

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a **special meeting** of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, October 3, 2018** at **6:00 pm** In the **Building Bridges Room, City Hall, 3rd 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
 - A. Welcome & Attendance
2. Discussion and possible action regarding the Budget priorities poll for the FY 2019-21 biennial budget cycle, election FY 2019-21 Draft Public Poll Survey Instrument is included [90 minutes]
3. BAC Memo regarding negative funds. [30 minutes] relevant material included:
 - A. Draft Memorandum
 - B. Status of Negative Fund Balances Staff Report for the October 23, 2018 Finance and Management Committee meeting.
4. Potential preliminary OPEB study introductions. [10 minutes]
5. Open Forum
6. Discussion of Next Meeting Dates and Subjects
 - A. Date Options: October 24, November 14
 - B. Subjects: Budget Priorities Poll, OPEB Grand Jury Response & City Report;
7. Adjournment

Fairbank,
Maslin,
Maullin,
Metz &
Associates

FM3

2018 CITY OF OAKLAND
BUDGET PRIORITIES SURVEY

Hello, I'm _____ from _____, a public opinion research firm. We're conducting a survey about issues that concern people in Oakland. I am not trying to sell you anything and I won't ask for a donation of any kind.

(FOR LISTED VOTER SAMPLE, READ THE FOLLOWING INTRO:)

May I speak to _____? **(YOU MUST SPEAK TO THE VOTER LISTED. VERIFY THAT THE VOTER LIVES AT THE ADDRESS LISTED, OTHERWISE TERMINATE.)**

(FOR RDD SAMPLES, READ THE FOLLOWING INTRO:)

May I speak with the adult in your household who celebrated a birthday most recently? **(IF NOT AVAILABLE, ASK:)** May I speak to another adult member of your household who is 18 years old or older?"

(IF VOTER WISHES TO COMPLETE THE INTERVIEW IN SPANISH OR CHINESE, PLEASE HAND OFF TO BILINGUAL INTERVIEWER)

A. Before we begin, I need to know if I have reached you on a cell phone, and if so, are you in a place where you can talk safely without endangering yourself or others? **(IF NOT ON A CELL PHONE, ASK: Do you own a cell phone?)**

- Yes, cell and can talk safely ----- 1
- Yes, cell but cannot talk safely----- **TERMINATE**
- No, not on cell, but own one----- 2
- No, not on cell and do not own one----- 3
- (DON'T READ) DK/NA/REFUSED----- TERMINATE**

(ASK ONLY IF RDD SAMPLE)

B. In what year were you born?

- 1998-1992 (18-24) ----- 1
- 1991-1987 (25-29) ----- 2
- 1986-1982 (30-34) ----- 3
- 1981-1977 (35-39) ----- 4
- 1976-1972 (40-44) ----- 5
- 1971-1967 (45-49) ----- 6
- 1966-1962 (50-54) ----- 7
- 1961-1957 (55-59) ----- 8
- 1956-1952 (60-64) ----- 9
- 1951-1942 (65-74) ----- 10
- 1941 or earlier (75+)----- 11
- (REFUSED/NA)----- 12**

(ASK ONLY IF RDD SAMPLE)

C. I will not need to know your exact address, but in order to help me verify that you live within the boundaries of our interviewing area, could you please tell me what the ZIP code is for your current residence? **(TERMINATE ALL WHOSE ZIP CODE IS NOT ON THE LIST BELOW)**

- 94601 ----- 1
- 94602 ----- 2
- 94603 ----- 3
- 94604 ----- 4
- 94605 ----- 5
- 94606 ----- 6
- 94607 ----- 7
- 94608 ----- 8
- 94609 ----- 9
- 94610 ----- 10
- 94611 ----- 11
- 94612 ----- 12
- 94618 ----- 13
- 94619 ----- 14
- 94621 ----- 15
- All other responses ----- **TERMINATE**

(RESUME ASKING ALL RESPONDENTS)

1. **(T)** Generally speaking, how would you rate Oakland as a place to live: is it an excellent place to live, a good place, only fair, or a poor place to live?

- Excellent ----- 1
- Good ----- 2
- Just fair ----- 3
- Poor ----- 4
- (DON'T KNOW/NA)**----- 5

2. (T) Next, in the upcoming two-year budget, what are the two most important issues facing Oakland residents that you would like to see prioritized in the City government budget? **(DO NOT READ OPTