited OT<br>Actuals | (Over) / Under<br>Budget |
|-----------------|-----------------------|-------------------------|--------------------------|
| Fire Department | \$2.2                 | \$19.0                  | (\$16.8)                 |

In response to the year-end results, the Council requested that staff provide more detailed information on overtime expenditures, including information on the following:

- Year-to-date overtime results and projections for FY 2017-18;
- Policies, procedures, and processes in place in the department for authorizing and controlling overtime; and,
- Level of decision making authority by rank and accountability mechanisms.

The Finance Department, in cooperation with OPD and OFD presented a report to the Finance and Management and Public Safety Committees on January 9, 2018. The Committees requested that additional department specific information on service levels, drivers of overtime, and plans to reduce overtime be presented in a supplemental report.

## **ANALYSIS AND POLICY ALTERNATIVES**

### ***Why OFD Has Exceeded Its Authorized Overtime Budget***

There are a number of factors that contribute to OFD's overtime spending:

- Fire Suppression minimum staffing mandates within the MOU result in overtime. However, these minimum staffing levels are there to preserve public safety, and are consistent with National Fire Protection Association (NFPA) guidelines.
- Fire Department staffing and service levels demonstrate that the Department is not overstaffed – vacancy information combined with national data suggest otherwise.
- Conducting training to maintain operational readiness and effectiveness is a driver of overtime.
- Strike Team and Urban Search and Rescue (US&R) deployments, which are in large part are reimbursable costs to the City, result in overtime due to required position backfill in suppression.
- "40 Hour Assignments" which in recent years, have been a means to cover diminished administrative capacity in the sworn and civilian, reduce available suppression staffing, and result in backfill.
- Reduced administrative capacity in civilian positions.
- Insufficient funds have been budgeted to support OFD's overall daily operations and unplanned large events both within Oakland and nationally.

<sup>1</sup> As reported in the FY 2016-17 4<sup>th</sup> Quarter Revenue & Expenditure Report.



- Qualified internal proctors/raters for recruit academy and probationary exams result in overtime to comply with State and Federal mandates.

The sections that follow are intended to provide an overview of the Department’s daily operations and to provide an analysis of the factors cited above.

**Departmental Overview**

OFD operates twenty-five (25) fire stations located throughout the city, twenty-four (24) hours per day, seven (7) days per week. OFD is responsible for fire and medical dispatch, fire prevention, fire suppression, mitigation, emergency medical response, specialized rescue operations, fire investigation, emergency management, and fire code inspection within the city.

OFD is authorized five hundred and eight (508) full time equivalent sworn personnel and ninety-four and nine hundredths (94.09) civilian personnel, for a total of six hundred and two and nine thousandths (602.09) full time equivalents.

OFD sworn members operate using a “chain of command” or “rank” system. **Table 3** shows the department’s sworn rank organizational structure by job classification:

**Table 3. Sworn Ranks**

| <b>Rank</b>                     |
|---------------------------------|
| Fire Chief                      |
| Deputy Chief of Fire Department |
| Battalion Chief                 |
| Assistant Fire Marshal (Sworn)  |
| Captain of Fire Department      |
| Lieutenant of Fire Department   |
| Fire Investigator               |
| Engineer of Fire Department     |
| Firefighter Paramedic           |
| Firefighter                     |

There are eleven (11) 40-Hour staff positions; and there are four hundred and ninety-seven (497) 24-Hour shift positions totaling five hundred and eight (508) authorized sworn members. Operationally, OFD fire suppression shift staff is organized into three (3) shifts referred to as A, B and C Shift. Members operate on a 24/48 schedule whereby members work one (1) shift (24-Hours) followed by two (2) days off.

**Fire Suppression Minimum Staffing**

The Memorandum of Understanding (MOU) with the International Association of Firefighters, Local 55 (Local 55) guides working conditions of the represented OFD sworn personnel (**Attachment 1**). Also, OFD operates under an MOU with the Port of Oakland which guides the Aircraft Rescue Fire Fighting (ARFF) Services provided at the Oakland International Airport.

Section 4.2.4 of the MOU between the City and Local 55 identified through the year 2027 daily minimum staffing levels for "Fire Suppression Staffing" of OFD sworn members. The MOU minimum staffing sets a daily number of sworn staff, broken out by specific ranks, which must

be in the field at any given time. The total suppression staffing equates to one hundred and thirty-seven (137) sworn members per shift and four hundred and eleven (411) members to cover all three (3) shifts. This staffing level includes the ARFF staffing requirements of a minimum of six (6) sworn personnel (one (1) Officer and five (5) Firefighters).

**Table 4** shows the minimum fire suppression staffing by rank required based upon these two (2) MOUs.

**Table 4. Fire Suppression Minimum Staffing**

| Rank                          | Daily Staffing | A, B, C Shift Staffing |
|-------------------------------|----------------|------------------------|
| Battalion Chief               | 3              | 9                      |
| Captain of Fire Department    | 13             | 39                     |
| Lieutenant of Fire Department | 19             | 57                     |
| Engineer of Fire Department   | 24             | 72                     |
| Fire Investigator             | 1              | 3                      |
| Firefighter Paramedic         | 26             | 78                     |
| Firefighter                   | 51             | 153                    |
| <b>Total Minimum Staffing</b> | <b>137</b>     | <b>411</b>             |

Sworn members are assigned daily as follows:

- Three (3) Battalions staffed with one Battalion Chief each
- Twenty-four (24) Engine Companies each staffed with a minimum of one (1) Officer, (1) one Engineer, one (1) Firefighter Paramedic and one (1) Firefighter
- One (1) Aircraft Rescue Firefighter (ARFF) company staffed with a minimum of one Captain and five (5) Firefighters
- Seven Truck Companies staffed as follows:
  - Three Truck companies with a minimum of one Captain and three Firefighters;
  - One Truck company with a minimum of one Captain, one Firefighter Paramedic and two Firefighters;
  - Two Truck companies with a minimum of one Captain and four Firefighters;
  - One Truck company staffed with a minimum of one Captain, one Firefighter Paramedic and three Firefighters; and
  - One Fire Investigator.

The positions shown in **Table 4** are the *minimum* number of sworn positions per shift. However, achieving this daily staffing level is hampered by the following:

- Vacancies;
- "40-Hour" Assignments
- Training;
- Vacation;

- Injuries;
- Deployments; and
- Other time off.

### ***Fire Staffing and Service Levels***

The Oakland Fire Department is an all-risk mitigation agency. In addition, to providing for structure fire response, advanced life support (ALS) emergency medical services and wildland urban interface fire response, the department operates a technical (heavy) rescue team, an aircraft rescue firefighting team, a water rescue response team and a Type 1 hazardous materials response team. Members from the Oakland Fire Department also staff the FEMA Task Force 4 Urban Search and Rescue (US&R) team.

According to a comprehensive multi-hazard deployment study conducted for the City of Oakland by City Gate Associates, LLC in 2012, as an urban fire department, the Oakland Fire Department's response configuration was then determined to be in alignment with the City's size, risks, population density, age and condition of housing stock, and service demands. In performing their analysis, City Gate relied in part upon best practices as outlined in the National Fire Protection Association's (NFPA) Standard 1710: Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. However, 2015 NFPA data, the most recent year data is available, suggests that OFD's authorized staffing level of five hundred and eight (508) sworn positions may be insufficient to cover a City of this size of Oakland.

The NFPA has found that in 2015, on average, career fire departments had one and fifty-four hundredths (1.54) sworn personnel per thousand (1,000) persons.<sup>2</sup> Therefore, a city of Oakland's size (420,005 as estimated by the U.S. Census Bureau in the 2016 American Community Survey) could be expected to have as many as six hundred and forty-seven (647) sworn personnel. As detailed in **Table 9** (page 16 of this report), there are currently fifty-four (54) vacant positions. This number of vacancies combined with national fire service data clearly indicates that OFD is critically understaffed in the sworn ranks. To address these staffing shortages, OFD must rely on overtime.

In addition to the critical understaffing of sworn positions, this problem also exists in the civilian positions. As of December 31, 2017, OFD had fifteen and three hundredths (15.3) civilian staff vacancies. Overall, OFD has an approximately ten-point six (10.6%) vacancy rate for sworn and an approximately sixteen-point three (16.3) percent vacancy rate in authorized civilian positions. Filling civilian positions will help to alleviate the workload for existing staff; however, there is diminished capacity in the civilian positions that the Department is planning to address during the Mid-Cycle Budget Process.

In fiscal year 2016-17, the Oakland Fire Department provided seventy-two thousand five hundred and eighty-six (72,586) total responses (counted by the number of responding units). Most of these incidents were calls for emergency medical response. **Table 5** shows responses in fiscal years 2014-15, 2015-16 and 2016-17.

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<sup>2</sup> U.S. Fire Department Profile- 2015, National Fire Protection Association, April 2017

**Table 5. Total Responses for Fiscal Years 2014 through 2017**

| Fiscal Year | Fire Response | EMS Response* | Other Response** | Total Response |
|-------------|---------------|---------------|------------------|----------------|
| 2014-15     | 2,718         | 48,093        | 7,602            | 58,413         |
| 2015-16     | 1,782         | 41,889        | 15,984           | 59,655         |
| 2016-17     | 2,973         | 55,144        | 14,469           | 72,586         |

\*EMS Response – medical

\*\*Other Response – good intent, non-fire hazard, false alarm

While staffing levels have remained steady, it is clear service levels are trending upwards.

### **OFD Sworn Relief Usage**

The main contributing factor to overtime is the MOU minimum staffing - Article 4.2.4 Fire Suppression Staffing (**Attachment 1**). This provision is in effect through June 30, 2027. The MOU requires the above described daily fire suppression staffing. Each day where TeleStaff, the software program used to manage the staffing levels within the Oakland Fire Department, shows required minimum fire suppression staffing will be inadequate, members volunteer or are mandated to work at an overtime rate to achieve this staffing level.

Relief staff is utilized with the sworn ranks to cover minimum staffing requirements for coverage of regular day off (RDO). Additionally, relief staff is utilized to cover vacation, sick, disability leaves, and for unfilled vacancies. Relief (backfill) staff is paid at a rate that is one and a half (1.5) times the regular rate. California Labor Code Section 4850 permits sworn members to take up to a one (1) year leave of absence at full pay, and without a tax deduction, for persons temporarily or totally disabled due to an industrial injury.

The Department averages twenty-five to thirty (25-30) members per month on 4850 leave, 1-2 members per month on long term non-industrial disability leave, or on light duty assignments. In FY 2016-17, there were up to (30) thirty members per month on 4850 leave creating a greater number.

**Table 6** shows by fiscal year the sworn hours of vacation, sick, disability leaves and sworn vacancies over the last ten (10) fiscal years.

**Table 6. OFD Sworn Hours of Vacation, Sick, Disability Leave**

| Leave Hours                      | FY 2007-08     | FY 2008-09     | FY 2009-10     | FY 2010-11     | FY 2011-12     |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Vacation Hours Taken             | 88,045         | 92,699         | 90,288         | 87,311         | 67,763         |
| Sick Hours Taken                 | 23,328         | 28,902         | 42,415         | 44,741         | 50,921         |
| 4850 Hours Taken <sup>1</sup>    | 46,183         | 56,503         | 79,167         | 67,323         | 54,561         |
| Temporary Disability Hours Taken | 9,577          | 9,314          | 7,631          | 13,536         | 26,355         |
| <b>Total Hours</b>               | <b>167,133</b> | <b>187,418</b> | <b>219,501</b> | <b>212,911</b> | <b>199,600</b> |
| Sworn Vacancies (as of January)  | 39             | 53             | 65             | 23             | 40             |

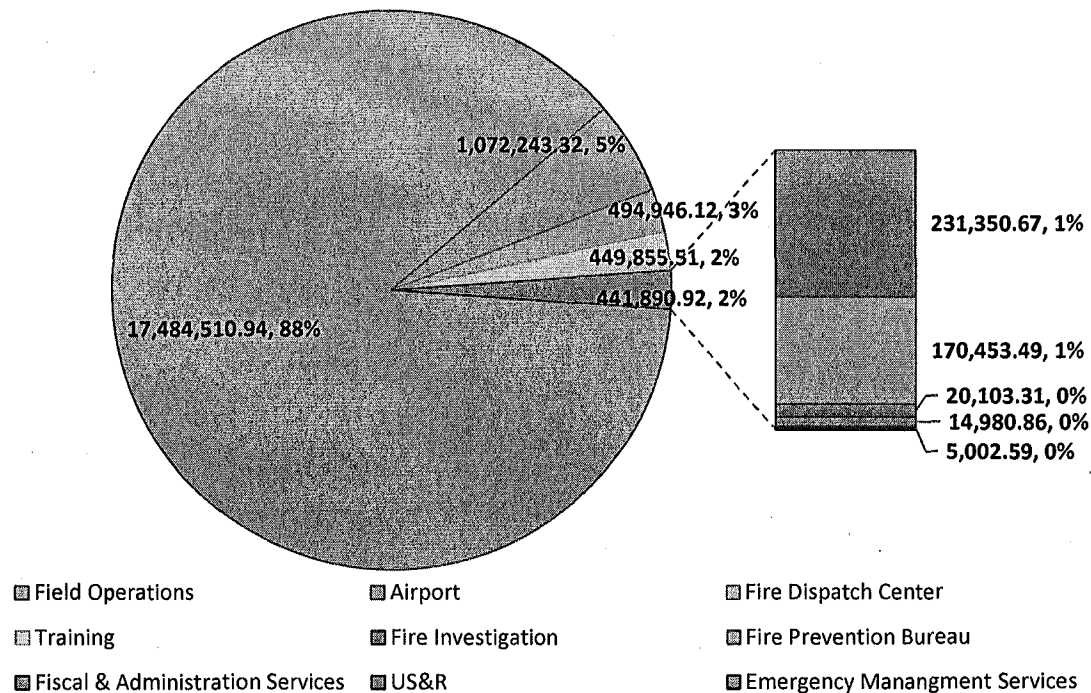
| Leave Hours                      | FY 2012-13     | FY 2013-14     | FY 2014-15     | FY 2015-16     | FY 2016-17     |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Vacation Hours Taken             | 65,614         | 67,145         | 82,741         | 82,444         | 84,065         |
| Sick Hours Taken                 | 49,431         | 54,086         | 56,500         | 51,632         | 53,963         |
| 4850 Hours Taken*                | 57,204         | 47,350         | 55,102         | 62,610         | 67,094         |
| Temporary Disability Hours Taken | 16,759         | 11,471         | 10,680         | 11,834         | 9,287          |
| <b>Total Hours</b>               | <b>189,008</b> | <b>180,052</b> | <b>205,023</b> | <b>208,520</b> | <b>214,409</b> |
| Sworn Vacancies (as of January)  | 75             | 95             | 95             | 79             | 64             |

\*Labor Code Section 4850 provides public safety officers, who become disabled while performing their duties, one-year leave of absence without loss of salary in lieu of temporary disability payments.

**Fire Department Overtime Usage**

Staffing shortages due to unfilled vacancies are predictable and costs are covered by the budgeted vacancy. Staffing shortages due to sick leave, family medical leave under the Family Medical Leave Act (FMLA), industrial illness or injury, military leave and mutual aid are unpredictable and costs are unbudgeted. **Chart 1** shows a breakdown of OFD overtime usage by division in Fiscal Year 2016-17.

**Chart 1. FY 2016-17 Overtime Usage by Division**



Ninety-three percent (93%) of overtime authorized in FY 2016-17 was authorized to meet the Local 55 and ARFF MOU staffing requirements.

In order to ensure that minimum staffing is in place at every fire station and at the Fire Dispatch Center, voluntary and mandated backfill is utilized. For sworn suppression personnel, vacancies occur due to sick leave use, vacation leave, family medical leave use, industrial and non-industrial injury leaves and the scheduled regular day off (RDO).

At the Fire Dispatch Center, vacancies occur primarily in two (2) ranks (Fire Communications Dispatcher and Fire Communications Supervisor). Fire Dispatch Center personnel use sick leave, vacation leave, family medical leave, industrial and non-industrial leave, and compensatory time. All leave requires backfill to maintain minimum public safety service delivery to the community.

### ***Overtime Budget versus Overtime Actuals***

Attached is an overtime report showing the OFD spending of overtime for all funds for the last ten fiscal years (***Attachment 2***). In years 2007-08 through 2014-15, Measure Y provided four million (\$4,000,000) each fiscal year for the OFD to maintain adequate personnel resources to respond to fire and medical emergencies. This funding offset sworn overtime backfill expenses incurred to meet daily staffing requirements. In years 2015-16 and 2016-17, Measure Z provided a significantly reduced amount of two million (\$2,000,000) each fiscal year for the OFD to maintain adequate personnel resources.

OFD overtime costs averaged fifteen million eight hundred and twenty thousand five hundred and sixty-six (\$15,820,566) per fiscal year while the overtime budget averaged five million seven hundred and twenty thousand two hundred and fifteen dollars (\$5,720,215) per fiscal year. It should be noted in fiscal years 2015-16 and 2016-17, OFD overtime budgets were two million six hundred and twenty-two thousand two hundred and sixty dollars (\$2,622,260) and two million seven hundred and thirty-six thousand one hundred and sixty-six dollars (\$2,736,166) respectively.

The FY 2015-16 and 2016-17 Adopted Budgets do not account for the cost of living adjustments (COLAs) received by sworn members in those years. The COLA received accounts for a five percent (5%) increase in overtime sworn salaries.

Overtime expenditures for the current fiscal year are provided in ***Attachment 3***.

### ***Additional Drivers of Overtime Hours***

Another factor to consider is the cost of testing and evaluating our probationary firefighters. Recruit Academy Class 1-15 had their final 18 month exams in FY 2016-17. Also, Recruit Academy Class 2-15 and Class 1-16 had their twelve (12) month exams. These large recruit classes required hiring back a cadre of proctors each shift to conduct these exams, resulting in overtime and backfill costs to the Department. In previous years, Recruit Academies were funded with cost savings from unfilled vacancies; however, as the Department increases its staffing this practice is no longer feasible.

### ***40-Hour Assignments***

Currently, there is a staffing shortage of 40-hour personnel. For example, OFD uses fire suppression line personnel to work on special projects and assume responsibilities that would normally be assigned to a 40-hour workweek staff. This is proving to be problematic as

members communicate their increased frustration, fatigue (burnout) and conflict with normally assigned duties.

Examples include the Department's migration to the Accela database, our fleet and apparatus maintenance, our specialized response team training and representation at local, county and regional preparedness meetings. The expertise required by the Department in these and other areas causes OFD to rely on these members during their regular 24-hour shift, and oftentimes while off duty. In an effort to reduce overtime, civilianization and/or conversion of sworn positions may be an option for duties that do not require participation in emergency fire suppression activities.

Staff does not recommend this option due to the required operational knowledge of sworn members to fill these roles. Any realized savings may be offset by the cost of fully burdened civilian positions. The omission of line staff to fulfill these responsibilities who are not receiving overtime on a frequent basis will require adding positions to the sworn ranks. **Attachment 4** summarizes the current 40-hour Assignments, as well as, projects where a 40-hour Assignment would be appropriate.

### ***Incident Management Team, Strike Team, and US&R Deployments***

#### **Incident Management Team**

Although the primary purpose of an incident management team (IMT) is for wildfire response, an IMT can respond to a wide range of emergencies, including fires, floods, earthquakes, hurricanes, tornadoes, tsunamis, riots, spilling of hazardous materials, and other natural or human-caused incidents. The Oakland Fire Department Operations Division has members who are part of County, State and Federal All Hazard incident management teams. The City of Oakland benefits from the opportunity for its public safety members to respond to local and natural disasters by gaining firsthand knowledge of how large scale incidents should be prepared for and outlying necessary resources and critical training for public safety workers, Fire and Police. The State and Federal Team deployments are similar to the CFAA, while the East Bay Incident Management is a dual county team where deployments may or may not be covered for backfill expenses dependent on the requesting agency and the length and type of emergency incident. The Fire Chief has discretion to allow IMT members to deploy, in the absence of a declaration or documentation that is forwarded to the requesting agency advising the fiscal responsibility for the allocated resources.

#### **Strike Team**

The California Governor's Office of Emergency Services (Cal OES) manages a statewide fire and rescue program, that the Oakland Fire Department is part of, providing apparatus on loan to local fire departments for use in their districts, while requiring those departments to staff the vehicles for the state when needed. This program has been around since 1950, and is the cornerstone of the California Fire and Rescue Mutual Aid System.

The Cal OES Operations (Ops) Section under the Fire and Rescue Division coordinates The California Fire and Rescue Mutual Aid System. Coordinated response through the Mutual Aid System includes responses to major fires, earthquakes, tsunamis, hazardous materials and other disasters.

The Oakland Fire Department has an agreement with the California Emergency Management

Agency (CAL EMA), known as the "California Fire Assistance Agreement" (CFAA). Cal EMA is responsible to provide for systematic mobilization, organization, and operation of necessary fire and rescue resources through the California Fire Rescue Mutual Aid system in mitigating the effects of disasters and to ensure that the responding agencies understand the terms and conditions of the agreement applicable to their response.

In FY 2016-17, Oakland Fire Department went on twenty-six (26) deployments under the CFAA agreement. The State of California uses the CFAA agreement as the primary fiscal authority for reimbursing local government agencies for the use of their resources.

### **Urban Search and Rescue Deployments**

Urban Search and Rescue (US&R) involves the location, rescue (extrication), and initial medical stabilization of victims trapped in confined spaces. Structural collapse is most often the cause of victims being trapped, but victims may also be trapped in transportation accidents, mines and collapsed trenches. US&R is considered a "multi-hazard" discipline, as it may be needed for a variety of emergencies or disasters, including earthquakes, hurricanes, typhoons, storms and tornadoes, floods, dam failures, technological accidents, terrorist activities, and hazardous materials releases. The events may be slow in developing, as in the case of hurricanes, or sudden, as in the case of earthquakes.

A FEMA US&R Task Force is teams of individuals comprised of firefighters, engineers, medical professionals, canine/handler teams and emergency managers with highly specialized training in urban search and rescue environments, and which serve as a resource for disaster response at local, state, federal, and international levels. There are twenty-eight (28) FEMA US&R Task Forces within the continental United States, with eight (8) located in the State of California.

US&R California Task Force 4 (CA-TF4) is based in Oakland, California and is sponsored by the Oakland Fire Department. CA-TF4 is composed of individuals from a number of different agencies including Alameda City Fire Department, Alameda County Fire Department, American Medical Response, Berkeley Fire Department, Camp Parks, Dublin Fire Department, Fremont Fire Department, Contra Costa County Fire Protection District, Livermore-Pleasanton Fire Department, Marin County Fire Department, Novato Fire Department, Oakland Fire Department, San Ramon Valley Fire Protection District, Santa Rosa Fire Department and the Stockton Fire Department.

In August 2017, CA-TF4 deployed to Hurricane Harvey and Hurricane Irma, assisting emergency operations in and around the hardest hit areas of Texas, conducting search and water rescue operations. **Table 7** and **Table 8** summarize the costs and reimbursements anticipated with these deployments.

**Table 7. Hurricane Harvey Costs and Projected Reimbursements for OFD Deployments**

| <b>Category</b>             | <b>Amount</b>       |
|-----------------------------|---------------------|
| OFD Deployed Member Costs   | \$713,651.78        |
| OFD Support Personnel Costs | \$30,602.04         |
| <b>OFD Total Costs</b>      | <b>\$744,253.82</b> |
| OFD Partial Reimbursement   | \$558,190.37        |
| OFD Pending Reimbursement   | \$186,063.45        |



**Table 8. Hurricane Irma Costs and Projected Reimbursements for OFD Deployments**

| <b>Category</b>             | <b>Amount</b>         |
|-----------------------------|-----------------------|
| OFD Deployed Member Costs   | \$1,064,450.30        |
| OFD Support Personnel Costs | \$16,021.74           |
| <b>OFD Total Costs</b>      | <b>\$1,080,472.04</b> |
| OFD Partial Reimbursement   | 0                     |
| OFD Pending Reimbursement   | \$1,080,472.04        |

***Reduced Capacity in Civilian Positions***

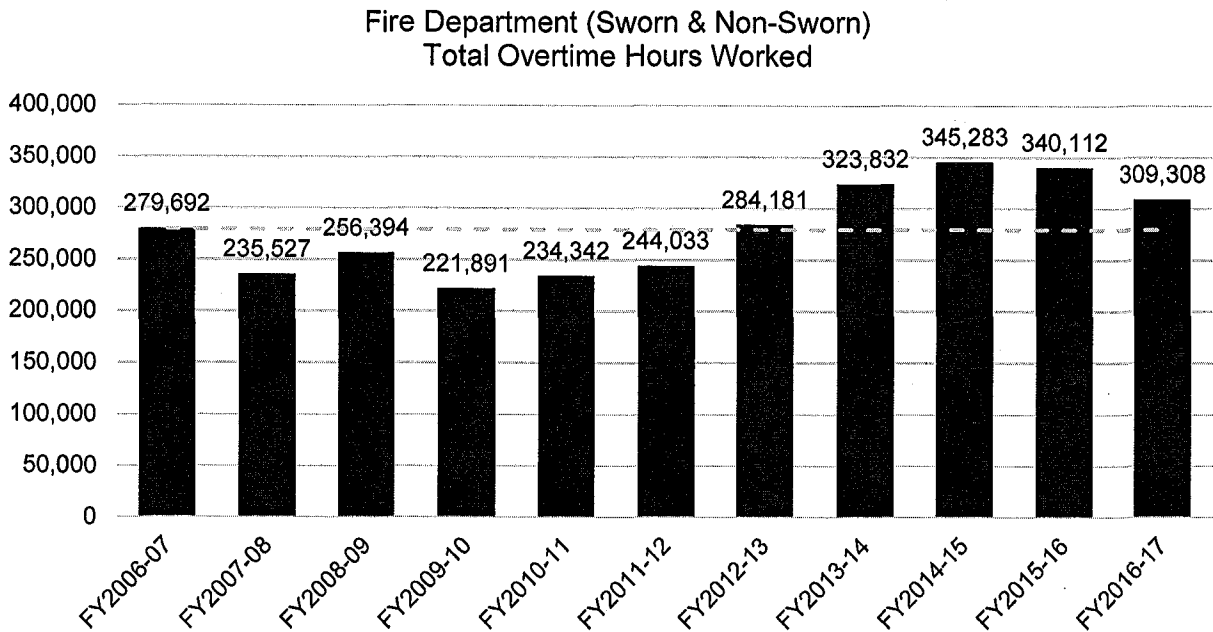
OFD's reduced capacity among its civilian personnel is most evident in the Fire Dispatch Center. The use of annuitants began this past Fall at the Fire Dispatch Center and there is pending discussion about the merits of negotiating/requesting that Fire Dispatchers be exempted from the International Federation of Professional and Technical Engineers (IFPTE), Local 21 "lifetime" retired annuitant limit of nine hundred and sixty (960) hours. However, they would still be subject to nine hundred and sixty (960) hour annual limitation imposed by the California Public Employee Retirement System (Cal PERS).

Staff has determined the need to pursue the creation of a permanent part time classification for both Fire Communications Dispatcher and Fire Communications Supervisor to provide for trained staff to fill on a straight time basis. The conversion of the sole Fire Dispatch Senior position (currently vacant) to a Fire Dispatch Supervisor will also reduce overtime in the rank of Dispatch Supervisor.

***Management of Overtime Usage***

OFD Policy and Procedure 400.9, Overtime Sworn Personnel (**Attachment 5**) provides guidance on overtime approval, tracking and accountability. As noted above, OFD sworn personnel utilize the TeleStaff system to track staff hours, including overtime. This system can generate reports and data showing overtime use. OFD has and will continue to work to ensure that overtime use is being used to fill a specific operational need. For the past ten years, the total of overtime hours worked has averaged two hundred and seventy-six thousand five hundred and nine (276,509) hours. In FY 2014-15, overtime use reached a high of three hundred and forty-five thousand two hundred and eighty-three (345,283) hours and in FY 2016-17, that number of hours has been reduced to three hundred and nine thousand three hundred and eight hours (309,308) or a more than ten percent (10%) reduction in overtime hours. Please see **Chart 2** for more information.

**Chart 2. OFD Total Overtime Hours Worked**



We have also taken steps to further minimize overtime not related to backfill to maintain minimum staffing levels in fire suppression and fire dispatch center. The most recent action includes issuing a November 8, 2017 memo to Deputy Chiefs and Division Managers directing that any overtime needs outside of fire suppression and fire dispatch center minimum staffing requirements must be submitted at least forty-eight (48) hours in advance for review to identify an appropriate funding source and must have Fire Chief approval (**Attachment 6**).

**Efforts to Reduce Overtime Usage in Sworn Ranks**

Due to the MOU fire suppression minimum staffing provision for sworn members, OFD has two primary areas of focus on reducing overtime use: 1) filling vacancies and 2) analysis and training required to reduce the number of preventable injuries in all ranks. **Table 9** shows by rank sworn funded positions that are vacant as of December 31, 2017:

**Table 9. Sworn Vacancies by Rank**

| Rank                            | Authorized | Filled | Vacant    |
|---------------------------------|------------|--------|-----------|
| Deputy Chief of Fire Department | 2          | 1      | 1         |
| Assistant Fire Marshal          | 1          | 0      | 1         |
| Captain of Fire Department      | 57         | 44     | 13        |
| Lieutenant of Fire Department   | 67         | 56     | 11        |
| Engineer of Fire Department     | 85         | 81     | 4         |
| Firefighter Paramedic           | 93         | 86     | 7         |
| Firefighter - Suppression       | 168        | 163    | 5         |
| Firefighter - Airport           | 19         | 7      | 12        |
| <b>Total Vacant</b>             |            |        | <b>54</b> |

A small academy, Academy 1-2018, commenced on January 22, 2018 with one (1) Firefighter Paramedic Trainee and five (5) Firefighter Trainees. These recruits have been excluded from the above vacancies and those graduating from 1-2018 will reduce the above vacancies.

A recruitment is in progress for Deputy Chief of Fire. Also, Human Resources Management (HRM) currently is conducting civil service examinations for the ranks of Battalion Chief, Assistant Fire Marshal, Lieutenant, and Engineer. In 2018, HRM will also conduct examinations for Firefighter Paramedic Trainee and Firefighter Trainee, replacing the 2015 eligible lists. As upper ranks are filled through promotion, this will create vacancies in the Firefighter Paramedic and Firefighter ranks, which are less costly on an overtime basis and will be filled after the establishment of the anticipated Summer of 2018 eligible lists.

Another focus is an analysis and implementation of training required to reduce the number of preventable injuries. This includes injuries sustained in both emergency and non-emergency environments. In an effort to address and reduce mental health related injuries reported by sworn members, OFD has already increased the number of annual behavioral health sessions offered through the Claremont Employee Assistance Program (EAP) from three (3) to twelve (12).

### ***Insufficient Overtime Budget***

In Fiscal Years 2014-15, 2015-16 and 2016-17, for sworn members the average fiscal year vacation, sick, 4850 leave, and temporary disability leave hours taken was two hundred and nine thousand three hundred and seventeen (209,317) hours. The unburdened average hourly salary of a Battalion Chief, Captain, Lieutenant, Fire Investigator, Engineer, Firefighter Paramedic and a Firefighter is fifty-one dollars and forty-one cents (\$51.41). If all positions were filled and vacation, sick, 4850 leave, temporary disability leave usage remained steady, at an overtime rate (1.5), the cost to cover the vacancies is estimated at sixteen million one hundred and forty-one thousand four hundred and eighty (\$16,141,480). This would be partially covered by two million dollars (\$2,000,000) Measure Z funding and offset by salary saving from vacancies resulting from retirements. Funding of five million dollars (\$5,000,000) is needed for overtime to maintain daily minimum fire suppression and fire dispatch center staffing levels.

Additionally, a portion of the salary savings from the vacant positions has historically been used to fund unbudgeted Fire Recruit Academies: salaries of trainees; overtime backfill for training cadre members; and the purchase of new recruits' Personal Protective Equipment (PPE) and uniforms.

Academy costs cannot be absorbed as the vacancies are filled. OFD must have a continuous recruitment and hiring model that can accommodate impacts from attrition and promotions within the Department. Line item funding of eight hundred and seventy-five thousand (\$875,000) for one (1) annual Fire Academy to maintain adequate fire suppression personnel resources to respond to fire and medical emergencies is also needed (***Attachment 7***).

### ***Reimbursements***

In addition to the reimbursements received by the City from IMT, Strike Team and US&R deployments, the overtime expenses associated with the ARFF program are full paid by the Port of Oakland. Overtime costs relating to the inspection and plan review services provided by the Fire Prevention Bureau are paid by the applicant. OFD has been working with the Finance Department to improve cost recovery. Other workflow enhancements, and the implementation of

the Accela database is also expected to improve billing and payment processes for the Department.

### ***Impacts of Further Overtime Reductions***

Overtime plays a critical role in the Oakland Fire Department's ability to deliver service to its residents. If overtime were to be reduced further, there will be significant impacts. This portion of the document attempts to explain the impacts of those reductions.

#### Operational Impacts:

- Likely realization of rapid incident escalation in size and scope (i.e. Wildland Fires, Fires in multi- story occupancies, High Rises or other high-risk events).
- Inability to effectively provide for emergency medical response to large scale events involving hundreds of thousands of residents.
- Failure to meet minimum staffing provision of the MOU with Local 55.
- Decreased emergency response capability which would inevitably impact our ability to effect civilian rescues at structure fires.
- Delayed response to single and multi-alarm emergencies as more apparatus will be required to achieve similar fire ground resource requirements.
- Potential firefighter safety concerns pertaining to a cultural shift in how we manage incidents and seek to save lives, protect property and the environment by becoming less aggressive and more defensive.
- Becoming more defensive oriented on smaller and mid-size incidents may result in substantial increases in fire losses and related costs as more damage to primary structures and exposures is realized (fewer members= fewer staff to immediately deploy to firefighting and specialized tactical operations).
- More reliance on and burden to neighboring fire departments for mutual aid assistance.
- Reduced ability to up staff to patrol hill areas during Red Flag days.

#### Training Impacts:

- Inability to effectively conduct mandated training.
- Restrictions on ability to effectively train and exercise for special operations including aircraft rescue firefighting, water rescue response, hazardous materials response, technical (heavy) rescue, and urban search and rescue.
- Inability to secure staff to accept training cadre assignments for new firefighter trainee recruit academies and related probationary firefighter training, testing and evaluation. Although initially included in the FY 2017-19 Budget, \$1.5 million dollars

of funding that had been slated for Fire Department Recruit Academies was removed from the final adopted Budget.

- Decreased inability to participate in functional exercises such as MOBEX, Silver Sentinel, Urban Shield, Golden Guardian, BayEx, the Oakland Airport Triennial (Multi- Casualty Incident) exercises.

#### Recruitment:

- Significant decrease in the department's outreach and interaction with Oakland Unified School District (OUSD) elementary and high school age students.
- Loss of recruitment liaison and point of contact for local and regional firefighter recruitment effort, and related design, outreach, testing process development and evaluation.

#### Appearance at Court:

- OFD personnel may be required to respond to subpoena or give depositions in job-related court appearance on off-duty hours.

#### Extension of Shifts:

- Extension of Shift overtime allows OFD to extend the current shift of an employee to allow them to complete critical tasks on an extension or hold-over basis. For example, an employee's shift may be extended to complete an on-scene investigation or report related to an incident that just occurred.

#### Special Events:

- Special events overtime allows OFD to provide services at sporting events, parades and other planned events. Reductions in overtime would limit OFD's ability to effectively engage in planning necessary for large scale championship celebration/victory parade, as well as to provide staffing for the events themselves.

#### Fire Dispatch Communications:

- OFD will continue to monitor Communications to ensure that unnecessary overtime funds are not expended; however, substantially reducing overtime expenditures in Communications will likely result in further delays in answering emergency (9-1-1) and non-emergency calls.
- Substantial overtime reductions will also likely result in increased danger for the public and OFD personnel when calls are not responded to or dispatched in a timely manner.

Urban Search and Rescue:

- Eliminating the US&R team would do the residents of Oakland and the region a disservice. There is an immense value in having a dedicated FEMA US&R team in an area regarded as having the 5<sup>th</sup> highest high terror threat level among United States metropolitan areas.

Vegetation Management Oversight:

- Reduction of vegetation management oversight of data collection, technological improvements, and training will further hamper efforts to manage this continuous but necessary function for the safety and oversight the hills area.

Incident Management Team (Overhead Assignments) Strike Team Deployments:

- Elimination or reduction of overhead and strike team deployments would remove Fire Department from being active participants in the mutual aid system, a system which every department relies on to effectively mitigate large scale incidents. This would also result in the inability to maintain existing participation in both in/out of county strike team and overhead resource deployments (i.e. recent Hurricanes and North Bay and Southern California Wildland Fires).
- For public safety workers to become certified and qualified for Incident Command Teams, they must first be deployed to incidents to fulfill duties and receive oversight to complete their qualification/certification status. The Fire Department would not be able to build a team of active, experienced members to assist with management of large scale incidents.

Information Technology (IT):

- The technological advancements to the fire service are not limited to computers; they are evident in training, in the daily running of our Department, and in numerous areas that make the jobs of emergency responders safer and more efficient. Not having a dedicated internal Information and technology officer severely effects our efforts to meet the demands of the City.
- Additional reductions to overtime would curtail or eliminate OFD's ability to provide representation and critical contributions to ongoing Fire Department centric projects involving communications/IT including, but not limited to: computer aided dispatch (CAD), Fire records management system (RMS), TeleStaff, Accela, OneStep and the East Bay Radio Communications System Authority (EBRCSA).

Safety Officer After Hours Coverage:

- The OFD Safety Officer is a 40-hour Assignment; however, they may also be dispatched after hours on calls resulting in a 3<sup>rd</sup> alarm or greater response. The Safety Officer monitors the incident to ensure that personnel are acting in accordance with established safety policies and operating procedures. Eliminating overtime for this position would result in the lack of oversight and overall safety of our personnel, and would likely result in fines to the City for failure to comply.

that the 2014 comprehensive successor MOU will terminate before June 30, 2027 and, for that reason, the parties agree to continue incorporating this Section 4.2: Staffing Agreement in future comprehensive successor MOUs until June 30, 2027.

**4.2.2 Agreement Supersedes Prior Agreements.**

The parties agree that specific provisions contained in this Section 4.2 Staffing Agreement shall supersede any previous agreement, whether oral or written, regarding staffing of bargaining unit positions.

**4.2.3 Definition Of Status Quo.**

After this Section 4.2 Staffing Agreement terminates on June 30, 2027, the status quo ante for all purposes including any interest arbitration under Charter Section 910 or any state statute shall be defined as the Section 4.2 language in this Agreement.

**4.2.4 Fire Suppression Staffing.**

**Engines:** Twenty-four (24) fire engines shall be regularly and routinely staffed, and deployed daily, with the minimum of one Officer, one Engineer, one Firefighter/Paramedic, and one Firefighter.

**Aircraft Rescue Fire Fighting ("ARFF") Fire Station:** During the term of this Section 4.2 Agreement and as long as the Port of Oakland contracts with the City for ARFF services, the ARFF Fire Station shall be regularly and routinely staffed, and deployed daily, with the minimum of six (6) unit members or the number of unit members mandated by federal regulations.

**Trucks:** Four (4) fire trucks shall be regularly and routinely staffed and deployed daily, with the minimum of four (4) unit members per truck (including one officer) and three (3) fire trucks, trucks 1, 2, and 4, shall be regularly and routinely staffed, and deployed daily, with the minimum of five (5) unit members per truck (including one officer).

**4.2.4.1 Companies And Bargaining Unit Members Out Of Service.**

The Fire Chief or sworn designee retains the discretion to temporarily "detail" or place a maximum of seven (7) companies out of service at any one time, inclusive of training company described in Section 4.9 for a maximum of nine (9) hours during a twenty-four (24) hour shift. Such "detail" assignments shall not create an opportunity for nor shall the Department be required to backfill the temporarily vacated station assignment with classified relief. Companies on detail that remain in service on the air shall not be included as a company out of service as defined by this Section.

In addition to the seven (7) companies referenced above, the Fire Chief or sworn designee retains the discretion to temporarily "detail" a maximum of four (4) unit members per shift from their normal station assignments for a maximum of eight (8) hours during a twenty-four (24) hour shift. Such "detail" assignments shall not create an opportunity for, nor shall the Department be required to backfill the temporarily vacated assignment with classified relief.

The Fire Chief or sworn designee retains the discretion to temporarily detail one (1) company out of service because the company's equipment, apparatus, or vehicles are being serviced. The one (1) company removed from service because the company's equipment, apparatus, or vehicles are being serviced is not a "detail" or "a company out of service" as those terms are used in Section 4.2.1.1 and shall not be counted as one of the "maximum of seven (7) companies" in Section 4.2.1.1.

**4.2.4.2 Fire Chief's Right To Reassign.**

The Fire Chief or designee retains the discretion to temporarily reassign one of the five Firefighters from Truck 1, 2, or 4 (i.e., up to three (3) Firefighters per shift) to other duties as the Fire Chief deems necessary. Such reassignments will be made, without limitation, to increase the Department's coverage and response capability. For the purpose of this Section, "increasing the Department's coverage and response capability" includes duties such as responding to known hazards, patrolling at risk areas, performing other operational needs, and providing service in geographic areas where hazards are higher than normal on a given day. In addition, the Department may temporarily reassign one (1) of the five (5) Firefighters from Truck 1, 2, or 4 (i.e., up to three (3) Firefighters per shift) to patrol in the interest of public safety and/or fire prevention on "Red Flag" or "High Hazard Days." The Department's dispatch procedures shall prescribe appropriate modified response procedures in the event of such reassignment(s).

**4.2.5 Fire Prevention Staffing.**

One (1) arson (fire) investigator shall be on-duty each twenty-four (24) hour shift.

**4.2.6 Chief Officer Staffing.**

Three (3) supervisory chief officers (Battalion Chiefs) shall be on-duty each twenty-four (24) hour shift.



**ATTACHMENT 2 - OFD HISTORICAL OVERTIME SPENDING**  
**Overtime FY 2007-17**

| Fund Description                            | FY 2007 - 08     |                   | FY 2008 - 09     |                   | FY 2009 - 10     |                   | FY 2010 - 11     |                   | FY 2011 - 12     |                   |
|---|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|   | Budget           | Actual            | Budget           | Actual            | Budget           | Actual            | Budget           | Actual            | Budget           | Actual            |
| General Purpose Fund (1010)                 | 2,937,372        | 9,901,807         | 4,403,925        | 10,615,237        | 396,890          | 7,916,510         | 2,141            | 7,897,044         | 15,560           | 8,273,938         |
| Measure Y Fund (2251)                       | 4,021,349        | 4,021,349         | 4,000,000        | 4,000,000         | 4,000,000        | 4,000,000         | 4,000,000        | 4,000,000         | 4,000,000        | 3,866,527         |
| US Dept. of Homeland Security Fund (2123)   | 0                | 0                 | 11,189           | 2,933             | 1,464            | 0                 | 5,333            | 6,650             | 0                | 6,443             |
| FEMA Fund (2124)                            | 45,606           | 45,802            | 41,781           | 41,781            | 28,053           | 27,566            | 30,000           | 26,690            | 26,945           | (13,491)          |
| Dept. of Health and Human Svcs. Fund (2128) | 0                | 0                 | 5,820            | 5,792             | 3,373            | 1,602             | 1,771            | 916               | 0                | 0                 |
| Calif. State Emerg. Svcs. Fund (2146)       | 0                | 0                 | 32,041           | 32,041            | 0                | 0                 | 0                | 0                 | 0                | 0                 |
| State of California Other (2159)            | 0                | 0                 | 0                | 0                 | 0                | 0                 | 0                | 0                 | 0                | 0                 |
| County of Alameda Grants (2160)             | 0                | 0                 | 0                | 0                 | 0                | 0                 | 0                | 0                 | 939              | 939               |
| Measure N Fund (2250)                       | 0                | 1,246             | 2,121            | 3,410             | 0                | 0                 | 0                | 1,600             | 0                | 5,908             |
| Measure Z Fund (2252)                       | 0                | 0                 | 0                | 0                 | 0                | 0                 | 0                | 0                 | 0                | 0                 |
| Wildland Fire Prev. Asses. Dist. (2321)     | 10,000           | 7,388             | 24,516           | 24,516            | 10,000           | 4,442             | 10,000           | 0                 | 25,000           | 1,071             |
| <b>Total</b>                                | <b>7,014,327</b> | <b>13,977,593</b> | <b>8,521,394</b> | <b>14,725,711</b> | <b>4,439,780</b> | <b>11,950,120</b> | <b>4,049,245</b> | <b>11,932,899</b> | <b>4,068,445</b> | <b>12,141,335</b> |

| Fund Description                            | FY 2012-13**      |                   | FY 2013-14       |                   | FY 2014-15       |                   | FY 2015-16       |                   | FY 2016 - 17     |                   |
|---|-------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|   | Budget            | Actual            | Budget           | Actual            | Budget           | Actual            | Budget           | Actual            | Budget           | Actual            |
| General Purpose Fund (1010)                 | 10,916,511        | 10,916,511        | 395,411          | 13,194,187        | 275,884          | 16,734,537        | 597,933          | 19,060,106        | 723,466          | 17,229,120        |
| Measure Y Fund (2251)                       | 4,000,000         | 3,866,527         | 4,000,000        | 4,266,947         | 4,000,000        | 4,000,000         | -                | -                 | -                | -                 |
| US Dept. of Homeland Security Fund (2123)   | -                 | -                 | -                | -                 | -                | -                 | -                | -                 | -                | -                 |
| FEMA Fund (2124)                            | 5,232             | 10,340            | -                | 6,797             | 24,138           | 75,147            | 14,327           | 3,280             | (1,300)          | 8,715             |
| Dept. of Health and Human Svcs. Fund (2128) | 5,000             | -                 | 9,000            | -                 | -                | -                 | -                | -                 | 4,000            | -                 |
| Calif. State Emerg. Svcs. Fund (2146)       | -                 | -                 | -                | -                 | -                | -                 | -                | -                 | -                | -                 |
| State of California Other (2159)            | 67,361            | 16,516            | -                | -                 | -                | -                 | -                | -                 | -                | -                 |
| County of Alameda Grants (2160)             | -                 | -                 | -                | -                 | -                | -                 | -                | -                 | -                | -                 |
| Measure N Fund (2250)                       | -                 | 2,379             | -                | 27,965            | -                | 12,237            | -                | 25,210            | -                | 6,267             |
| Measure Z Fund (2252)                       | -                 | -                 | -                | -                 | -                | -                 | 2,000,000        | 2,000,000         | 2,000,000        | 2,000,000         |
| Wildland Fire Prev. Asses. Dist. (2321)     | 25,000            | 7,406             | 12,000           | 6,566             | 15,000           | 1,241             | 10,000           | -                 | 10,000           | -                 |
| <b>Total</b>                                | <b>15,019,103</b> | <b>14,819,679</b> | <b>4,416,411</b> | <b>17,502,463</b> | <b>4,315,022</b> | <b>20,823,162</b> | <b>2,622,260</b> | <b>21,088,596</b> | <b>2,736,166</b> | <b>19,244,102</b> |

**ATTACHMENT 3 - OAKLAND FIRE DEPARTMENT**

**GPF (1010) Overtime Expenditures**

July 1, 2017 through December 29, 2017

| Division                          | Organization                                      | Purpose of Overtime   | Cost of Overtime       | Cost Recovery  |
|-----------------------------------|---|---|------------------------|--|
| Fire Chief                        | 20110 - Chief's Office                            | FLSA Overtime Premium system error  | 120.24                 | <i>paid in error and employee submitted repayment</i>  |
| Operations                        | 20411 - Suppression                               | Maintain minimum staffing levels in accordance with IAFF, Local 55 MOU.   | 9,283,200.59           | Partial<br><i>Hurricane Harvey Projected Reimbursement \$744,253.82; Hurricane Irma Projected Reimbursement \$1,080,472.04</i>   |
| Operations                        | 20341 - Arson Investigation                       | Maintain minimum staffing levels in accordance with IAFF, Local 55 MOU.   | 103,283.46             | No   |
| Operations                        | 20814 - Airport                                   | Maintain minimum staffing as required by the MOU between the City and the Port of Oakland for airport rescue firefighting services.   | 316,735.34             | Yes<br><i>reimbursed by Port of Oakland</i>  |
| Training & Support Services       | 20631 - In-Service Training                       | Provide staff training to maintain operational effectiveness.   | 37,788.31              | No   |
| Training & Support Services       | 20816 - Support Services                          | Overtime as needed to provide logistical support.   | 802.32                 | No   |
| Fire Prevention Bureau            | 20311 - Fire Marshal's Office                     | After-hours staffing for fire safety education school and other public events   | 4,134.61               | No   |
| Fire Prevention Bureau            | 20331 - Inspectional Services                     | Overtime inspection for special event permit, public assembly, festivals, circus, fire alarm, fire underground, fire sprinkler, hood & duct inspections, training, monitor Council meetings for public assembly code requirements | 33,287.39              | Partial<br><i>cost recovery is limited to customer requested overtime for special event permit, festival, circus, fire alarm, fire underground, fire sprinkler, or hood &amp; duct inspections</i> |
| Fire Prevention Bureau            | 20351 - Engineering Services                      | Plan review for fire life safety systems such as fire alarm, fire sprinkler, fire underground, hood and duct  | 68,672.13              | Yes<br><i>customer requested overtime for expedited plan review</i>  |
| Fire Prevention Bureau            | 20371 - Vegetation Management                     | After-hours staffing for vegetation management community meetings, Council meetings, time sensitive projects, and data entry  | 11,527.02              | No   |
| Emergency Management Services     | 20711 - Emergency Services                        | 2.5 hours for Emergency Planning Coordinator to support Valdez Fire on 7/1/17   | 162.31                 | No   |
| Fiscal & Administration Services  | 20511 - Budget Planning                           | 4 hours for Accountant II to close FY13 and FY14 PSGP Grant in preparation of audit   | 253.08                 | No   |
| Fiscal & Administration Services  | 20521 - Budget Unit                               | 3 hours for Accountant III to prepare US&R Grant Application by deadline  | 219.08                 | <i>charges for US&amp;R to be removed from GPF and charged to correct fund</i>   |
|                                   |   | Accountant III preparation of Hurricane Harvey Reimbursement Package  | 2,059.38               | <i>charges for Hurricane Harvey to be removed from GPF and charged to correct fund</i>   |
| Medical Services                  | 20241 - Communications (Fire Dispatch Supervisor) | Quarterly Training  | 790.56                 | No   |
|                                   |   | Backfill for Daily Minimum Staffing   | 118,664.75             |  |
| Medical Services                  | 20251 - Emergency Dispatchers (Fire Dispatcher)   | Quarterly Training  | 2,869.57               | No   |
|                                   |   | Backfill for Daily Minimum Staffing   | 92,731.73              |  |
| <b>TOTAL GPF (1010) OVERTIME:</b> |   |   | <b>\$10,077,301.87</b> |  |

**ATTACHMENT 4 - SUMMARY OF CURRENT AND POTENTIAL 40 HOUR ASSIGNMENTS**

| <b>Assignment</b>                    | <b>Rank(s) Assigned</b>                         | <b>Description of Duties</b>  | <b>Cost Recovery</b>                         |
|--------------------------------------|---|---|--|
| Assistant Fire Marshal, Sworn        | TBD; filled until recently by Fire Investigator | <ul style="list-style-type: none"> <li>• Conducts fire inspections for all new and existing occupancies to ensure safety; re-inspects to ensure violations have been corrected and to verify fire code compliance.</li> <li>• Schedules and/or conducts fire prevention and public education classes.</li> <li>• Develops and maintains records and reports of fire inspections; enters data into software programs; files and maintains hard copies.</li> <li>• Assists new shift personnel with interpretation of codes and standards; prepares personnel for code qualification testing.</li> <li>• Conducts plan reviews for new buildings as well as renovations and repairs to existing structures; provides consultations for prospective new and existing business owners as requested.</li> <li>• Serves as the Acting Fire Marshal in their absence.</li> </ul> | Partial, if time is charged to an applicant. |
| Computer Aided Dispatch Project Lead | TBD; recruitment in process                     | Personnel is needed to assist in coordinating the computer aided dispatch upgrade project, as well as other major communications projects for the Department which have a nexus to fire suppression.  | None.  |
| Recruitment Coordinator              | Engineer of Fire                                | An Engineer of Fire led and coordinated OFD's recent recruitment for Firefighter and Firefighter Paramedic Trainees. The goal of this assignment was to increase the quality of the candidate pool, with an emphasis on the recruitment and preparation of local candidates.  | None.  |
| Administrative Officer               | Firefighter Paramedic                           | Assist both Deputy Chiefs by working on numerous day to day administrative assignments, and special projects as assigned such as policy development.  | None.  |
| Captain of Fleet Management          | Captain of Fire                                 | The fleet manager is responsible for selecting and maintaining vehicles to maintain service delivery. Develops and implements standard operational standards to maintain vehicles by advocating best practices in the fire service/public sector. This is currently not a 40 Hour Assignment, but is done by a Captain of Fire in addition to their day to day Company Officer duties which is no longer sustainable.   | None.  |

| Assignment   | Rank(s) Assigned               | Description of Duties  | Cost Recovery  |
|--|--------------------------------|--|--|
| Captain of Support Services                                | Captain of Fire                | Strategically plan and manage departmental logistics, including equipment and facilities needs to support effective emergency response.  | None.  |
| Vegetation Management Inspection Preparation               | Captain and Lieutenant of Fire | Provide administrative and IT support necessary to prepare for the vegetation inspections, including making updates to the OneStep database; preparing, sorting and delivering more than 21,000 forms to stations. In addition, these persons provide training and ongoing technical assistance to fire suppression personnel performing inspections in the Oakland Hills.   | None.  |
| Various Information Technology/ Communications Assignments | TBD                            | <p>The following list reflects the information technology/communications needs of OFD:</p> <ul style="list-style-type: none"> <li>• Accela Project</li> <li>• Computer Aided Dispatch (CAD) Conversion</li> <li>• Application development</li> <li>• Administrative Documentation conversion</li> <li>• Web page and social media management</li> <li>• Training and Professional development</li> <li>• TeleStaff Administration</li> <li>• Fire Records Management System (RMS)</li> <li>• Radio Communications</li> </ul> <p>Each item listed above could be its own standalone 40 Hour Assignment; however, in many cases they are addressed intermittently, or when serious problems arise. Person(s) assigned to any of these projects will be tasked with recommending information technology strategies, policies, and procedures for OFD. They will also advise on project outcomes; proactively identify problems and develop appropriate solutions.</p> | Positions are unfilled, but activities are not reimbursable. |
| Assistant Safety Officers                                  | TBD                            | <p>This position does not currently exist within the Department; however, OFD believes that a robust safety program is essential to the health and wellness of its members. The responsibilities assigned to these persons would include the following:</p> <ul style="list-style-type: none"> <li>• In addition to the Safety Officer, these persons support and provide oversight to the training, health, and safety for needs for the Department.</li> <li>• Safety officers must also respond to after-hours incidents as needed.</li> </ul>  | Positions are unfilled, but activities are not reimbursable. |



# OAKLAND FIRE DEPARTMENT POLICY AND PROCEDURES



APPROVED:

Mark Hoffmann, Acting Chief

REFERENCE:

Field Operations Bureau

NUMBER:

400.9

EFFECTIVE:

June 1, 2002

REVISED:

March 15, 2017

## OVERTIME SWORN PERSONNEL

### I. PURPOSE:

- A. To establish the guidelines for the administering of overtime for sworn members.

### II. DEFINITIONS:

- A. AHO: Acting Higher Rank Overtime.
- B. AHR: Acting Higher Rank Regular, no overtime.
- C. ASSIGNED THE SHIFT BEFORE: Those members who are assigned as regular members to the shift, i.e., members assigned to the shift before the "B" shift are "A" shifters, etc.
- D. BUCKET: The area and method TeleStaff uses to keep track of the various classifications of overtime hours and special details hours.
- E. C/R: Classified Relief or overtime.
- F. DECLINE: Same action as reject but is done while using Webstaff.
- G. MANDATORY OVERTIME: Members manually selected by the TeleStaff Officer, based on a list generated by TeleStaff according to the Oakland Fire Department Rules and Regulations.
- H. RDO: Regular Day Off, also known as Scheduled Day Off.
- I. MANDATORY RECALL: The notification of sworn members going off-duty to remain on-duty or to report back on-duty. Recall will be exercised to meet minimum staffing needs or during a time of operational need. Response to recall is mandatory.
- J. REJECT: The action of selecting the "reject" option when listening or viewing overtime choices. Also known as "rejecting C/R" which removes the member from the overtime pool for the day and adds twenty-four (24) hours to their overtime bucket.

- K. RESERVE TIME: A period of time, usually four (4) hours, reserved for a member to make overtime selections before going to the next member on the overtime list.
- L. SIGN UP: The act of placing a "sign up" code on your calendar that notifies TeleStaff of the days you want to work overtime.
- M. STAND-BY: Members manually selected by the TeleStaff Officer, based on a list generated by TeleStaff according to the Oakland Fire Department's Rules and Regulations and sign up codes, to "Stand-By" in a station at the beginning of each shift, to fill non-projected overtime positions.
- N. SYMBOLS: "+", "!", "^" signs indicate that another action has been taken on the work code or bucket.
  - a) "+" sign indicates that the hours on the work code are being logged to a bucket, often an overtime bucket, example; +OTS.
  - b) "!" sign indicates a penalty has been applied and the hours on the work code are being logged to an overtime bucket, example; !+OTS.
  - c) "^" sign is used when hours are manually logged to a bucket often due to penalty or averaging overtime hours, example; +^LOGOSTR.
- O. TELESTAFF: Automated Scheduling Solution.
- P. WEBSTAFF: Internet version of TeleStaff.

### III. POLICY:

- A. The language contained in this document shall supersede all preceding written or otherwise implied Policies and Procedures relating to overtime. Overtime shall be administered in a fair and equitable manner pursuant to the language contained herein only. Any changes to this document shall be handled by the Deputy Chief of Field Operations Bureau in the form of a replacement section or page. The daily administering Officer for overtime shall be the Captain of Station 22 with assistance from other companies as necessary.
- B. The chain of command for addressing overtime issues is:
  - Company Officer.
  - Battalion Chief.
  - Captain at Station 22 (only for current or following shift needs).
  - TeleStaff Administrator.
  - Deputy Chief of Field Operations Bureau.
- C. The guiding principles for assigning overtime are:
  1. Rank for rank.
  2. Acting Higher Rank Overtime (AHO) before acting on shift (AHR).

3. Acting Higher Rank (AHR) on shift before mandatory (OTSM).
4. Mandatory overtime before depletion of the minimum staffing level.
5. Recall of members to meet staffing requirements.

#### IV. PROCEDURES:

##### A. MANAGEMENT:

1. Management of the regular Overtime Sworn (OTS) needs of the Department shall be the direct responsibility of the Deputy Chief of Field Operations Bureau.
2. The House Captain of Station 22 shall monitor the actions of all three (3) shifts to ensure that they are in accordance with the Overtime Sworn Policy.
3. Assignments of overtime shall be made in accordance with the Overtime Sworn Policy. Members shall be given their choice of all available assignments in the order they are due under normal circumstances. Deviation from this policy for other than the needs of the Department as approved by the Deputy Chief of Field Operations Bureau, or delegate, will be viewed as a violation of the Overtime Sworn Policy. Violation of the Overtime Sworn Policy shall be deemed a serious offense affecting the morale of Department Personnel, and thereby the efficiency of the Department. Any member violating this policy shall be subject to disciplinary action.
4. The Captain of Station 22 administering overtime shall maintain records in accordance with this Overtime Sworn Policy.
5. Only TeleStaff Administrators and the Captain of Station 22 have the ability to assign members to overtime positions.
6. In the event that TeleStaff is not functional, overtime opportunities will be done manually in order of seniority in rank by shift. This may cause a suspension of some rules to meet the needs of the Department. When TeleStaff returns to operation, payroll data will be updated into TeleStaff as soon as possible and normal TeleStaff operations will resume.

##### B. ADMINISTRATION:

1. Officers administering overtime shall maintain a daily record of the Stand-By worksheet and "Fill by Rules" list.
2. These records shall be maintained by the Captain of Station 22 for a period of three (3) years and are subject to periodic audit.
3. All assignments for the following day shall be placed in TeleStaff and an email listing the Stand-By assignments will be sent to all stations, all shifts, and the TeleStaff Administrators before 1600 hours. (A standard email format will be set

by the House Captain of Station 22).

4. All members with prior day assignments shall notify the Officer of the company to which they are assigned, and shall report for duty at that company by 0800 hours. Failure to report at the station by 0800 hours (unless approved by the Battalion Chief) or failure to notify the station Officer upon receiving the assignment may result in the assignment being canceled and an assessment of twenty (24) hours in the regular overtime sworn bucket.

C. SIGNING UP TO WORK OVERTIME:

1. TeleStaff software is a dynamic system. Each time TeleStaff initiates a call to offer an OTS job, it recalculates the "Fill by Rules" list based upon the current data. Starting at 0900 hours, one week before the target roster date, TeleStaff starts to fill vacancies. TeleStaff will continue to fill openings up until it runs out of people or all jobs have been assigned.

Example: If TeleStaff is filling for July 8, it will begin the process of selecting members at 0900 hours on July 1.

2. Members who wish to work on a particular date are advised to place the appropriate signup code on their TeleStaff Calendar for that date before 0900 hours one week ahead of that date.
3. The maximum amount of weeks in advance a member can sign up is eight (8) weeks.
4. Members who return from SCK, zSCK, ICF, FML, or FDL may make themselves available for OTS by contacting the Captain of Station 22 after the conclusion of the SCK, zSCK, ICF, FML, or FDL. For example, a member off sick for twenty-four (24) hours on June 1, cannot make themselves available until June 2 at 0800 hours.
5. A member can remove their "Signup" code (in short, take their name off the overtime list) at any time before they have been offered an overtime job or Stand-By opportunity without any penalties up to 0800 hours the day before the overtime day.
6. Members who remove the overtime signup code after 0800 hours the day before the overtime may already be assigned a Stand-By or overtime position.
7. Members assigned to a 40 hour schedule can work overtime on Saturdays and Sundays or relieve a member assigned to a mandatory overtime after their scheduled work day and no later than 1800 hours, Monday through Friday in accordance with Section E.6.



8. Members shall not work more than seven (7) days in a row, unless they are “deployed” out of county.
  - a) Members must be off for twenty-four (24) continuous hours to “restart” the seven (7) day count.
  - b) When members become aware they are scheduled to work more than seven days (7) in a row, they are directed to have their Company Officer notify their Battalion Chief of the overtime or shift trade work that they want to be backed out of without penalty.
  - c) Members discovered attempting to work, or who have worked, more than seven (7) days in a row without notifying their Company Officer or Battalion Chief shall be subject to disciplinary action.
  - d) The Operations Chief, or designee, may make exceptions to this rule under special circumstances.

**D. STAND-BYS:**

1. A Stand-By list will be established the day prior to the day of work assignment.
2. Members wishing to Stand-By must have a “Signup” code on their calendar by 0800 hours the day before the overtime shift to be considered for a Stand-By position.
3. Members shall monitor their “Signup” status whether on or off duty and be prepared to receive a Stand-By assignment for any day that they have a “signup” on their calendar.
4. When attempting to contact off-duty members for Stand-By positions, the TeleStaff Officer has the option to “outbound” calls to qualified members. When doing so they shall outbound for a four (4) hour period with six (6) calls scheduled to be made in that time period.
5. Off-duty members who are signed up to work and fail to respond after the four (4) hour period will be “skipped” and twenty-four (24) hours will be added to their bucket.
6. The following wording shall be used by the TeleStaff Officer when “outbounding” for a standard CR assignment or Stand-By assignment: “You are due to work CR or be a Stand-By, contact the Captain of Station 22 as soon as possible. Failure to do so will subject you to overtime penalties.”
7. Members who are eligible to Stand-By and who will not be available by phone, must contact the TeleStaff Officer with their status to avoid any delays or penalties.
8. Stand-Bys will be assigned in order from the Stand-By list.

9. Members who wish to make themselves available for Stand-By for the two (2) days following any SCK, zSCK, FML, or ICF must call the Captain of Station 22 (TeleStaff Officer), after the conclusion of the SCK, zSCK, FML, or ICF shift, to be placed on the Stand-By list.
10. Members shall not be made available to work OTS for two (2) calendar days following Authorized Leave without Pay (ANP), unless approved by the Deputy Chief of Field Operations Bureau.
11. Members standing by shall be given their choice of all available vacancies in the order they are due. Exceptions may be made if there is an immediate need as determined by a Battalion Chief.
12. It is the intent that Stand-Bys are to be assigned overtime positions as soon as possible beginning the prior shift.
13. Members must be present at a fire station to Stand-By. When notified of the Stand-By by the Captain of Station 22, members will establish where they will Stand-By.
  - a) Members shall be at their Stand-By station no later than 0715 hours and be prepared to depart to their overtime assignment immediately.
  - b) Members that are not available by 0715 hours may be skipped and twenty-four (24) hours will be added to their buckets.
  - c) The Operations Chief may make exceptions to this rule under special circumstances.
14. The Company Officer on-duty at 0730 hours shall review their staffing needs and report to their Battalion Chief any unfilled vacancies.
15. Battalion Chiefs shall notify the Captain of Station 22 of its staffing needs by 0745 hours.
16. Any Battalion Chief that notifies the Captain of Station 22 of their need for overtime members after 0800 hours shall submit in writing to the Deputy Chief of Field Operations Bureau as to why this request was made after 0800 hours.
17. Battalion Chiefs and Company Officers failing to identify overtime staffing needs before 0800 hours shall be subject to disciplinary action.
18. If circumstances dictate, the Stand-By may be required to Stand-By beyond 0800 hours and paid to the next quarter (1/4) hour.
19. The notification for Stand-Bys to remain beyond 0800 hours will be made over the station speaker system. The TeleStaff Officer must notify the Duty Chief through channels of the need to hold the Stand-Bys past 0800 hours.
20. Stand-By assignments will be done via a phone call from the TeleStaff Officer.

21. Members standing by to work overtime must immediately notify the Officer at the assigned station and depart for their assignment immediately, thereafter.
22. Members shall arrive at their assigned overtime station by 0800 hours. Members unable to arrive at this time shall contact the Officer of their assigned overtime location to inform them that they will be late and why.
23. Any member not arriving at their assigned overtime station by 0800 hours may be required to submit the reason in writing to the Battalion Chief through channels.
24. Any member not arriving at their assigned overtime station by 0800 hours without sufficient cause may have their overtime assignment canceled and an assessment of twenty-four (24) hours added to their regular overtime bucket.
25. Members who fail to follow the above guidelines are subject to being skipped for overtime and penalized.
26. Members failing to adhere to the above policies during mandatory conditions will be subject to discipline.
27. The minimum number of Stand-Bys needed for each rank is as follows, unless special situations require more:
  - a) Battalion Chief – 1.
  - b) Captain – 2 each.
  - c) Lieutenant – 2 each.
  - d) Engineer – 3 each.
  - e) Paramedic – 3 each.
  - f) Firefighter – 5 each.
  - g) ARFF – 1.

E. MANDATORY OVERTIME:

1. Stand-Bys will stand by until 0800 hours or later as directed.
2. Members will be assigned manually starting the day before the mandatory member is due to work.
3. Members will be assigned twenty-four (24) hour jobs before mandatory assignments of shorter duration.
4. Mandatory will be based on the least total number of opportunities of mandatory worked and reverse seniority in rank.

5. Members will be given choices, if any, based on their position on the list.
6. In the cases where a member steps forward to work overtime to eliminate mandatory overtime, the last member assigned to work mandatory overtime sworn will be given the following options:
  - a) If prior to 1600 hours the day before the mandatory, the member:
    - 1) Becomes mandatory number one (1) Stand-By; or
    - 2) Works a voluntary regular overtime sworn.
  - b) If after 1600 hours the day before the mandatory, the member:
    - 1) Keeps the mandatory assignment; or
    - 2) Becomes mandatory number one (1) Stand-By.
7. Should that member decide to work mandatory overtime, the above steps are repeated until the voluntary overtime gets an assignment.
8. Should all members initially assigned mandatory overtime sworn decide to work, the voluntary overtime becomes the number one (1) Stand-By.
9. When mandatory occurs in a rank to fill a technical specialty, i.e.; ARFF, HazMat and Rescue Team, then that rank will not be considered to be in "mandatory" to fill non-specialty openings.
10. The mandatory overtime assignments will be made using the following priorities:
  - a) Members Working Regular Duty.
  - b) Members Working a Trade or Overtime (Regular or Mandatory).
  - c) Recall.
  - d) Qualified members of another rank on-duty (even if this causes mandatory in said members rank).

**F. MANDATORY PROTECTION:**

1. Shift Trade Work (STW) Ten (10) or more hours on the day of the mandatory.
  - a) When working less than ten (10) hours, the trade is not an excuse from mandatory overtime.
  - b) An employee who is STW less than ten (10) hours, and has been assigned a Mandatory OTS will begin the Mandatory OTS upon being relieved from their trade.

- c) When an employee working a trade is assigned OTSM, that period that they are working the trade will be covered by another OTSM employee, if possible.
2. The day of, and the two (2) days after you are off due to Sick (SCK), injury (ICFS), Shift Trade Off (STO), Authorized Leave without Pay (ANP), Family Medical Leave (FML), Organization Leave (OPA), Maternity Leave No Pay (MLV), Military Duty (MIL), Military Leave No Pay (MNP) & Jury Duty (JDL).
3. Battalion Chiefs need to direct the Captain of Station 22 to manually back members out who have a conflict due to jury duty.
4. The two (2) days before and the two (2) days after Vacation (VAC), Family Death Leave (FDL) & Family Death Leave without Pay (FDN), unless said member has chosen to work overtime or a trade during the protected period.
5. Loss of Protection – If a member “Signs Up” to work regular overtime sworn (including working their RDO) or works a trade (STW) any time during the above periods, they forfeit their mandatory protection during the above period and become eligible to work Mandatory Overtime (OTSM).
6. Working on the fifth (5<sup>th</sup>) consecutive day; the member must have been in the fire station four (4) days (96 hours) in a row already.

Example:

Scenario #1 – Acceptable: Day 1 – Worked Regular, Day 2 – Worked OTS, Day 3 – Worked STW, Day 4 – Worked Regular, Day 5 – Cannot receive mandatory OTS on this day because they will have already been in the fire house 4 days (work codes are just an example, could be any combination of work codes).

Scenario #2 – Not Acceptable: Day 1 – Worked Regular, Day 2 – Not Working – Off Duty, Day 3 – Worked STW, Day 4 – Worked Regular, Day 5 – Working STW. If a member’s name came up to be mandatory on Day #2, that member would not be excused from mandatory even though that would create five (5) days in a row. Because they have yet to work all five (5) days, they are not excused.

G. MANDATORY RECALL:

1. The City may require sworn members going off-duty to remain at their assignments. The Deputy Chief of Field Operations Bureau or designee may have sworn members called back to work from a “recall list.” Off going sworn members or those who have most recently reported off-duty shall be called first. The Deputy Chief of Field Operations Bureau or designee shall determine the timeframe within which sworn members shall be required to report back to work. Response to recall is mandatory.
2. The designated shift roster shall be exhausted before calling the next shift.

3. Response to recall is not optional. Upon notification of a recall, personnel shall proceed immediately to their assignment.
4. Pay for recall starts upon notification of recall assignment.

**H. REMOVAL / BACKING OUT OF OVERTIME:**

1. Members will be able to back out of an overtime to work a trade with approval of a Battalion Chief.
2. A member who will not be able to fulfill a regular overtime sworn assignment because of jury duty, family death leave, military duty, other paid leave or organizational leave, is required to contact their Company Officer (or Battalion Chief if Officer is unavailable) to have the regular overtime sworn assignment removed.
3. Members failing to contact their Company Officer or Battalion Chief will receive twenty-four (24) hours in their regular overtime sworn bucket.
4. If a member has been assigned a regular overtime sworn position and is off sick on that day, they will be required to notify the Officer of the station of the regular overtime sworn assignment by 0700 hours of their sick status to be removed from the overtime position.
5. If members are unable to contact the Company Officer, they shall then contact in the following order, until successful:
  - Chief of that Battalion
  - Chief of another Battalion
  - Captain at Station 22
6. Company Officers are required to contact their Battalion Chief and the Captain of Station 22 to relay the sick information.
  - a) When a member makes a notification of their sick status on a regular day, they are required to notify the Company Officer of any regular overtime sworn they have accepted in the next two (2) calendar days.
    - 1) Battalion Chiefs will remove any overtimes that are scheduled the next two (2) calendar days per Policy 1400.6 – Sick Leave, Non-Industrial Injury/Illness for Sworn Members.
  - b) If a member is backed out of an overtime position, the hours will be automatically removed from their bucket.
7. If a member working regular overtime sworn needs to be backed out of that assignment, due to a mistake or someone coming on duty unexpectedly, a member shall be backed out based on overtime hours at the time that they are being backed out. When a member is “Backed Out” of a C/R assignment they can:

- a) Take an unfilled overtime position if available.
  - b) Be given the position of the member with the most overtime hours in their bucket who will then be backed out.
  - c) Be reverted to their "Sign Up" code.
  - d) If there is a mandatory overtime the member being backed out will fill a mandatory position. This section takes precedence over Section IV.F.5.
8. Notification of Classified Relief Change (Backing Out):
- a) It shall be the responsibility of the Battalion Chief where the initial change occurred to contact the Captain of Station 22. The Captain of Station 22 will determine which member should be backed out and notify the affected member(s) that they have been backed out of an assignment.
  - b) All efforts shall be made, via phone calls or e-mail, to notify members when they have been backed out of a classified relief assignment.
9. If a member works a mandatory overtime (the mandatory is not the fifth (5<sup>th</sup>) day in a row) and that mandatory now causes the member to be scheduled five (5) days in a row and the fifth (5<sup>th</sup>) day in the five (5) day cycle is a regular overtime day, the member can choose to back out of the regular overtime day that is on the fifth (5<sup>th</sup>) day. The member will still be required to work the mandatory overtime job.

Example: The member is OTSM on day two (2), they can request to be backed out the OTS on day five (5).

|       |       |       |       |       |
|-------|-------|-------|-------|-------|
| Day 1 | Day 2 | Day 3 | Day 4 | Day 5 |
| REG   | OTSM  | OTS   | REG   | OTS   |

I. WORKING YOUR REGULAR DAY OFF (RDO):

- 1. A member is eligible to work OTS on their Regular Day Off (RDO). Working on an RDO is the same as working on any other "off" day.
  - a) Members must "Sign Up" to work their RDO.
  - b) Members signing up for overtime on their RDO will be chosen using the same criteria for all overtime positions, which is by total overtime hours and seniority.
  - c) Members are NOT guaranteed an overtime position on their RDO.
  - d) Members will make their overtime selection based on the openings available.
  - e) Members are NOT guaranteed they will be able to work in their regularly assigned station.

- f) Members must follow all rules and procedures for detailing.
- g) Members can be recalled to work their RDO.

J. TRACKING OVERTIME & DETAIL HOURS:

1. Overtime & Detail hours will be tracked in the following Buckets:
  - a) Overtime Sworn – Regular.
  - b) Overtime Sworn – Mandatory.
  - c) Overtime Sworn – Mandatory Recall.
  - d) Overtime Sworn – Acting Higher Rank Battalion Chief.
  - e) Overtime Sworn – Acting Higher Rank Captain.
  - f) Overtime Sworn – Acting Higher Rank Lieutenant.
  - g) Overtime Sworn – Acting Higher Rank Engineer.
  - h) Overtime Sworn – Acting Higher Rank Firefighter.
  - i) Overtime Sworn – Acting Higher Rank Fire Investigator.
  - j) Overtime Sworn – Acting Higher Rank Paramedic.
  - k) Overtime Sworn – Special No Mark Days.
  - l) Paramedic Support Pool Hours.
  - m) ARFF Detail Hours.
  - n) HazMat Detail Hours.
  - o) Rescue Team Detail Hours.
  - p) Strike Team Hours.
  - q) Strike Team Acting Hours.
2. Overtime Sworn – Regular: Will be zeroed out every year starting November 1, 2011.
3. Overtime Sworn – Mandatory and Overtime Sworn – Mandatory Recall: Will be zeroed out every 5 years starting November 1, 2011.
4. Overtime Sworn – Acting Higher Rank: All Acting Higher Ranks will be zeroed out every year starting November 1, 2016.



5. All Strike Team, ARFF Detail, HazMat Detail, Rescue Team Detail, and Paramedic Support Program Buckets will be zeroed out every three (3) years starting November 1, 2011.
6. Overtime Sworn – Special No Mark Days: will be zeroed out every five (5) years starting from November 1, 2011.
7. New Sworn employees, promoted/demoted employees, will receive hours in the following buckets as described below:
  - a) Regular Overtime Sworn: Average of hours plus forty-eight (48) hours. Average hours are determined by the total overtime hours divided by the actual number of employees in said rank.
 

Formula: (Total Hours) divided by (Total in Rank) plus forty-eight (48) hours = hours in bucket.

Total Hours = Total overtime hours worked by all members in the rank.

Total in Rank = Total Number of members in the rank.

Plus forty-eight (48) hours = forty-eight (48) hours of overtime added to the total average hours.

Example: Adding a newly promoted Engineer to the Engineer pool.

If the total number of Engineers is fifty (50), and the total number of hours those Engineers have worked equals 4550, then the equation would be: 4550 divided by 50 = 91 + 48 = 139 hours.

The new Engineers have zero (0) hours in their Regular OTS bucket to begin with, they would have one hundred thirty-nine hours (139) hours added to their Regular OTS bucket, thus being brought up to forty (48) hours above the average.
8. Overtime Sworn – Mandatory: Average of Mandatory hours minus one hundred (100) hours. Average hours are determined by the total mandatory overtime hours divided by the actual number of employees in said rank.
9. Overtime Sworn – Mandatory Recall: Members will be placed at the same total number of hours as the member with the lowest number of hours in said rank.
10. ARFF Detail, HazMat Detail, Rescue Team Detail, and Paramedic Support Program Buckets will be carried forward from each member's previous rank. All new employees will receive zero hours.
11. Overtime Sworn – Special No Mark Days: Member would be placed at the total number of hours as the member with the highest total number of hours in said rank.

12. All Strike Team Buckets will be zeroed out upon promotion to new rank, except for Officers promoted from Lieutenant to Captain. Lieutenants promoting to the rank of Captain will have their hours carried forward. All new employees will receive zero (0) hours.
13. Members are responsible for tracking their own overtime buckets. This includes making sure their overtime is being logged to the correct buckets which include, Regular Overtime, Mandatory Overtime and Special Day Overtime. Members finding discrepancies shall contact the TeleStaff Administrators via e-mail ([FireTelestaffAdministrators@oaklandnet.com](mailto:FireTelestaffAdministrators@oaklandnet.com)) with a description of the problem.

K. ACTING HIGHER / LOWER RANK:

1. Members must have their name on an approved list as set forth in the MOU and will be hired according to the MOU policies.
2. Members will have their names added to the acting lists in TeleStaff when approved by the Field Operations Bureau.
3. Any members on an established eligibility list will have priority to act in said rank over an actor not on an eligibility list.
4. Members may be allowed to work lower or higher rank when sufficient members to fill that rank are not available.
5. Qualified members who wish to work Acting Higher/Lower Rank Overtime MUST "Sign Up" on their calendar for both their own rank and for the higher/lower rank position for the day they want to work.
6. Members working overtime in a lower or higher rank will be paid at the rate for the rank worked.
7. Promoted members working as firefighter will be paid at the rate for top step firefighter.
8. Members must accept an assignment in their own rank, even if offered an assignment in another rank. Violation of this rule will result in seventy-two (72) hours added to their overtime regular bucket in each rank.
9. Acting Higher Rank Overtime (AHO) positions will be filled forty-eight (48) hours before the start of the shift. Once a member has been assigned an Acting Higher Rank Overtime (AHO) position, they cannot be removed because someone in the rank volunteers to work.
10. All other overtime rules apply to working overtime in lower or higher rank.
11. Members assigned long term Acting Higher Rank shall work regular overtime sworn in their own rank, not in the rank in which they are Acting Higher Rank. Members in an LDA position will be treated as members in their appointed rank.

12. Members who qualify to Act Higher Rank Lieutenant are not allowed to Acting Higher Rank or Acting Higher Overtime in a Captain position. To avoid mandatory overtime for a Captain, a Lieutenant (regular duty or overtime) is to be moved into a Captain's assignment and the Lieutenant's position backfilled with an Acting Higher Rank or Acting Higher Overtime.
13. Members on an acting list, who sign up for Acting Higher Rank Overtime (AHO) in that rank, will be offered an AHO position, based upon staffing rules if they are already assigned an overtime in their current rank. It is the employee's responsibility to immediately notify an on-duty Battalion Chief or the Captain of Station 22 that they need to be removed from the pre-existing overtime and that they now have an AHO position.
14. Members that are on multiple acting lists and make themselves available for an acting assignment can be made to act in any rank they're qualified to act in.
15. Procedures for selecting Acting Hire Overtime (AHO) members.
  - a) Members need to be signed up for their own rank as well as in the Acting rank.
  - b) An Acting Higher Overtime position will be offered via TeleStaff forty-eight (48) hours before the day of the job.
  - c) Members must take a job in their rank if their rank goes to mandatory overtime before taking an Acting Higher Overtime job.
  - d) Members will be selected based on their eligibility and Acting Higher Overtime bucket hours.
    - 1) Members who take jobs in their own rank before being offered acting jobs must work their own rank unless there are no other actors available and it will not cause mandatory in their own rank.
  - e) Members cannot lose an Acting Higher Overtime position to a member of the rank they are acting in when it is less than forty-eight (48) hours before the start of the job.

L. DISCIPLINARY MARKS:

1. All members will be responsible for managing their trades and signing up for overtime.
2. Members who are off-duty as a result of disciplinary action (suspension with no pay) are not allowed to work overtime during the period that they are serving the suspension. They will be eligible for overtime after returning to a regular duty status following the suspension.

3. Members are responsible for the selection they make while using TeleStaff. If a member selects "Reject" or "Decline" they will be given twenty-four (24) hours in their bucket whether it is an accident or not. It is important to understand that after selecting "reject" or "decline" you will no longer be available for overtime on the day you select "reject" or "decline." Members that still want to work after mistakenly selecting "Reject" will need to contact a TeleStaff Administrator as soon as possible, who will, if there are overtime vacancies still available, help the member select an available job if they qualify to work.
4. If a member fails to remove their "Sign Up" code from their calendar; is offered a Stand-By position and does not accept the Stand-By position, they will have twenty-four (24) hours overtime added to their regular overtime sworn bucket (1 – 24 hour period).
5. Members signing up for overtime are responsible for accepting an overtime job if offered to them. Members who have signed up for overtime, and respond by declining the overtime offer, will have twenty-four (24) hours added into their regular overtime sworn bucket (1 – 24 hour period).
6. If you accept an overtime position, then back out of the overtime job you will have forty-eight (48) hours added to your regular overtime sworn bucket (2 – 24 hour periods).
7. Members failing to show up for a regular overtime sworn assignment will be considered "Failure to Report" and will have seventy-two (72) hours added to their regular overtime sworn bucket (3 – 24 hour periods) and are subject to progressive discipline.
8. If a member refuses or fails to work an assigned mandatory job they will be given seventy-two (72) hours in the regular OTS bucket. Seventy-two (72) hours will also be subtracted from their mandatory bucket and they will be subject to progressive discipline.
9. A member who will not be able to fulfill an overtime assignment because of sick, jury duty, family death leave, military duty, other paid leave or organizational leave, is required to contact their Company Officer to have the overtime assignment removed. Members failing to contact their Battalion Chief or Company Officer will receive twenty-four (24) hours in their regular overtime sworn bucket.
10. Members who are off sick, family medical leave, family death leave or injury on a regular scheduled day are not allowed to work overtime the two (2) calendar days after the sick day, family medical leave, family death leave or injury day. They will be required to notify the Officer of the station of the regular overtime sworn assignment by 0700 hours of their sick, family medical leave, family death leave or injury status to be removed from the overtime position. Members failing to do so will have a penalty of twenty-four (24) hours added to their overtime bucket. Failing to properly report off "sick" may result in a "Failure to Report".

11. Penalty hours will be given immediately and documented by the Captain of Station 22.
12. To resolve any overtime issues, it shall be the responsibility of the member and their Company Officer to review all TeleStaff Procedures, Overtime Policy & Procedures or Rules and Regulations pertaining to the issue of contention before using the chain of command to address said overtime issues including contacting the Captain of Station 22. If the issue involves the current or following shift, ONLY the Company Officer shall contact the Captain of Station 22 to resolve any questions or disputes. Members failing to follow this procedure, including the Company Officer, will have twenty-four (24) hours added to their Regular Overtime Bucket.

M. BATTALION CHIEFS' AUTHORITY:

1. Battalion Chiefs, based on the needs of their Battalions, may request specific members with particular skills or experience to ensure Department efficiency and safety. Battalion Chiefs should scrutinize such requests by companies and deny any request for specific members that are not justified by the circumstances. Battalion Chiefs will send an e-mail to the Deputy Chief of Field Operations Bureau when this rule is utilized.
2. Battalion Chiefs shall project three (3) shifts out, monitor, and approve changes to the roster.
3. Battalion Chiefs will approve trades with less than seventy-two (72) hours' notice (for emergencies only). Battalion Chiefs will send an e-mail to the Deputy Chief of Field Operations Bureau when this rule is utilized.
4. Trades cannot be removed less than seventy-two (72) hours in advance of the trade without the approval of the Battalion Chief and then must be removed by the Battalion Chief. The Battalion Chief or the Captain at Station 22 will then run the Mandatory Pick List, upon removing a trade under this provision, to confirm that neither member involved in the canceled trade is due for mandatory Stand-By or assignment.  
  
Example: A member sets up a trade for June 4. The member decides to cancel the trade. The member must remove the trade from their calendar before the start of the shift (0800 hours) on June 1.
5. Only TeleStaff Administrators and the Captain of Station 22 have the authority to assign members to overtime positions.

N. VACATIONS:

1. Member will be eligible to work overtime during their vacation period (the two (2) days before and two (2) days after their vacation day).

2. Members will not be eligible to work on their actual day of vacation. This includes trading, overtime and mandatory.
3. Members working OTS or Trades during their vacation period will forfeit their mandatory protection, also known as "Loss of Protection," and will be subject to all mandatory rules during the vacation period.

O. OFFICERS' MANDATORY OVERTIME:

1. Because of the unique, interchangeable relationship between the ranks of Captain and Lieutenant (i.e.; the RDO routes include both positions and they can trade together), rules must exist to define the overtime relationship between the two (2) ranks. Under certain circumstances, the need to fill overtime positions outweighs the philosophy of rank for rank overtime.
2. If all the on-duty members of an Officer rank have been called, and overtime or Stand-By positions still needs to be filled, on-duty members of the other Officer rank will be called.
3. Officer mandatory overtime will be assigned based on how many Officers are already working in overtime positions.
  - a) Because Captains and Lieutenants are being offered jobs in each other's rank before mandatory OTS is assigned, the Captain of Station 22 will need to figure out how many Captains are working and how many Lieutenants are working, to make sure they mandatory the proper number for each rank.
  - b) The Captain of Station 22 will begin by counting the total number of overtime jobs for each rank, this includes overtime jobs that have already been assigned as well as overtime vacancies that have not been filled yet.

Example: There are a total of 4 Captains and 6 Lieutenants overtime jobs for the day.

4 Captains      6 Lieutenants

Total members needed would be as follows: 6 Captains – 4 for overtime positions, 2 for Stand-Bys; 8 Lieutenants – 6 for overtime positions, 2 for Stand-Bys.

Total 6 Captains      8 Lieutenants

- c) The Captain at Station 22 will count how many members at the rank of Captain and Lieutenant that are already assigned to overtime jobs. The Captain of Station 22 is not counting how many Captain's jobs or Lieutenant's jobs there are, but how many actual Captains and Lieutenants are already assigned to overtime jobs.

Example: There are a total of 5 Captains and three 3 Lieutenants already assigned overtime jobs for the day.

5 Captains    3 Lieutenants

Formula #1:

|                         |                            |
|-------------------------|----------------------------|
| 6 Captains total needed | 8 Lieutenants total needed |
| 5 Captains have jobs    | 3 Lieutenants have jobs    |
| 1 Captain is needed     | 5 Lieutenants are needed   |

Results: Need to mandatory 2 Lieutenants for actual jobs and 3 Lieutenants for Stand-By positions because 2 are for Lieutenant Stand-Bys and 1 is for a Captain Stand-By, i.e. you are over because 1 Captain is working as a Lieutenant and you need to mandatory 1 Captain for Stand-By.

Formula # 2:

7 Captain jobs plus 2 Stand-Bys = 9 Captains needed  
(Currently 2 Captains are working)

3 Lieutenant jobs plus 2 Stand-Bys = 5 Lieutenants needed  
(Currently 8 Lieutenants are working)

|                         |                                 |
|-------------------------|---------------------------------|
| 9 Captains total needed | 5 Lieutenants total needed      |
| 2 Captains have jobs    | 8 Lieutenants have jobs         |
| 7 Captains are needed   | 3 extra Lieutenants are working |

Results: All vacancies are filled – 3 Lieutenants are working in Captain vacancies. Need to mandatory 4 Captains all to be Stand-Bys.

P. 40 HOUR WEEK PERSONNEL:

1. Members working a 40 hour week will be permitted to work overtime on Saturdays and Sundays. They will also be allowed to relieve mandatory overtime Monday – Friday in accordance with Section IV.E.6.
  - a) To work Saturday or Sunday, 40 hour members will need to “Sign Up” on their calendar in accordance with Section IV. C.
  - b) To relieve mandatory overtime Monday – Friday, forty (40) hour members must notify the Captain of Station 22 of their willingness to work the day of the mandatory.
  - c) Members working a forty (40) hour week are exempt from mandatory.

**Q. PROBATIONARY FIREFIGHTERS:**

1. Probationary Firefighters are not permitted to work overtime until their sixth (6<sup>th</sup>) month anniversary and they have successfully completed their sixth (6<sup>th</sup>) month probation test as set forth by the Director of Training or designee. Unsuccessful completion of any probationary evaluation examination, an incomplete monthly assignment binder, or placement on special assignment for training shall subject a Probationary Firefighter to a loss of regular sworn overtime privileges.
2. Probationary Firefighters are subject to Recall.
3. Probationary Firefighters shall be placed into the overtime system in accordance to Section IV., J.

**R. SPECIAL DAYS:**

1. "Special Days" are days members will not get hours logged for working regular overtime sworn. Members will, however, get hours logged in the "Special Days" overtime bucket.
  - a) Special Days are: Fourth of July, Thanksgiving, Christmas Eve, Christmas Day, and New Year's Eve. Other "Special Days" may be granted in advance by the Deputy Chief of Field Operations Bureau.
2. It is the intent to minimize people being forced to work both Christmas Eve and Christmas Day. It is the intent to fill mandatory from those who do not have an assignment on Christmas Eve or Christmas Day.
3. If the "A" shift is working Christmas Eve and the "B" shift is working Christmas Day, then the "C" shift will receive mandatory OTS first for both days. If a member has received mandatory OTS for Christmas Eve they will be last picked for mandatory for Christmas Day (and vice versa based on members available).
4. The Captain of Station 22 along with at least one (1) TeleStaff Administrator, at the direction of the Deputy Chief of Field Operations Bureau, will make mandatory assignments for Christmas Eve and Christmas Day no later than one (1) week prior to December 24.

**S. HAZARDOUS MATERIALS TECHNICIANS:**

1. Station 3 staffing procedures will be as follows: To fill for vacancies, a minimum of six (6) HazMat members certified as either a Tech or Specialist, with one (1) of those six (6) members being an Officer will be required.
2. The sequence for filling HazMat positions is as follows:
  - a) Members working overtime (regular or mandatory), the fewest HazMat detail hours and the lowest seniority in rank.



- b) Members working regular duty, the fewest HazMat detail hours and the lowest seniority in rank.
- c) Members working trades, the fewest HazMat detail hours and the lowest seniority in rank.
- d) Mandatory a HazMat member.
- e) Recall a HazMat member.

If the HazMat positions still cannot be filled we will use the following:

- 1) Regular overtime sworn non-HazMat members.
- 2) Mandatory overtime sworn non-HazMat members.

**T. RESCUE TEAM (STATION 1):**

- 1. Station 1 staffing procedures will be as follows: To fill for vacancies, a minimum of six (6) Rescue Team certified members, with one (1) of those six (6) members being an Officer will be required.
- 2. The sequence for filling Rescue Team positions is as follows:
  - a) Members working overtime, the fewest Rescue Team detail hours and the lowest seniority in rank.
  - b) Members working regular duty, the fewest Rescue Team detail hours and the lowest seniority in rank.
  - c) Members working trades, the fewest Rescue Team detail hours and the lowest seniority in rank.
  - d) Mandatory a Rescue Team member.
  - e) Recall a Rescue Team member.

If the Rescue Team positions still cannot be filled, the following will be used:

- 1) Regular overtime sworn non-Rescue Team members.
- 2) Mandatory overtime sworn non-Rescue Team members.

**U. AIRCRAFT RESCUE FIREFIGHTERS (ARFF):**

- 1. ARFF certified members are the only members who can work at Station 22.
- 2. Only an ARFF certified Captain can be the Captain of Station 22. ARFF certified Lieutenants cannot work in the Captain's spot at Station 22.

3. There will be an ARFF Firefighter Stand-By every day, even if it is necessary to use mandatory overtime.
4. The following is the priority for filling ARFF vacancies:
  - a) Any ARFF qualified members available for overtime.
  - b) An ARFF certified promoted member who is signed up for lower rank ARFF Firefighter overtime position.
  - c) ARFF member working overtime away from Station 22 will be detailed to the ARFF vacancy.
  - d) ARFF member working regular duty will be detailed to the ARFF vacancy. Members will be selected in reverse seniority order and the lowest detail hours.
  - e) ARFF member working a trade (STW) will be detailed to Station 22.
  - f) Mandatory ARFF overtime.
  - g) Promoted ARFF member working regular duty away from Station 22, will be detailed to the ARFF Firefighter vacancy in reverse rank order and the lowest detail hours.

V. OFFICERS MANAGING OVERTIME:

1. Overtime will be tracked, managed and assigned by the Captain of Station 22, with assistance from other stations as necessary.
  - a) The Captain of Station 22, when needed, will send the assisting station(s) a list of members needing to be contacted for overtime assignments and the assignment location.
  - b) Members from the assisting station(s) will contact each member on the list, in list order, until all positions have been filled.
  - c) Members will report back to the Captain of Station 22 with the results.
2. Once overtime has been assigned, it will be the responsibility of the Captain at Station 22 to send an email to all stations listing the Stand-By assignments for the next day as soon as possible or before 1600 hours.
3. The format of the email will be set by the House Captain and be consistent across all three (3) shifts.
4. If the TeleStaff system goes down, Battalion Chiefs will fax to Station 22 the roll call sheet for the day to be filled.

5. The Officer managing overtime will be required to print a copy of the Stand-By lists for the next day.
6. All lists shall be kept on file as directed by Administration. The general guideline will be to keep records until the affected bucket is zeroed (0).
7. If the Officer managing overtime discovers that TeleStaff is not working properly either from software or hardware issues, they shall contact the TeleStaff Administrators via email at [FireTelestaffAdministrators@oaklandnet.com](mailto:FireTelestaffAdministrators@oaklandnet.com).
8. If a member refuses a mandatory Stand-By position or mandatory overtime position, the Overtime Officer will log the appropriate penalty hours on the member's calendar.
9. The Officer managing overtime will send an email to the TeleStaff Administrators and Battalion Chiefs with the names of any member who reports off sick or refuses an overtime assignment including Stand-Bys assignment. Battalion 3 will verify that proper penalties and codes have been placed on each member's calendar.
10. To resolve any overtime issues, it shall be the responsibility of the member and their Company Officer to review all TeleStaff Procedures, Overtime Policy and Procedures or Rules and Regulations pertaining to the issue of contention to clarify or resolve the issue before contacting the Captain of Station 22. ONLY the Company Officer shall contact the Captain of Station 22 to resolve any questions or disputes. Members failing to follow this procedure, including the Company Officer, will have twenty-four (24) hours added to their Regular Overtime Bucket.
  - a) Members who are not on-duty will need to go through the Officer working at their normally assigned station for the day to resolve any overtime issues. The Company Officer is expected to be able to answer most questions before calling the Captain of Station 22.
    - 1) Making yourself available for OTS after SCK, zSCK, FML and responding to an outbound from Station 22 are exceptions to the above rule.
11. Under normal daily operations, the Captain of Station 22 is only responsible for managing overtime that affects the current or next shift's overtime staffing needs. They are not responsible for overtime issues that are 2-7 days out from the current shift. If there is a TeleStaff issue that is within the 2-7 day window, contact a TeleStaff Administrator to resolve those issues. If an overtime issue involves the current or next shift's staffing needs, then contact the Captain of Station 22, after you have followed all the proper policies and procedures for contacting the Captain of Station 22.



**ATTACHMENT 7 - FIRE ACADEMY COSTING**

**COSTS FOR FIREFIGHTER TRAINEE ACADEMY**  
**1-2016 AT CURRENT SALARY (18 Weeks)**  
**22 FF TRAINEE**  
**12 FF PARAMEDIC TRAINEE**  
**34**

Jun 6, 2016 -  
 Oct 7, 2016

| Trainee (34) Personnel Costs                   | Weekly Salary | 18 Weeks   | PART TIME            | SALARY &                       |
|--|---------------|------------|----------------------|--------------------------------|
|  |               |            | BENEFITS RATE 34.93% | PART TIME BENEFITS RATE 34.93% |
| Fire Fighter Trainee (22) \$13.74 hr           | \$12,091      | 217,641.60 | 76,022.21            | \$293,664                      |
| Fire Fighter Paramedic Trainee (12) \$16.48 hr | 7,910         | 142,387.20 | 49,735.85            | 192,123                        |
| <b>TOTAL</b>                                   |               |            |                      | <b>\$485,787</b>               |

**Equipment Costs**

| Safety & Protective Clothing | Cost Per Item     | 34 FF/FFPM        | TOTAL             |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Masks (w/IHUD)               | \$400.44          | 13,614.96         | 13,614.96         |                   |
| Mask Bag                     | \$39.42           | 1,340.28          | 1,340.28          |                   |
| Structure Helmet             | \$315.00          | 10,710.00         | 10,710.00         |                   |
| Turnouts (2 sets)            | \$2,065.00        | 140,420.00        | 140,420.00        |                   |
| Structure Boots              | \$147.83          | 5,026.22          | 5,026.22          |                   |
| Flash Hood (2)               | \$33.00           | 2,244.00          | 2,244.00          |                   |
| Spanner                      | \$15.50           | 527.00            | 527.00            |                   |
| Webbing                      | \$5.00            | 170.00            | 170.00            |                   |
| Structure Gloves (2 sets)    | \$60.00           | 4,080.00          | 4,080.00          |                   |
| Wildland Jacket              | \$297.00          | 10,098.00         | 10,098.00         |                   |
| Wildland Pant                | \$195.00          | 6,630.00          | 6,630.00          |                   |
| Wildland Boots               | \$260.00          | 8,840.00          | 8,840.00          |                   |
| Wildland Gloves              | \$32.85           | 1,116.90          | 1,116.90          |                   |
| Wildland Helmet              | \$52.61           | 1,788.74          | 1,788.74          |                   |
| Wildland Backpack            | \$293.00          | 9,962.00          | 9,962.00          |                   |
| Wildland Canteen             | \$5.60            | 190.40            | 190.40            |                   |
| Wildland Shelter             | \$355.00          | 12,070.00         | 12,070.00         |                   |
| Wildland Helmet Lantern      | \$36.23           | 1,231.82          | 1,231.82          |                   |
| Wildland Goggles             | \$25.00           | 850.00            | 850.00            |                   |
| BDU's                        | \$100.00          | 3,400.00          | 3,400.00          |                   |
| Name Tag                     | \$15.00           | 510.00            | 510.00            |                   |
| Station Boots                | \$132.00          | 4,488.00          | 4,488.00          |                   |
| Helmet Shield                | \$45.00           | 1,530.00          | 1,530.00          |                   |
| Binders                      | \$6.00            | 204.00            | 204.00            |                   |
| Books                        | \$45.00           | 1,530.00          | 1,530.00          |                   |
| <b>Total Equipment Costs</b> | <b>\$4,976.48</b> | <b>242,572.32</b> | <b>242,572.32</b> | <b>242,572.32</b> |

**ATTACHMENT 7 - FIRE ACADEMY COSTING**

**CADRE**

| <b>Cadre (7) Personnel Costs</b>                   | <b>Annual Salary</b> | <b>FTE</b>  | <b>Cadre</b>      | <b>TOTAL</b>     |
|--|----------------------|-------------|-------------------|------------------|
| 1 Lieutenant of Fire 5% Premium Pay (21 Weeks)     | 127,303              | -           | 2,570.55          | 2,571            |
| 1 Lieutenant of Fire Backfill (21 Weeks)           | 127,303              | 1.00        | 77,116.43         | 77,116           |
| 1 Lieutenant of Fire 5% Premium Pay (20 Weeks)     | 127,303              | -           | 2,448.14          | 2,448            |
| 1 Lieutenant of Fire Backfill (20 Weeks)           | 127,303              | 1.00        | 73,444.22         | 73,444           |
| 1 Lieutenant of Fire 5% Premium Pay (19 Weeks)     | 127,303              | -           | 2,325.73          | 2,326            |
| 1 Lieutenant of Fire Backfill (19 Weeks)           | 127,303              | 1.00        | 69,772.01         | 69,772           |
| 1 Engineer of Fire 5% Premium Pay (20 Weeks)       | 118,991              | -           | 2,288.28          | 2,288            |
| 1 Engineer of Fire Backfill (20 Weeks)             | 118,991              | 1.00        | 68,648.40         | 68,648           |
| 1 Fire Fighter Paramedic 5% Premium Pay (19 Weeks) | 120,202              | -           | 2,195.99          | 2,196            |
| 1 Fire Fighter Paramedic Backfill (19 Weeks)       | 120,202              | 1.00        | 65,879.72         | 65,880           |
| 1 Fire Fighter 5% Premium Pay (20 Weeks)           | 109,282              | -           | 2,101.58          | 2,102            |
| 1 Fire Fighter Backfill (20 Weeks)                 | 109,282              | 1.00        | 63,047.42         | 63,047           |
| 1 Fire Fighter 5% Premium Pay (19 Weeks)           | 109,282              | -           | 1,996.50          | 1,997            |
| 1 Fire Fighter Backfill ( 19 Weeks)                | 109,282              | 1.00        | 59,895.05         | 59,895           |
| <b>TOTAL</b>                                       |                      | <b>7.00</b> | <b>493,730.04</b> | <b>\$493,730</b> |

**Summary:**

|   |                           |
|---|---------------------------|
| Personnel Costs (Trainee Salary & Fringe Benefit) | \$485,787                 |
| Safety & Protective Clothing Costs                | 242,572                   |
| Cadre 5% Staff Assignment Pay & Backfill Costs    | 493,730                   |
| <b>Grand Total</b>                                | <b><u>\$1,222,089</u></b> |

11/18/2016

**ATTACHMENT 7 - FIRE ACADEMY COSTING**

**COSTS FOR FIREFIGHTER TRAINEE ACADEMY  
2-2016 AT CURRENT SALARY (18 Weeks)  
29 FF TRAINEE  
9 FF PARAMEDIC TRAINEE**

Dec 19, 2016 -  
Apr 21, 2017

**38**

| Trainee (38) Personnel Costs                  | Weekly Salary | 18 Weeks   | PART TIME            | SALARY &                       |
|---|---------------|------------|----------------------|--------------------------------|
|   |               |            | BENEFITS RATE 34.93% | PART TIME BENEFITS RATE 34.93% |
| Fire Fighter Trainee (29) \$14.01 hr          | \$16,252      | 292,528.80 | 102,180.31           | \$394,709                      |
| Fire Fighter Paramedic Trainee (9) \$16.81 hr | 6,052         | 108,928.80 | 38,048.83            | 146,978                        |
| <b>TOTAL</b>                                  |               |            |                      | <b>\$541,687</b>               |

| Safety & Protective Clothing Equipment Costs | Cost Per Item     | 38 FF/FFPM          | TOTAL               |
|--|-------------------|---------------------|---------------------|
| Masks (w/IHUD)                               | \$400.44          | 15,216.72           | 15,216.72           |
| Mask Bag                                     | \$39.42           | 1,497.96            | 1,497.96            |
| Structure Helmet                             | \$315.00          | 11,970.00           | 11,970.00           |
| Turnouts (2 sets)                            | \$2,065.00        | 156,940.00          | 156,940.00          |
| Structure Boots                              | \$147.83          | 5,617.54            | 5,617.54            |
| Flash Hood (2)                               | \$33.00           | 2,508.00            | 2,508.00            |
| Spanner                                      | \$15.50           | 589.00              | 589.00              |
| Webbing                                      | \$5.00            | 190.00              | 190.00              |
| Structure Gloves (2 sets)                    | \$60.00           | 4,560.00            | 4,560.00            |
| Wildland Jacket                              | \$297.00          | 11,286.00           | 11,286.00           |
| Wildland Pant                                | \$195.00          | 7,410.00            | 7,410.00            |
| Wildland Boots                               | \$260.00          | 9,880.00            | 9,880.00            |
| Wildland Gloves                              | \$32.85           | 1,248.30            | 1,248.30            |
| Wildland Helmet                              | \$52.61           | 1,999.18            | 1,999.18            |
| Wildland Backpack                            | \$293.00          | 11,134.00           | 11,134.00           |
| Wildland Canteen                             | \$5.60            | 212.80              | 212.80              |
| Wildland Shelter                             | \$355.00          | 13,490.00           | 13,490.00           |
| Wildland Helmet Lantern                      | \$36.23           | 1,376.74            | 1,376.74            |
| Wildland Goggles                             | \$25.00           | 950.00              | 950.00              |
| BDU's  | \$100.00          | 3,800.00            | 3,800.00            |
| Name Tag                                     | \$15.00           | 570.00              | 570.00              |
| Station Boots                                | \$132.00          | 5,016.00            | 5,016.00            |
| Helmet Shield                                | \$45.00           | 1,710.00            | 1,710.00            |
| Binders                                      | \$6.00            | 228.00              | 228.00              |
| Books  | \$45.00           | 1,710.00            | 1,710.00            |
| <b>Total Equipment Costs</b>                 | <b>\$4,976.48</b> | <b>\$271,110.24</b> | <b>\$271,110.24</b> |

**CADRE**

| Cadre (7) Personnel Costs                          | Annual Salary | FTE         | Cadre             | TOTAL          |
|--|---------------|-------------|-------------------|----------------|
| 1 Lieutenant of Fire 5% Premium Pay (21 Weeks)     | 127,303       | -           | 2,570.55          | 2,571          |
| 1 Lieutenant of Fire Backfill (21 Weeks)           | 127,303       | 1.00        | 77,116.43         | 77,116         |
| 3 Lieutenant of Fire 5% Premium Pay (20 Weeks)     | 127,303       | -           | 7,344.42          | 7,344          |
| 3 Lieutenant of Fire Backfill (20 Weeks)           | 127,303       | 3.00        | 220,332.67        | 220,333        |
| 1 Engineer of Fire 5% Premium Pay (20 Weeks)       | 118,991       | -           | 2,288.28          | 2,288          |
| 1 Engineer of Fire Backfill (20 Weeks)             | 118,991       | 1.00        | 68,648.40         | 68,648         |
| 2 Fire Fighter Paramedic 5% Premium Pay (20 Weeks) | 120,202       | -           | 4,623.14          | 4,623          |
| 2 Fire Fighter Paramedic Backfill (20 Weeks)       | 120,202       | 2.00        | 138,694.15        | 138,694        |
| <b>TOTAL</b>                                       |               | <b>7.00</b> | <b>521,618.05</b> | <b>521,618</b> |

**Summary:**

|   |           |
|---|-----------|
| Personnel Costs (Trainee Salary & Fringe Benefit) | \$541,687 |
| Safety & Protective Clothing Costs                | 271,110   |

**ATTACHMENT 7 - FIRE ACADEMY COSTING**

Cadre 5% Staff Assignment Pay & Backfill Costs

521,618

**Grand Total**

**\$1,334,415**

11/18/2016



**ATTACHMENT 7 - FIRE ACADEMY COSTING**

**COSTS FOR FIRE FIGHTER TRAINEE ACADEMY**

**2-2018 (18 Weeks)\***

**16 FF TRAINEE**

**4 FF PARAMEDIC TRAINEE**

| Personnel Costs                    | ACADEMY SALARY PER TRAINEE | 18 Week Academy Salary For All Trainees | PART TIME FRINGE BENEFIT RATE 32.44% | SALARY & PART TIME FRINGE BENEFIT RATE |
|------------------------------------|----------------------------|---|--------------------------------------|--|
| Fire Fighter Trainee (16)          | \$9,893                    | \$158,284.80                            | \$51,348                             | \$209,632                              |
| Fire Fighter Paramedic Trainee (4) | 12,348                     | 49,392                                  | 16,023                               | 65,415                                 |
| <b>TOTAL</b>                       |                            |   |                                      | <b>\$275,047.15</b>                    |

**Equipment Costs**

| Safety & Protective Clothing    | Cost Per Item  | 16 FFT/ 4 FFPMT  | TOTAL               |                 |
|---------------------------------|----------------|------------------|---------------------|-----------------|
| Cairns 880 Helmet               | \$200          | \$4,000          | \$4,000             |                 |
| Coat*                           | 2,050          | \$82,000         | 82,000              | *two items each |
| Pants*                          | 1,330          | \$53,200         | 53,200              | *two items each |
| Boots                           | 285            | \$5,700          | 5,700               |                 |
| Pro-Tech 8 Fusion Glove         | 55             | \$1,100          | 1,100               |                 |
| Fire Hood*                      | 60             | \$2,400          | 2,400               | *two items each |
| Facepiece w/iHUD                | 545            | \$10,890         | 10,890              |                 |
| Headlamp                        | 48             | \$958            | 958                 |                 |
| Wildland PPE (jacket and pants) | 351            | \$7,020          | 7,020               |                 |
| Wildland Boots                  | 207            | \$4,140          | 4,140               |                 |
| Fire Shelter                    | 242            | \$4,849          | 4,849               |                 |
| Harness                         | 96             | \$1,920          | 1,920               |                 |
| Day Pak                         | 115            | \$2,300          | 2,300               |                 |
| <b>SUBTOTAL</b>                 | 5,584          | 180,477          | 180,477             |                 |
| Estimated 9.25% Sales Tax       | 517            | 16,694           | 16,694              |                 |
| <b>TOTAL</b>                    | <b>\$6,100</b> | <b>\$197,171</b> | <b>\$197,171.34</b> |                 |

**CADRE**

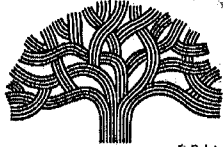
| Personnel Costs                              | Annual Salary | FTE       | Cadre            | TOTAL               |
|--|---------------|-----------|------------------|---------------------|
| Lieutenant of Fire 5% Premium Pay (21 Weeks) | 127,303       | 5         | 12,853           | 12,853              |
| Lieutenant of Fire Backfill (21 Weeks)       | 127,303       | 5         | 385,582          | 385,582             |
| <b>TOTAL</b>                                 |               | <b>10</b> | <b>\$398,435</b> | <b>\$398,434.91</b> |

**Summary:**

|                    |                          |
|--------------------|--------------------------|
| Trainees           | \$275,047.15             |
| Equipment          | 197,171.34               |
| Cadre              | 398,434.91               |
| <b>Grand Total</b> | <b><u>870,653.41</u></b> |

costing as of 9/15/17 (at 2017 minimum wage rates, employee wages without COLAs, 2017 PPE costs)

\*It should be noted this class size would keep up with current attrition rates but would not further fill sworn vacant positions above current levels.



CITY OF OAKLAND FEB 15 PM 5:12

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Finance Department

**SUBJECT:** Negative Fund Repayment Plan and  
Recommendations

**DATE:** February 5, 2018

City Administrator Approval

Date:

2/15/18

## RECOMMENDATION

**Staff Recommends That City Council Adopt A Resolution Authorizing The City Administrator To (1) Remove Or Reallocate Appropriations In Specified Funds With Negative Fund Balances And No Sources Of Revenue; (2) Revise The Existing Repayment Schedule To Add 10 Year Repayment Plans For Specified Funds With Negative Fund Balances As Part Of The FY 2019-21 Proposed Policy Budget.**

## EXECUTIVE SUMMARY

At the November 14, 2017 Finance and Management Committee meeting (FMC) the Finance Department presented the report on the Status of Negative Funds Citywide that recommended staff bring requested action during the FY 2017-18 Second Quarter Revenue and Expenditure Report to do one or more of the following:

1. Eliminate all appropriations in negative funds with no source of revenue or move to alternative funding sources where appropriate.
2. Create formal repayments plans for those funds that are informally paying down negative balances.
3. Identify one-time revenues that can be used to pay down the negative balances in those funds that have no sources of revenue.

This report discusses funds in the two categories that are non-reimbursable: Negative Funds on Repayment and Negative Funds Requiring One-time Revenues, and provides specific recommended actions to reduce the existing negative balances. Council approval of this Resolution would reduce previously appropriated project funds in the Municipal Capital Improvement Fund (5500) and the Capital Reserves Fund (5510) shown in Table 5.

## BACKGROUND / LEGISLATIVE HISTORY

Council Ordinance No. 12946 C.M.S. was passed on July 9, 2009 to amend the reserve policy to establish criteria for the use of excess Real Estate Transfer Tax (RETT) revenues and one-time revenues. As one-time revenues are received by the City (e.g., sales of property or

Item: \_\_\_\_\_  
Finance and Management Committee  
February 27, 2018

proceeds from the refinancing of debt), 50 percent of these revenues (unless legally restricted to other purposes) will be used to pay off negatives in the Internal Service Funds, and 50 percent will be used to pay off negatives in all other funds.

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). The City's Consolidated Fiscal Policy is available in its entirety on the City's website.

The FY 2015-17 Adopted Policy Budget allocated additional one-time repayments to the Facilities Fund (4400) negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduced the on-going repayments from the General Purpose Fund.

The FY 2017-19 Proposed Policy Budget allocates an additional one-time payment to the Facilities Fund (4400) of over \$8.0 million to effectively eliminate the remaining negative balance.

The City's All Funds estimated balance of negative funds is (\$72.57) million as of June 30, 2017, compared to (\$138.77) in FY 2009-10, the net of which is a total repayment to date of \$66.21 million (Table 1).

**Table 1: Negative Fund Summary – FY 2010 to FY 2017**

| Negative Fund Category                                    | Audited Ending Fund Balance FY 2009-10 | Audited Ending Fund Balance FY 2016-17 | TOTAL Repayment Amount |
|---|--|--|------------------------|
| 1. Negative Funds with Repayment Plan                     | (98,175,474)                           | (26,896,244)                           | 71,279,230             |
| 2. Reimbursable Negative Funds                            | (23,055,796)                           | (30,988,181)                           | (7,932,385)            |
| 3. Non-Reimbursable Negative Funds without Repayment Plan | (17,542,656)                           | (14,681,332)                           | 2,861,324              |
| <b>Total Negative Funds</b>                               | <b>(138,773,926)</b>                   | <b>(72,565,757)</b>                    | <b>\$ 66,208,169</b>   |

The three categories of negative funds are defined as follows:

1. Negative Funds on Repayment – Funds in this category have on-going sources of revenue and are on both formal and informal repayment plans.
2. Reimbursable Negative Funds – These funds do not require a repayment plan since they are intended to incur costs that are subsequently reimbursed.
3. Negative Funds Requiring One-time Revenues – Funds that have no sources of funding and therefore cannot be placed on a repayment plan. **Some of these funds have current appropriations obligated against the negative fund balance.**

Negative fund balances accumulate largely due to operating expenses that outpace ongoing revenues and ultimately become the responsibility of the GPF if corrective action is not taken. In some cases, funds have appropriations that do not have cash to support them.

**ANALYSIS AND POLICY ALTERNATIVES**

Several negative funds were placed on formal repayment plans through the FY 2005-07 and FY 2009-11 Adopted Policy Budgets. Additionally, others have been on informal payments plans through either underspending or the allocation of additional revenue to offset the negative balance. Although the City has a proactive plan in place for most negative funds, a continued contributing factor to the increasing deficit balances is the accumulation of negative interest.

The table below provides the projected ending fund balance for those funds in two non-reimbursable categories. It is projected, based on the FY 2017-18 Second Quarter results, that three of the funds (1700, 1750 and 4400) on repayment schedules will no longer have negative balances at the end of FY 2018-19.

| Fund | Fund Description | Fund Balance<br>(06/30/2017) | FY 2017-19<br>Scheduled<br>Repayment | FY 2017-18<br>Q2<br>Projected Net<br>Incr / (Decr) | Estimated<br>Ending Fund<br>Balance<br>(06/30/2019) |
|------|------------------|------------------------------|--------------------------------------|--|---|
|------|------------------|------------------------------|--------------------------------------|--|---|

**Negative Funds with Repayment Schedules:**

|                 |  |                     |                   |                  |                    |
|-----------------|--|---------------------|-------------------|------------------|--------------------|
| 1100            | Self Insurance Liability                   | (9,565,890)         | 4,703,294         | 990,378          | (3,872,218)        |
| 1700            | Mandatory Refuse Program                   | (1,347,158)         | 2,466,748         | -                | 1,119,590          |
| 1750            | Multipurpose Reserve                       | (577,529)           | 593,344           | 1,028,691        | 1,044,506          |
| 2310            | Lighting and Landscape Assessment District | (664,762)           | 164,502           | (156,190)        | (656,450)          |
| 4300            | Reproduction*                              | (1,662,863)         | -                 | (17,863)         | (1,680,727)        |
| 4400            | City Facilities*                           | (8,274,318)         | 8,450,000         | 3,786,085        | 3,961,768          |
| 4500            | Central Stores*                            | (4,231,811)         | -                 | (40,467)         | (4,272,278)        |
| 4550            | Purchasing*                                | (571,912)           | -                 | (5,686)          | (577,598)          |
| <b>SUBTOTAL</b> |  | <b>(26,896,244)</b> | <b>16,377,888</b> | <b>5,584,948</b> | <b>(4,933,408)</b> |

**Non-Reimbursable Negative Funds without Repayment Plan:**

|                 |                                     |                     |          |                  |                     |
|-----------------|-------------------------------------|---------------------|----------|------------------|---------------------|
| 1600            | Underground District Revolving Fund | (979,283)           | -        | (9,287)          | (988,570)           |
| 2992            | Parks and Recreation Grants         | (2,587,228)         | -        | (24,535)         | (2,611,764)         |
| 5012            | JPFA Admin Building: Series 1996    | (1,637,379)         | -        | (15,528)         | (1,652,907)         |
| 5500            | Municipal Capital Improvement       | (5,494,985)         | -        | (52,111)         | (5,547,096)         |
| 5510            | Capital Reserves                    | (769,989)           | -        | (2,766)          | (772,755)           |
| 5999            | Miscellaneous Capital Projects      | (3,197,490)         | -        | (29,693)         | (3,227,183)         |
| <b>SUBTOTAL</b> |                                     | <b>(14,666,354)</b> | <b>-</b> | <b>(133,920)</b> | <b>(14,800,274)</b> |

|                             |  |                     |                   |                  |                     |
|-----------------------------|--|---------------------|-------------------|------------------|---------------------|
| <b>Total Negative Funds</b> |  | <b>(41,562,598)</b> | <b>16,377,888</b> | <b>5,451,028</b> | <b>(19,733,682)</b> |
|-----------------------------|--|---------------------|-------------------|------------------|---------------------|

\* Reported as Cash Balance as of June 30 of each fiscal year

**Negative Funds on Repayment Recommendation:** Staff recommends that Council formally adopt a revised repayment schedule during the FY 2019-21 Adopted Policy Budget. Repayments will be based on structured transfers from the General Purpose Fund or reductions in costs where appropriate. Internal Service Fund repayment schedules will be based on reductions in costs and gradually increasing rates charged to other "using" funds. The revised repayment schedule will span a 10 year period.

- **Negative Internal Services Funds (ISFs):** Several of the City's ISFs have grown negative fund balances because of historically under-collected reimbursements and accumulating negative interest allocations. Repayment schedules for several of these negative funds were established and followed for the past 10 years paying back approximately \$34.45 million. The current ISFs that require repayment are shown in Table 2.

**Table 2: Internal Service Funds – FY 2018-19 Projected Ending Fund Balance**

| Fund         | Fund Description | Fund Balance<br>(06/30/2017) | FY 2017-18<br>Q2<br>Projected Net<br>Incr./ (Decr) | Estimated<br>Ending Fund<br>Balance<br>(06/30/2019) | Source of Funds   | Use of Funds  |
|--------------|------------------|------------------------------|--|---|---|---|
| 4300         | Reproduction*    | (1,662,863)                  | (17,863)   | (1,680,727)   | Reproduction equipment rental and services charges to operating departments | Maintenance and replacement of City reproduction equipment                          |
| 4500         | Central Stores*  | (4,231,811)                  | (40,467)   | (4,272,278)   | Reimbursements from departments   | Supplies, materials and equipment for City operations                               |
| 4550         | Purchasing*      | (571,912)                    | (5,686)  | (577,598)   | Purchasing charges to operating departments                                 | Staffing, operations and maintenance for Purchasing unit of the Controllers' Bureau |
| <b>Total</b> |                  | <b>(6,466,586)</b>           | <b>(64,016)</b>                                    | <b>(6,530,603)</b>                                  |   |   |

\* Reported as Pre-Audited Cash Balance as of June 30 of each fiscal year

**Negative Funds Requiring One-time Revenues Recommendation:** Staff recommends that Council formally adopt a revised repayment schedule during the FY 2019-21 Adopted Policy Budget. Repayments will be based on structured transfers from the General Purpose Fund as these funds have no source of revenue (Table 3) . These funds are categorized as Active and Inactive as defined below.

- **Inactive Funds:** These funds have **no revenue source** unless they receive a one-time infusion from General Purpose Fund. They have no activity other than the allocation of negative interest which further increases the liability to the GPF.

**Table 3: Inactive Funds – FY 2018-19 Projected Ending Fund Balance**

| Fund         | Fund Description                    | Fund Balance (06/30/2017) | FY 2017-18 Q2 Projected Net Incr / (Decr) | Estimated Ending Fund Balance (06/30/2019) | Source of Funds   | Use of Funds  |
|--------------|-------------------------------------|---------------------------|---|--|---|---|
| 1600         | Underground District Revolving Fund | (979,283)                 | (9,287)                                   | (988,570)                                  | Repayments from homeowners.   | Undergrounding of homeowner connections to telephone, electricity and cable; usually in concert with street light undergrounding. |
| 2992         | Parks and Recreation Grants         | (2,587,228)               | (24,535)                                  | (2,611,764)                                | Proceeds of bonds authorized by Measure A and other grants                          | Park and open space acquisition, capital improvement projects and programs; Year-Round Lunch Program                              |
| 5012         | JPFA Admin Building: Series 1996    | (1,637,379)               | (15,528)                                  | (1,652,907)                                | Bond proceeds   | Design, construction, rehabilitation, and equipping of two buildings that are part of the administrative center                   |
| 5999         | Miscellaneous Capital Projects      | (3,197,490)               | (29,693)                                  | (3,227,183)                                | One-time revenues, mainly from bond refinancing / restructuring and financing deals | Capital Projects  |
| <b>Total</b> |                                     | <b>(8,401,380)</b>        | <b>(79,043)</b>                           | <b>(8,480,423)</b>                         |   |   |

- **Active Funds:** These funds have either **no revenue or a static source of revenue, and have current appropriations and activity** including the allocation of negative interest which further increases the liability to the GPF (Table 4). Table 5 provides a list of projects in these funds that had carryforward appropriations as of June 30, 2017.

**Table 4: Active Funds – FY 2018-19 Projected Ending Fund Balance**

| Fund         | Fund Description                           | Fund Balance (06/30/2017) | FY 2017-18 Q2 Projected Net Incr / (Decr) | Estimated Ending Fund Balance (06/30/2019) | Source of Funds   | Use of Funds   |
|--------------|--|---------------------------|---|--|---|--|
| 2310         | Lighting and Landscape Assessment District | (664,762)                 | 8,312                                     | (656,450)                                  | Landscape & Lighting Assessments (assessed on property tax bills)                   | Operation, construction, maintenance, repair of street lighting, landscaping, and related activities |
| 5500         | Municipal Capital Improvement              | (5,494,985)               | (52,111)                                  | (5,547,096)                                | Bond proceeds   | Construction, purchase, lease, or improvements of City capital assets                                |
| 5510         | Capital Reserves                           | (769,989)                 | (2,766)                                   | (772,755)                                  | One-time revenues, mainly from bond refinancing / restructuring and financing deals | Capital projects   |
| <b>Total</b> |  | <b>(6,929,736)</b>        | <b>(46,565)</b>                           | <b>(6,976,302)</b>                         |   |  |

Staff recommends removing current appropriations from the Municipal Capital Reserve and the Capital Reserve Funds to prevent causing further expenditures which would increase the negative balances (Table 5).

**Table 5: Current Appropriations in Active Funds as of June 30, 2017**

**5500 - Municipal Capital Improvement**

| PROJECT           | DESCRIPTION                    | AMOUNT           |
|-------------------|--------------------------------|------------------|
| 1000023           | DPCIP Administrative Project   | 643              |
| 1000475           | DISTRCT SIX PA-B010 B01020     | 13,461           |
| 1000928           | PAYGO D1 GG LIBRARY            | 1,510            |
| 1001029           | PAYGO D1 LINDEN PARK           | 333              |
| 1001641           | PAYGO D5 - FAIRYLAND SIGN      | 25,828           |
| B01000            | District Six Pay-Go Projects   | 268              |
| B273040           | DISTRICT 1 - PAY-GO            | 38,978           |
| B273150           | DISTRICT 2 - PAY-GO            | 678,099          |
| B273230           | DISTRICT 3 - PAY-GO            | 32,917           |
| B273320           | DISTRICT 4 - PAY-GO            | 276,793          |
| B273430           | DISTRICT 5 - PAY-GO            | 496,902          |
| B273530           | DISTRICT 6 - PAY-GO            | 571,104          |
| B273620           | DISTRICT 7 - PAY-GO            | 394,015          |
| B273720           | AT LARGE - PAY-GO              | 50,964           |
| C198620           | PERMIT & CODE ENFORC TRACK SYS | 224,877          |
| C59050            | LERTING & WARNING SYSTEM-MEA   | 7,848            |
| <b>5500 TOTAL</b> |                                | <b>2,814,539</b> |

**5510 - Capital Reserves**

| PROJECT           | DESCRIPTION                    | AMOUNT           |
|-------------------|--------------------------------|------------------|
| 1000437           | IBM MASTER LEASE C468130       | 95,124           |
| 1000450           | IT LIC-SOFTWARE-911 II C468113 | 1,000,000        |
| 1000551           | UPS MAIN PS SITES C453710      | 74,242           |
| 1000930           | PAYGO 3 WEST OAK YOUTH CTR     | 7,754            |
| 1000931           | PAYGO 6 AV RECORDING STUDIO    | 7,344            |
| 1001140           | IT LIC-SOFTWARE-911 I C468112  | 43,520           |
| 1001174           | DISTRICT 1 PAY-GO 5510         | 1,010            |
| 1001403           | MOTOROLAIPSS SUP-MAINT C234620 | 315,373          |
| 1001469           | PAYGO CHINESE GRDN IMPRVMENTS  | 31,511           |
| 1003326           | CLINTON PK BLDG ADA IMPR       | 2,904            |
| B273040           | DISTRICT 1 - PAY-GO            | 37,413           |
| B273150           | DISTRICT 2 - PAY-GO            | 118,483          |
| B273230           | DISTRICT 3 - PAY-GO            | 40,466           |
| B273320           | DISTRICT 4 - PAY-GO            | 10,996           |
| B273430           | DISTRICT 5 - PAY-GO            | 164,917          |
| B273530           | DISTRICT 6 - PAY-GO            | 53,317           |
| B273620           | DISTRICT 7 - PAY-GO            | 25,001           |
| C274310           | ADA ACCOMMODATIONS             | 163              |
| C296420           | CITYWIDE ROOF REPAIRS FY08-09  | 5,500            |
| <b>5510 TOTAL</b> |                                | <b>2,035,040</b> |

**FISCAL IMPACT**

As stated earlier, negative funds are ultimately the responsibility of the General Purpose Fund. As fund balances continue to accumulated negative interest the liability continues to grow there is a direct impact to the GPF. Additionally, any funds with appropriations and no source of revenue will grow further negative and will impact the GPF.

### **Action/Recommendation**

To mitigate the impact to the General Fund, staff recommends doing one or more of the following:

1. Eliminate all appropriations shown in Table 5; as alternative funding sources become available, restore the appropriations in those alternative funds.
2. Create formal repayments plans for those funds that are informally paying down negative balances during the FY 2019-21 budget development process.
3. Utilize the Long Term Obligations set-aside (outlined in the Consolidated Fiscal Policy) to pay down negative balances; Identify any additional one-time revenues that can be used to pay down the negative balances.

### **PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

### **COORDINATION**

This report has been reviewed in coordination with the Budget Bureau and Controller's Bureau in the Finance Department and the City Attorney's Office.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** No direct economic opportunities have been identified.

**Environmental:** No direct environmental impacts have been identified.

**Social Equity:** No social equity opportunities have been identified.

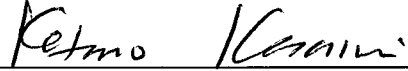
### **ACTION REQUESTED OF CITY COUNCIL**

Staff recommends that City Council adopt a resolution authorizing the City Administrator to (1) remove or reallocate appropriations in specified funds with negative fund balances and no sources of revenue; (2) revise the existing Repayment Schedule to add 10-year Repayment Plans for specified funds with negative fund balances as part of the FY 2019-21 Proposed Policy Budget.



For questions regarding this report, please contact Kirsten LaCasse, Controller, at 238-6776.

Respectfully submitted,



KATANO KASAINÉ  
Finance Director, Finance Department

Prepared by:  
Kirsten LaCasse, Controller  
Controller's Bureau



2018 FEB 15 PM 5:12 RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**STAFF RECOMMENDS THAT CITY COUNCIL ADOPT A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO (1) REMOVE OR REALLOCATE APPROPRIATIONS IN SPECIFIED FUNDS WITH NEGATIVE FUND BALANCES AND NO SOURCES OF REVENUE; (2) REVISE THE EXISTING REPAYMENT SCHEDULE TO ADD 10 YEAR REPAYMENT PLANS FOR SPECIFIED FUNDS WITH NEGATIVE FUND BALANCES AS PART OF THE FY 2019-21 PROPOSED POLICY BUDGET.**

**WHEREAS**, Council Ordinance No. 12946 C.M.S. was passed on July 9, 2009 to amend the reserve policy to establish criteria for the use of excess Real Estate Transfer Tax (RETT) revenues and one-time revenues. As one-time revenues are received by the City (e.g., sales of property or proceeds from the refinancing of debt), 50 percent of these revenues (unless legally restricted to other purposes) will be used to pay off negatives in the Internal Service Funds, and 50 percent will be used to pay off negatives in all other funds.; and

**WHEREAS**, on December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax).; and

**WHEREAS**, the FY 2015-17 Adopted Policy Budget allocated additional one-time repayments to the Facilities Fund (4400) negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduced the on-going repayments from the General Purpose Fund. ; and

**WHEREAS**, the FY 2017-19 Proposed Policy Budget allocates an additional one-time payment to the Facilities Fund (4400) of over \$8.0 million to effectively eliminate the remaining negative balance; and

**WHEREAS**, the City's All Funds audited balance of negative funds was (\$72.57) million as of June 30, 2017; now, therefore be it

**RESOLVED**, that the City Council authorizes the City Administrator to eliminate all appropriations balances in the Municipal Capital Improvement Fund (5500) in the amount of up to \$2.81 million; as alternative funding sources become available, restore the appropriations in those alternative funds; and be it

**FURTHER RESOLVED**, the City Council authorizes the City Administrator to eliminate all appropriations balances in the Capital Fund (5510) in the amount of up to \$2.04 million; as alternative funding sources become available, restore the appropriations in those alternative funds; and be it

**FURTHER RESOLVED**, that the City Council authorizes the City Administrator to identify one-time sources of revenue to pay down negative funds balances from sources including, but not limited to, the Long Term Obligations set-aside as defined in, and in accordance with the City's Consolidated Fiscal Policy; and be it

**FURTHER RESOLVED**, that the City Administrator will present a revised Repayment Schedule as part of the FY 2019-21 budget development process for the following funds:

Underground District Revolving Fund (1600)  
Mandatory Refuse Collection (1700)  
Multi-Purpose Reserve (1750)  
Parks and Recreation Grants (2992)  
Reproduction (4300)  
City Facilities (4400)  
Central Stores (4500)  
Purchasing Fund (4550)  
JPFA Admin Building: Series 1996 (5012)  
Municipal Capital Improvement (5500)  
Capital Reserves (5510)  
Miscellaneous Capital Projects (5999)

**FURTHER RESOLVED**, that this resolution shall be effective immediately upon passage by the City Council.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California



City Attorney

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

## OAKLAND CITY COUNCIL

2018 MAR -8 PM 3:59  
RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO (1) REMOVE OR REALLOCATE APPROPRIATIONS IN SPECIFIED FUNDS WITH NEGATIVE FUND BALANCES AND NO SOURCES OF REVENUE; (2) REVISE THE EXISTING REPAYMENT SCHEDULE TO ADD 10 YEAR REPAYMENT PLANS FOR SPECIFIED FUNDS WITH NEGATIVE FUND BALANCES AS PART OF THE FY 2019-21 PROPOSED POLICY BUDGET.**

**WHEREAS**, Council Ordinance No. 12946 C.M.S. was passed on July 9, 2009 to amend the reserve policy to establish criteria for the use of excess Real Estate Transfer Tax (RETT) revenues and one-time revenues. As one-time revenues are received by the City (e.g., sales of property or proceeds from the refinancing of debt), 50 percent of these revenues (unless legally restricted to other purposes) will be used to pay off negatives in the Internal Service Funds, and 50 percent will be used to pay off negatives in all other funds.; and

**WHEREAS**, on December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax).; and

**WHEREAS**, the FY 2015-17 Adopted Policy Budget allocated additional one-time repayments to the Facilities Fund (4400) negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduced the on-going repayments from the General Purpose Fund. ; and

**WHEREAS**, the FY 2017-19 Proposed Policy Budget allocates an additional one-time payment to the Facilities Fund (4400) of over \$8.0 million to effectively eliminate the remaining negative balance; and

**WHEREAS**, the City's All Funds audited balance of negative funds was (\$72.57) million as of June 30, 2017; now, therefore be it

**RESOLVED**, that the City Council authorizes the City Administrator to eliminate all appropriations balances in the Municipal Capital Improvement Fund (5500) in the amount of up to \$2.81 million; as alternative funding sources become available, restore the appropriations in those alternative funds; and be it

**FURTHER RESOLVED**, the City Council authorizes the City Administrator to eliminate all appropriations balances in the Capital Fund (5510) in the amount of up to \$2.04 million; as alternative funding sources become available, restore the appropriations in those alternative funds; and be it

**FURTHER RESOLVED**, that the City Council authorizes the City Administrator to identify one-time sources of revenue to pay down negative funds balances from sources including, but not limited to, the Long Term Obligations set-aside as defined in, and in accordance with the City's Consolidated Fiscal Policy; and be it

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Purchasing Fund (4550)  
JPFA Admin Building: Series 1996 (5012)  
Municipal Capital Improvement (5500)  
Capital Reserves (5510)  
Miscellaneous Capital Projects (5999)

**FURTHER RESOLVED**, that this resolution shall be effective immediately upon passage by the City Council.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**VIA MESSENGER**

January 16, 2018

Office of the Attorney General  
1300 "I" Street  
Sacramento, CA 95814

**RECEIVED**

**JAN 22 2018**

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

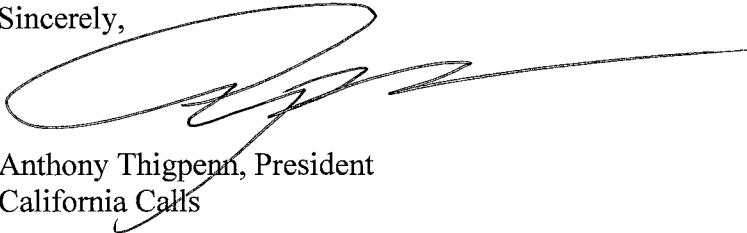
Attention: Ashley Johansson, Initiative Coordinator

Re: Submission of Amendment to The California Schools and Local Communities Funding Act of 2018, No. 17-0055, and Request to Prepare Circulating Title and Summary

Dear Ms. Johansson:

On December 15, 2017, the proponents of a proposed statewide initiative titled "The California Schools and Local Communities Funding Act of 2018 ("Initiative") submitted a request that the Attorney General prepare a circulating title and summary pursuant to section 10(d) of Article II of the California Constitution. Pursuant to Elections Code section 9002(b), the proponents hereby submit timely amendments to the text of the Initiative. As one of the proponents of the Initiative, I approve the submission of the amended text to the Initiative and I declare that the amendment is reasonably germane to the theme, purpose, and subject of the Initiative. I request that the Attorney General prepare a circulating title and summary using the amended Initiative.

Sincerely,



Anthony Thigpen, President  
California Calls

**VIA MESSENGER**

January 16, 2018

Office of the Attorney General  
1300 "I" Street  
Sacramento, CA 95814

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Sincerely,

A handwritten signature in cursive script that reads "Helen L. Hutchison".

Helen Hutchison

**VIA MESSENGER**

January 16, 2018

Office of the Attorney General  
1300 "I" Street  
Sacramento, CA 95814

Attention: Ashley Johansson, Initiative Coordinator

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Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin McBride". The signature is fluid and cursive, with a large initial "B" and "M".

Benjamin McBride



## SECTION 1. Title

This measure shall be known as “The California Schools and Local Communities Funding Act of 2018.”

## SEC. 2. Findings

- a) California’s public schools, once the envy of the nation, are severely underfunded. Restoring funding to create world-class schools that educate the next generation of entrepreneurs and the workforce for tomorrow’s economy is critical to California’s future.
- b) California has slid to 41st in the nation in per pupil spending, putting a severe strain on students, families, and teachers of our K-12 schools and community colleges.
- c) California’s local governments are also chronically underfunded, which has hurt the quality of local services including emergency responder services, parks and libraries, health clinics and trauma centers, housing construction and homeless services, roads and bridges, and local schools and community colleges.
- d) A loophole in California’s tax system has been the primary driver of this disinvestment by failing to reassess commercial and industrial real property on a regular basis.
- e) A recent study by the University of Southern California has found that commercial and industrial property owners avoid over \$11 billion in local property taxes.
- f) Closing this loophole would raise billions in new funding for schools, and local city and county services to extend library hours, fix roads, expand health access, and re-open fire stations each year.
- g) This loophole creates an unequal playing field for new and small businesses in California. Thousands of large commercial property owners are paying a small fraction of what many other businesses and property owners are paying.
- h) A relatively small number of properties owned by the largest corporations and wealthiest investors get most of the benefits from this tax loophole. Almost 80% of this tax avoidance comes from only 8% of the properties worth \$5 million or more.
- i) The federal tax law recently enacted by Congress provides huge tax cuts to the same large corporations and wealthy investors that benefit from California’s commercial property tax loophole. And unlike California individual taxpayers, all their state and local taxes will still be deductible from their federal taxes.
- j) Much of the money pocketed through the existing loophole flows to out-of-state and foreign shareholders. Reassessing commercial property would ensure that money stays here in California.

- k) Recent analysis demonstrates that reassessing commercial and industrial real property will have a net positive effect on California's economy, improving competition and helping new business and new investment which creates jobs.
- l) Reassessing commercial property is critical to smart and environmentally safe local development. The failure to reassess commercial property has encouraged owners to keep land parcels vacant, exacerbating the housing crisis and promoting sprawl.
- m) Reassessing commercial property at fair market value will close the loophole and still maintain California's property tax rates as among the lowest in the country.
- n) By closing this loophole, California can restore funding to its underfunded schools, provide for high-need students, invest in local communities, level the playing field for business, and stimulate the economy. Given the consequences of the recently enacted federal tax law, closing this loophole is important to California's future.

SEC. 3. Purpose and Intent.

It is the intent of the people of the State of California to do all of the following in this measure:

- (a) Provide for increased and stable revenues for schools, cities, counties, and local agencies by requiring that all commercial and industrial real properties are assessed at their full market value.
- (b) Ensure that the portion of any new revenues going to local schools and community colleges is treated as new revenues that are in addition to all other funding for schools and community colleges, and is allocated in a manner that benefits all schools and community colleges consistent with constitutional requirements to advance equity.
- (c) Distribute to cities, counties and special districts any new revenues resulting from the implementation of this law in the same manner as other property tax revenues.
- (d) Provide funding for infrastructure through faster payment of current bonded indebtedness on the property tax.
- (e) Preserve in every way Proposition 13's protections for homeowners and for rental residential properties. This measure only affects the assessment of taxable commercial and industrial real property.
- (f) Provide small commercial real property owners owning and operating their business on their property an exemption that ensures stability for their business.
- (g) Make no change to existing laws affecting the taxation or preservation of agricultural land.

- (h) Assist businesses, whether they own or rent their place of business, by reducing the business tangible personal property tax on equipment and fixtures for each business by exempting \$500,000 of that property from taxation, and by eliminating this tax for small businesses with 50 or fewer employees. This would eliminate the tax on equipment and fixtures for about 90 percent of all California businesses. The Legislature would be prohibited from lowering this exemption but would be authorized to increase it.
- (i) Require the Legislature to provide for the phase-in of the assessment of under-assessed commercial and industrial real properties to give county assessors time to effectively implement the new law.
- (j) Require the Legislature to provide owners of under-assessed commercial and industrial real properties time to meet their obligations under the law by phasing in assessment increases resulting from the initial implementation of this law.
- (k) Make sure schools, community colleges, counties, cities, and special districts are appropriately spending any new revenues they receive from this measure by requiring that new revenues and their expenditure be publicly disclosed.
- (l) Ensure that the General Fund and other funds of the State are held harmless by reimbursing the State for reductions in personal income tax and corporation tax revenue caused by the deductibility of the property tax.

SEC. 4. Section 8.7 of Article XVI of the California Constitution is added to read:

SEC. 8.7. (a) The Local School and Community College Property Tax Fund is hereby created in the State Treasury, to be held in trust, and is continuously appropriated for the support of local education agencies as that term is defined in section 421 of the Education Code as that statute read on January 1, 2018, and for the support of community college districts. The moneys deposited in the Local School and Community College Property Tax Fund shall be held in trust for schools, and shall be distributed pursuant to the local control funding formula for local education agencies and other distribution formulas for community college districts as these formulas were operative on January 1, 2018, or pursuant to any subsequent modification of the formula that provides for funding, as provided by statute, for local education agencies and community college districts. Basic aid districts as defined in section 41544(c) of the Education Code, necessary small schools as defined in section 42283(a) and necessary small high schools as defined in section 42285(a) of the Education Code shall receive for each high-need student, as designated by the local control funding formula, an amount of funding equal to the average per-pupil funding calculated by dividing the total funding available for allocation to local education agencies in the Local School and Community College Property Tax Fund by the statewide K – 12 attendance. For these districts and schools, these funds shall be used to support services for high-need students. For purposes of this subdivision high-need student shall have the same meaning as unduplicated pupil as defined in section 42238.02(b) of the Education Code.

(b) Notwithstanding any other law, the moneys deposited in the Local School and Community College Property Tax Fund shall not be subject to appropriation, reversion, or transfer by the Legislature, the Governor, the Director of Finance, or the Controller for any purpose other than those specified in this section, nor shall these revenues be loaned to the General Fund or any other fund of the State or any local government fund.

(c) Moneys allocated to local education agencies, as that term is defined in section 421 of the Education Code as that statute read on January 1, 2018, and to community college districts from the Local School and Community College Property Tax Fund shall supplement, and shall not replace, other funding for education. Funds deposited into the Local School and Community College Property Tax Fund and allocated from the Local School and Community College Property Tax Fund shall not be part of “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes” for purposes of paragraphs (2) and (3) of subdivision (b) of Section 8 of this Article or for purposes of Section 21 of this Article. Except as provided in subdivision (c) of Section 8.6 of this Article, revenues generated by Section 2.5 of Article XIII A shall not be deemed to be General Fund revenues which may be appropriated pursuant to Article XIII B for purposes of paragraph (1) of subdivision (b) of Section 8 of this Article, nor shall they be considered in the determination of per capita General Fund revenues for purposes of subdivisions (b) and (e) of Section 8 of this Article.

(d) Revenues generated by Section 2.5 of Article XIII A shall not be deemed to be General Fund proceeds of taxes that may be appropriated pursuant to Article XIII B for purposes of Section 20 or Section 21 of this Article.

SEC. 5. Section 8.6 of Article XVI of the California Constitution is added to read:

SEC. 8.6. (a) The county auditor shall annually determine the additional revenue in the county resulting from the application of the tax rate specified in subdivision (a) of Section 1 of Article XIII A and the application of Section 2.5 of Article XIII A pursuant to a methodology prescribed by the Legislature by statute.

(b) After transferring the necessary funds pursuant to subdivisions (c) and (d), the additional revenue resulting from the application of Section 2.5 of Article XIII A shall be allocated and transferred as follows:

(1) First, to the Local School and Community College Property Tax Fund created pursuant to Section 8.7, in an amount equal to the school and community college share of property taxes as determined pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, as that chapter read on January 1, 2018.

(2) Second, among cities, counties and special districts pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, as that chapter read on January 1, 2018.

(c) The Franchise Tax Board shall determine the reduction to the General Fund and any other affected state fund of revenues derived from the taxes imposed by the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code) and the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code), as those laws read on January 1, 2018, due to the deduction of any net increase in property taxes resulting from the implementation of Section 2.5 of Article XIII A and subdivision (a) of Section 3.1 of Article XIII. The amount of reduction as determined by the Franchise Tax Board shall be transferred to the General Fund and any other affected state fund prior to the allocation specified in subdivision (b). For purposes of making the determinations required by Section 8 of this Article, the amount transferred to the General Fund pursuant to this subdivision shall be deemed to be General Fund revenues which may be appropriated pursuant to Article XIII B and General Fund proceeds of taxes appropriated pursuant to Article XIII B, and shall be included in the calculation of per capita General Fund revenues. The amount transferred pursuant to this subdivision shall for each fiscal year be apportioned among the counties in proportion to each county's contribution to the total additional revenue resulting from the application of Section 2.5 of Article XIII A determined for all counties.

(d) Each county or city and county shall be annually compensated for the actual direct administrative costs of implementing Section 2.5 of Article XIII A as identified by the board of supervisors of the county or city and county consistent with statutes identifying those costs. The board of supervisors of the county or city and county shall identify the annual direct administrative costs of implementing Section 2.5 of Article XIII A. The Legislature may determine by statute what constitutes actual direct administrative costs for purposes of this subdivision.

(e) All local education agencies, community colleges, counties, cities and counties, cities, and special districts that receive funds from the revenues generated by Section 2.5 of Article XIII A shall publicly disclose for each fiscal year, including in their annual budgets, the amount of property tax revenues they received for that fiscal year as the result of Section 2.5 of Article XIII A and how those revenues were spent. This subdivision shall not apply to funds transferred pursuant to subdivision (c) of this section.

SEC. 6. Section 2.5 of Article XIII A of the California Constitution is added to read:

SEC. 2.5. (a) (1) Notwithstanding Section 2, for the lien date for the 2020-21 fiscal year and each lien date thereafter, the "full cash value" of commercial and industrial real property that is not zoned for commercial agricultural production or otherwise exempt under the Constitution is

the fair market value of that property as of that date, except as provided by the Legislature pursuant to subdivision (b).

(2) Paragraph (1) shall not apply to residential property as defined in this section, whether it is occupied by a homeowner or a renter. Residential property as defined in this section shall be assessed as required by Section 2 of this Article. Paragraph (1) shall also not apply to real property used for commercial agricultural production as defined in this section. Real property used for commercial agricultural production as defined in this section shall be assessed as required by Section 2 of this Article.

(b) The Legislature, after conferring with county assessors, shall provide by statute for the phase-in of the reassessment of commercial and industrial real property as required by paragraph (1) of subdivision (a). Any such phase-in shall provide for reassessment of commercial and industrial real properties commencing with the lien date for the 2020-21 fiscal year and extending over two or more lien dates each fiscal year thereafter, in order to ensure a reasonable workload and implementation period for county assessors and taxpayers, including provision for processing and timing of assessment appeals. After the initial reassessment of commercial and industrial real property pursuant to this subdivision, such commercial and industrial real property shall be periodically reassessed no less frequently than every three years as determined by the Legislature.

(c) For purposes of this section:

(1) "Commercial and industrial real property" means any real property that is either used or zoned as commercial or as industrial property, or is vacant land not used or zoned for residential use or used for commercial agricultural production. For purposes of this paragraph vacant land shall not include land zoned for open space or the equivalent designation for land essentially free of structures, natural in character to provide opportunities for recreation and education, and intended to preserve scenic, cultural and historic values.

(2) "Mixed-use real property" means real property on which both residential and commercial or industrial uses are permitted.

(3) "Real property used for commercial agricultural production" means land that is used or zoned for producing commercial agricultural commodities.

(4)(A) "Residential property" shall include property used or zoned as residential property, including both single-family and multiunit structures, and the land on which those structures are constructed or placed.

(B) The Legislature shall provide by statute that any property zoned as commercial or industrial but used as long term residential property shall be classified as residential for purposes of paragraph (2) subdivision (a). For mixed-use real property, the Legislature shall ensure only that portion of the property that is used for commercial and industrial purposes shall be subject to reassessment as required by paragraph (1) of subdivision (a).

(d) Using the methodology prescribed by the Legislature pursuant to subdivision (a) of Section 8.6 of Article XVI, the percentage change in gross taxable assessed valuation within a city, county, or a city and county used to calculate an entity's vehicle license fee adjustment

amount pursuant to Section 97.70 of the Revenue and Taxation Code shall not include the additional assessed valuation that results from the application of this section.

SEC. 7. Section 3.1 of Article XIII of the California Constitution is added to read:

SEC. 3.1. (a) (1) For each taxpayer paying the tax on tangible personal property used for business purposes, either of the following shall apply:

(A) Except for a taxpayer subject to subparagraph (B), an amount of up to five hundred thousand dollars (\$500,000) of tangible personal property per taxpayer is exempt from taxation.

(B) (i) For a taxpayer that is a business with 50 or fewer annual full-time equivalent employees in the state, all tangible personal property owned and used for business purposes is exempt from taxation.

(ii) A taxpayer shall certify annually to the assessor under penalty of perjury that the condition required by this subparagraph for exemption has been met and shall be subject to audit by the assessor as to that certification.

(2) Fixtures shall be included as tangible personal property subject to this exemption, but aircraft and vessels shall not be included.

(3) The Legislature shall not lower the exemption amounts provided by this subdivision or change their application, but may increase the exemption amount specified in subparagraph (A) of paragraph (1) consistent with the authority enumerated in Section 2 of this Article.

(b) (1) Real property owned by a taxpayer that operates a business or businesses on that real property shall not be subject to reassessment pursuant to Section 2.5 of Article XIII A if both of the following conditions are met:

(A) The owner-operator operates the business on a majority of the real property.

(B) The total fair market value of all property owned by the taxpayer in the state on which the business operates is less than two million dollars (\$2,000,000). This amount shall be adjusted for inflation every two years commencing January 1, 2023, as determined by the Board of Equalization.

(2) Real property described in paragraph (1) shall be subject to reassessment pursuant to Section 2.5 of Article XIII A if either of the following occurs:

(A) The property is sold.

(B) The business or businesses no longer operate on a majority of the property.

(3) A taxpayer shall certify annually to the assessor under penalty of perjury that the conditions required by this subdivision have been met and shall be subject to audit by the assessor as to that certification.

SEC. 8. Section 15 of Article XIII B of the California Constitution is added to read:

SEC. 15. (a) For purposes of this article, proceeds of taxes shall not include the additional revenues generated by Section 2.5 of Article XIII A.

(b) For purposes of this article, appropriations subject to limitation of each entity of government shall not include appropriations of the additional revenues collected as a result of the implementation of Section 2.5 of Article XIII A.

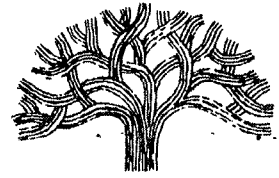
SEC. 9. Effective Date.

This measure shall become operative on January 1, 2020, except that subdivision (a) of Section 3.1 of Article XIII shall become operative on January 1, 2021.

SEC. 10. Severability

The provisions of this Act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase; word, or application of this Act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Act. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any portion of this Act or application thereof would be subsequently declared invalid.





18 MAR -1 PM 3:45

CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612  
REBECCA KAPLAN (510) 238-7008  
At-Large FAX: (510) 238-6910  
atlarge@oaklandnet.com TDD: (510) 839-6451

Date: February 28, 2018

Re: Resolution on the city council's own motion submitting to the voters at the statewide general election on November 6, 2018, a proposed ordinance to adopt a special parcel tax on vacant parcels to fund affordable housing and homeless support programs; and directing the city clerk to take any and all actions necessary under law to prepare for and conduct the November 6, 2018 statewide general election.

---

Dear Colleagues on Oakland City Council and Members of the Public,

As many of you know, Oakland has been facing skyrocketing rates of homelessness, with the counts in our community increasing dramatically in recent years. Per the Point in Time Count from Everyone Home, those unhoused in the City of Oakland has risen from 2,191 to 2,761 from 2015 to 2017 (see attached).

This situation is causing widespread suffering, as people are living in difficult situations in underpasses and sidewalks, often without access to water, bathrooms, and more. This endangers the entire community, both those with and without homes, and creates a potential for expanding blight and the spread of disease. The homeless numbers in Oakland comprise of the largest segment of those in our County. The overwhelming majority, 86%, of those living unhoused in our community are from here, and the main cause of increased homelessness are economic reasons – as members of our community face increased displacement and financial pressures with the rising cost of housing.

As homelessness is rising, the resources available to help solve it have not kept up with the increased need. In our budget deliberations, it has been difficult to dedicate adequate funds to homeless solutions when those needs compete with other community priorities. Therefore, to remedy this growing problem, we should have a dedicated funding source of additional revenue.

At the same time, we have a large number of vacant properties in our community. In fact, it appears there are more vacant properties than homeless people in the City of Oakland. These vacant properties, which remain vacant for extended periods of time, negatively impact our community, attracting crime, blight and illegal dumping. Properties that remain vacant to undermine the safety and vitality of our neighborhoods, ineffectively takes up space that can be used for housing and other purposes, and also reduces jobs and tax revenues for our community.

To address this, I am proposing that we create a tax on vacant properties, and dedicate the funding to homeless solutions. This is a proposed ballot Measure, to adopt a Special Parcel tax, exclusively on vacant properties, where the revenue will be dedicated to specified purposes. The Council would have the power to reduce the tax and make other changes to procedures as long as they do not increase the tax.

Staff has estimated that there are at least 5,000 vacant properties in the City of Oakland. If we had 5,000 properties paying on average a vacant property tax of \$4,000 per year, this would raise \$20 million per year, which would allow us to make a substantial difference in solving our problem of homelessness and affordable housing displacement. We need more resources for navigation centers, rapid rehousing, cleaning, sanitation, small homes, alternative housing structures, eviction prevention, rent assistance, and other vital steps to improve this crisis.

In addition to creating a dedicated funding source, by taxing vacant properties, this Measure will help encourage people to put those properties back into use, thus, increasing the housing supply. Properties that are left vacant for extended periods of time can attract crime and cause blight, harming the surrounding neighborhood. Taxing vacant properties, therefore, is helpful on both ends of this problem. The tax itself will encourage more property to come into use, and the money raised will be used to help solve this crisis. We have previously discussed the idea of creating a vacant property registry without a tax ballot Measure, and Planning staff had encouraged us to explore a vacant property tax as an alternative strategy which could bring in enough revenue to be effective.

The proposed vacancy tax would apply to all vacant property throughout the city, including undeveloped property, vacant commercial, industrial buildings, and vacant residential units. A property would be classified as vacant if it has not been occupied for any use for a year or more. The Measure would create an administrative process through which the owner of vacant property could apply for a hardship waiver to be exempted from the tax.

The parcel tax will be adopted as a Special Tax, and if approved by 2/3 of the voters, would be collected by the Alameda County Assessor through the property tax rolls, unless the Council chooses to adopt a different collection method. In addition, this Measure proposes creation of a Community Commission on Homelessness to help direct the proper use of the funds, and provide recommendations to Council on effective strategies. Other cities, such as Washington, D.C., and Vancouver, Canada have implemented taxes on vacant properties (see attached Exhibits B and C). Oakland can help move this solution forward.

Allowable uses of the funds would include cleaning, sanitation, support services for the homeless, rapid rehousing, navigation centers, homelessness prevention and housing strategies for low-income people, including innovative strategies such as small homes and partnerships with non-profits. In addition, the costs to administer and implement the tax and the Commission would be covered.

I respectfully ask for your support to put this Measure on the November 2018 ballot, to give the voters of Oakland an opportunity to decide to dedicate new funding to this large and growing problem.

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# CITY OF OAKLAND



18 MAR -1 PM 3:45

CITY HALL • 1 FRANK H. OGAWA PLAZA  
REBECCA KAPLAN  
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OAKLAND, CALIFORNIA 94612  
(510) 238-7008  
FAX: (510) 238-6910  
TDD: (510) 839-6451

Thank you very much for your consideration,

A handwritten signature in black ink, appearing to read "Rebecca Kaplan".

Councilmember At-Large Rebecca Kaplan

**Also, please see the following attachments:**

- 1) Everyone Home Point in Time Homeless Count Data for Oakland  
<http://everyonehome.org/wp-content/uploads/2016/02/City-of-Oakland-ES.pdf>
- 2) Article about vacant property tax in Vancouver  
<http://fortune.com/2016/11/21/vancouver-vacant-property-tax-rentals/>
- 3) Article about vacant property tax rate in Washington, D.C.  
<https://www.washingtoncitypaper.com/news/housing-complex/blog/20839403/dc-tightens-regulations-on-vacant-properties>

# CITY OF OAKLAND

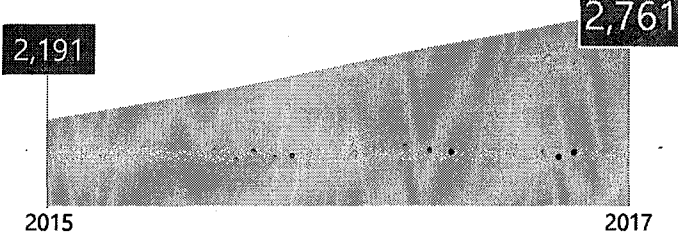
## 2017 EVERYONE COUNTS

### HOMELESS POINT-IN-TIME COUNT AND SURVEY

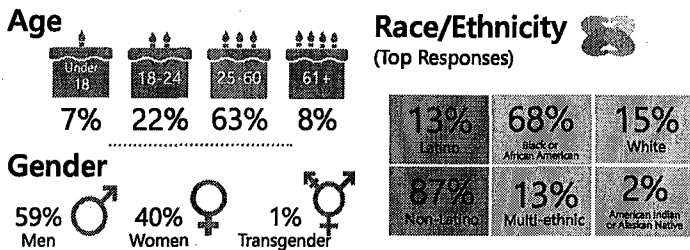
Every two years, during the last 10 days of January, communities across the country conduct comprehensive counts of the local homeless populations in order to measure the prevalence of homelessness in each local Continuum of Care.

The 2017 Alameda County Point-in-Time Count was a community-wide effort conducted on January 30, 2017. In the weeks following the street count, a survey was administered across Alameda County. In the city of Oakland, 457 unsheltered and sheltered homeless individuals were surveyed, in order to profile their experience and characteristics.

#### 2017 Homeless Census Survey Population



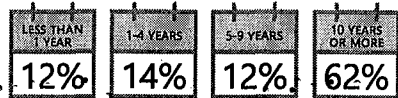
#### 2017 Sheltered/Unsheltered Population



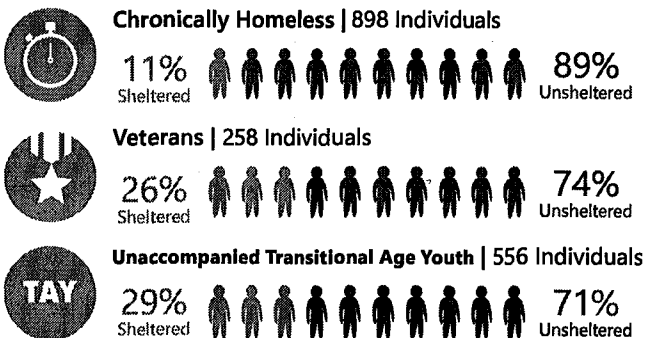
#### Residence Prior to Homelessness



#### Length of Time in Alameda County



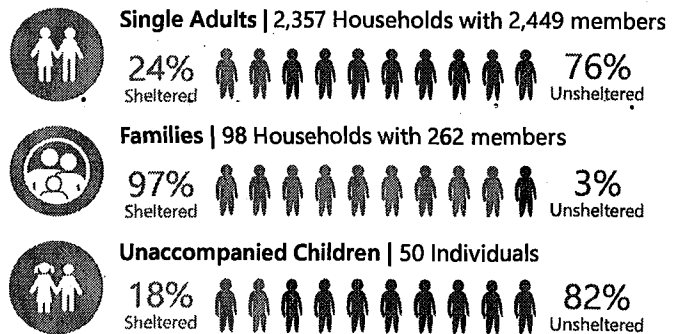
#### Subpopulations



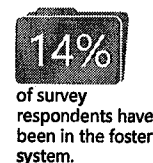
#### 2017 Sheltered/Unsheltered Population by City

| City        | Sheltered | Unsheltered | City           | Sheltered    | Unsheltered  |
|-------------|-----------|-------------|----------------|--------------|--------------|
| OAKLAND     | 859       | 1,902       | UNION CITY     | 0            | 40           |
| BERKELEY    | 308       | 664         | EMERYVILLE     | 0            | 29           |
| HAYWARD     | 84        | 313         | NEWARK         | 42           | 28           |
| FREMONT     | 197       | 282         | DUBLIN         | 0            | 21           |
| LIVERMORE   | 102       | 141         | PLEASANTON     | 0            | 18           |
| ALAMEDA     | 94        | 110         | PIEDMONT       | 0            | 0            |
| ALBANY      | 0         | 66          | UNINCORPORATED | 26           | 194          |
| SAN LEANDRO | 54        | 55          | <b>TOTAL</b>   | <b>1,766</b> | <b>3,863</b> |

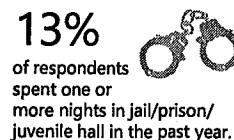
#### Household Breakdown



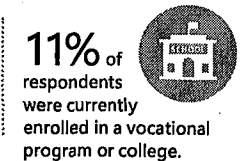
#### Foster Care



#### Justice System Involvement



#### Post K-12 Education



## Health Conditions

Current health conditions affecting housing stability or employment.

(Note: Multiple response question, numbers will not total to 100%)



46%

Chronic health problems



45%

Psychiatric or emotional conditions



36%

Post-Traumatic Stress Disorder



32%

Physical disability



31%

Drug or alcohol abuse



12%

Traumatic brain injury



7%

AIDS/HIV related

## Disabling Conditions

Respondents reported the number of conditions that limited their ability to maintain work or housing. Many reported multiple conditions.

18% of survey respondents reported having one disabling condition.

12% of survey respondents reported having two disabling conditions.

22% of survey respondents reported having three or more disabling conditions.

## First Homelessness Episode



30% Yes  
70% No

35% of those experiencing homelessness for the first time were homeless for one year or more

## Age at First Episode of Homelessness

|              |              |              |
|--------------|--------------|--------------|
| 10%<br>0-17  | 19%<br>18-24 | 38%<br>25-39 |
| 16%<br>40-49 | 16%<br>50-64 | 1%<br>65+    |

## Primary Cause of Homelessness

(Top 6 Responses)

|                               |                               |                             |
|-------------------------------|-------------------------------|-----------------------------|
| 58%<br>Money Issues           | 14%<br>Personal Relationships | 14%<br>Mental Health Issues |
| 12%<br>Physical Health Issues | 10%<br>Substance Use Issues   | 6%<br>Incarceration         |

## What Might Have Prevented Homelessness

(Top 4 Responses)

|                        |                               |
|------------------------|-------------------------------|
| 48%<br>Rent Assistance | 36%<br>Employment Assistance  |
| 25%<br>Food Assistance | 25%<br>Mental Health Services |

## Not Interested in Housing

1%



Only 1% of survey respondents said they were not interested in Independent, Affordable Rental Housing or Housing with Supportive Services.



## Duration of Current Episode of Homelessness

4%  
30 days or less

36%  
1-11 months

60%  
1 year or more

## Services and Assistance



66% of survey respondents reported receiving benefits or support

## Services Currently Accessing

(Top 6 Responses)

|                             |                          |                               |
|-----------------------------|--------------------------|-------------------------------|
| 68%<br>Free Meals           | 49%<br>Emergency Shelter | 32%<br>Health Services        |
| 17%<br>Transitional Housing | 16%<br>Drop-In Center    | 14%<br>Mental Health Services |

## Reasons for Not Accessing Shelter Services

(Top 6 Responses)

|                                 |                                     |                              |
|---------------------------------|-------------------------------------|------------------------------|
| 41%<br>Bugs and germs           | 40%<br>They are full                | 28%<br>They are too crowded  |
| 18%<br>There are too many rules | 16%<br>Concerns for personal safety | 14%<br>They are too far away |

## \*Subpopulation Definitions

### Chronically Homeless

An individual with a disabling condition or a family with a head of household with a disabling condition who

- Has been continuously homeless for 1 year or more and/or
- Has experienced 4 or more episodes of homelessness within the past 3 years.

### Veterans

Persons who have served on active duty in the Armed Forces of the United States. This does not include inactive military reserves or the National Guard unless the person was called up to active duty.

### Families

A household with at least one adult member (persons 18 or older) and at least one child member (persons under 18).

### Unaccompanied Children

Children under the age of 18 who are homeless and living without a parent or legal guardian.

### Transition-Age Youth

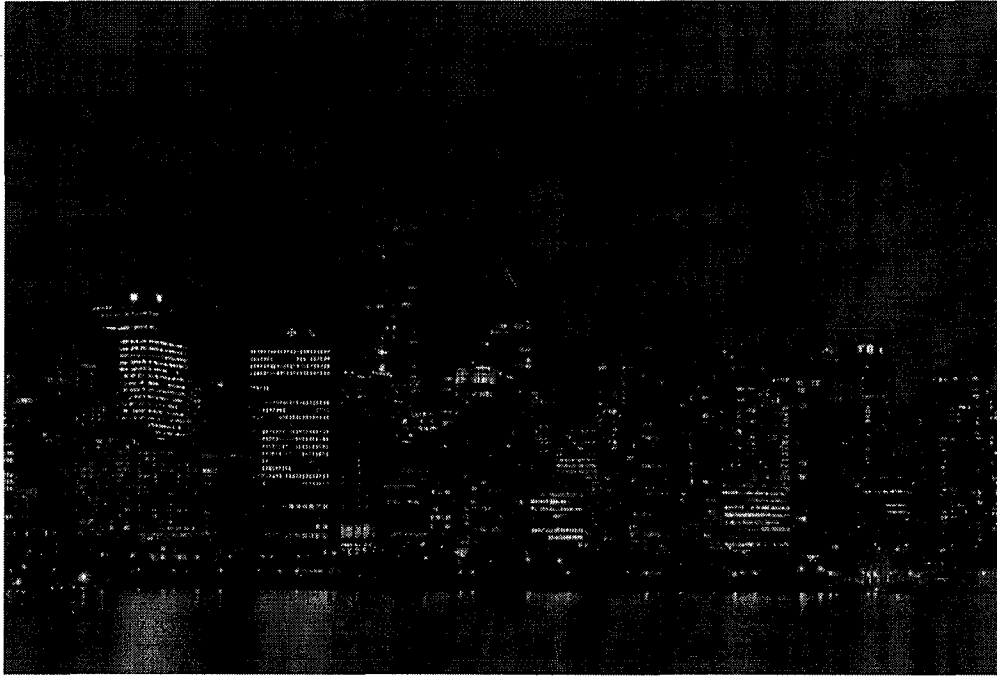
Young adults between the ages of 18 and 24 years old.

Oakland County will release a comprehensive report of The EveryOne Home 2017 Homeless Count and Survey in Summer 2017. For more information about EveryOne Home and effort to address homelessness in Alameda County please visit [www.EveryOneHome.org](http://www.EveryOneHome.org)

Source: Applied Survey Research. (2017). Alameda County Homeless Census & Survey. Watsonville, CA.

# FORTUNE

## Vancouver Is Taxing Owners of Empty Homes



High-rise condominiums, offices and hotels along the waterfront in Vancouver, British Columbia, Canada. George Rose Getty Images

By TIME November 21, 2016

Vancouver is ranked as one of the most livable cities in the world, but with sky-high property prices and the number of available rentals bottoming out near zero, actually living there is out of reach for many.

In a bid to goad landlords into leasing their properties, the city has slapped owners of vacant units with an additional C\$10,000 (\$7,450) annual tax—and there's a further C\$10,000 in daily fines for landlords who dare to lie about keeping their properties empty.

Vancouver's new vacant property tax, formally approved Nov. 16, is expected to boost available rental properties to about 3.5% from less than 1% currently, *Bloomberg* reports.

Announcing the tax at City Hall on Nov. 9, Vancouver Mayor Gregor Robertson told reporters, "In Vancouver's rental housing crisis, the city won't sit on the sidelines while over 20,000 empty and under-occupied properties hold back homes from renters."

Robertson estimated that more than 10,800 homes are empty, and some 10,000 other properties are not fully used.

The tax, which will take effect by Jan. 1, is one of a plethora of measures aimed at making housing more affordable and accessible in the country's most expensive

property market. It follows a 15% tax on foreign buyers and a narrowing of mortgage insurance eligibility requirements.

Public ire has been directed toward absentee landlords, particularly those from overseas, who are accused of hoovering up the city's condos as investment properties while others struggle to find homes.

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*For more on housing markets, watch Fortune's video:*

But some developers say the new tax alone won't be enough to open up Vancouver's shuttered rental market.

Condo marketer Bob Rennie told Canada's *Globe and Mail* that creating "rental zones," especially around transit hubs, would instead help make housing more accessible. "Freeing up vacant rental in 5,000-square-foot units in Coal Harbor isn't a solution for anybody," Rennie said, referring to the effects of the recent tax measure. "The solution is under \$1,500 a month, and I think rental-only zoning will do that."

# D.C. Tightens Regulations on Vacant Properties

*Provisions would encourage owners to make repairs more quickly.*

ANDREW GIAMBRONE

NOV 1, 2016 1 PM

DARROW MONTGOMERY

It will soon become harder for landlords to neglect vacant or blighted properties under a bill the D.C. Council unanimously passed today.

The measure—first introduced by At-Large Councilmember **Elissa Silverman** and co-sponsored by nine of her colleagues in December—seeks to maintain such buildings at higher property tax rates (5 and 10 percent more than standard for those determined to be vacant and blighted, respectively) until owners affirmatively prove to the Department of Consumer and Regulatory Affairs that they've abated issues. Current law requires that DCRA verify that buildings are vacant or blighted every six months, even when an owner has not indicated that they've made improvements. This has led to inconsistent enforcement of property laws and consumed inspectors' time.

The legislation also limits the period an owner can claim an exemption from higher taxes on derelict buildings because of construction to one year for residential properties and to two years for commercial properties. It increases the maximum fine for failing to comply with relevant DCRA orders from \$1,000 to \$5,000. Finally, the bill mandates DCRA to maintain and publish a list of neglected properties so residents can see how long they've remained as such and when any tax exemptions on them are set to expire.

"This bill came at the request of D.C. residents who wanted us to address the issue of vacant and blighted properties in their neighborhoods, [which] can be unsafe and unsanitary," Silverman said. Such buildings can reduce surrounding home values and encourage crime. Furthermore, as At-Large Councilmember **Robert White** added, "Each vacant property is a lost opportunity to provide housing for a family that might otherwise be displaced or left homeless." Mayor **Muriel Bowser's** administration has indicated that it supports the legislation.



This wasn't the only housing-related bill the council unanimously passed today. Lawmakers advanced one that would give the Office of the Tenant Advocate power to recoup funds it expends to help relocate displaced residents into short-term arrangements and assist them with finding permanent housing. The legislation would apply when a property owner has failed to meet maintenance obligations for circumstances within their control.

Ward 1 Councilmember **Brianne Nadeau**, who proposed the legislation in March, noted that in fiscal year 2015, almost 350 tenants were displaced and OTA spent \$400,000 (16 percent of its budget) on emergency housing. It's usually needed after fires, like one that forced two mothers in Anacostia to vacate their apartments in August.

"Most landlords are good actors," Nadeau said. "This bill protects tenants and [provides] tools to hold neglectful landlords accountable."

The council must approve both bills a second time before they're sent to Bowser for signing.

February 9, 2018

To: Honorable Members of the Oakland City Council:

From: Budget Advisory Commission

Re: Set aside of Capital Funds for job training

The Budget Advisory Commission respectfully submits to the City Council this letter recommending against proposed legislation to set aside City capital improvement funds (including from proceeds of Measure KK, Measure DD and Measure B) to the Cypress Mandela Training Program and Citywide Job Centers. This letter is submitted pursuant to a unanimous vote of a quorum of the Commission at its January 24, 2018 meeting.

The Set Aside Ordinance violates the fundamental purposes for which taxpayers have entrusted the City to use public infrastructure and housing funds. Additionally, to dedicate public funds to private organizations for their private purposes and administrative costs impermissibly transfers control over these public funds from the City Council to private bodies that are not accountable to the taxpayers.

The Commission has not reviewed and does not comment on the quality or effectiveness of the designated private organizations and does not discount the importance of job training programs. The Commission's concern is a fundamental one - that public funds dedicated for public capital projects may not be used for operations of private organizations without violating both the taxpayers' trust and the responsibility of the City Council to account for the use of the funds. Without usurping the City Attorney's role to opine on the legality of the proposals, the Commission's concerns relate to the accountability to voters and transparency of purpose for the use of public moneys.

Measure KK is a specific illustration of the Commission's concern. The voters passed the \$600 million general obligation bond (the largest one-time property tax increase in Oakland's recent history) on the promise that the moneys are to be spent on capital infrastructure and housing. The City Council ordinance authorizing the bond election states clearly that the bonds funds would be used ***specifically*** for:

- Street paving and reconstruction, bikeways, sidewalks, paths, stairs, streetscape, curb ramps, and traffic calming improvements - \$350 million;
- Construction, purchase, improvement or rehabilitation of City facilities including fire and police facilities, libraries, parks, recreation and senior facilities - \$130 million;
- Water, energy and seismic improvements consistent with the City's Energy and Climate Action Plan - \$20 million;
- Anti-displacement and affordable housing preservation projects including acquisition, rehabilitation, or new construction of affordable housing according to the City's Affordable Housing Bond Law Ordinance - \$100 million.

In addition, the use of the Measure KK funds is subject to review by a citizen oversight committee and audits.

The use of the money for job training programs, let alone the transfer of funds to private organizations that are not subject to citizen oversight or public audit, is not authorized. Other capital improvement

measures that taxpayers passed contain similar promises to voters. Measure B funds are to be used for designated transportation projects. Measure DD are to be used for Lake Merritt, Bay Trail and other specified recreational facilities. All these measures demand public oversight and accountability. None of these measures allow for use for job training or for general operation and administration of private organizations.

If the City Council wishes to fund job training we recommend that it identify and appropriate funds which are not restricted in use or seek new funding which specifically authorizes their use for job training.. Such action should be transparent about the specific fund uses, accountability measures and transferability to private entities.

Even if some of the capital funds sources other than the ones mentioned above allow for use for job training, the transfer of such moneys to a private organization for general operations and administrative costs lacks public transparency and accountability. How is the public assured that the money would be used for the **public benefit** rather than private gain? How can the public hold the organization accountable for any abuse or impropriety when a private organization's decision-making and accounting are not open to public input or review? What is the "remedy" if the moneys are improperly used? When the City spends public funds, the City's public and elected officials are held accountable through public hearings, open records, audits and, ultimately, elections. Private organizations and their officers are not accountable to the public.

As the City Council may know, the Budget Advisory Commission has done a great deal of work in reviewing, studying and drafting recommendations to the City Council regarding the City's implementation of its fiscal policies and its budget processes. Two of the fundamental fiscal principles that the City Council has charged the Commission to safeguard are accountability and transparency. It is the Commission's belief that the Set-Aside Ordinance and other similar proposals currently under consideration violate those principles.

We are available at your convenience to provide further information about our concerns.

Respectfully Submitted,  
ED GERBER  
Ed Gerber,  
Chair Budget Advisory Commission  
CC:  
Mayor Libby Schaaf  
City Administrator Sabrina Landreth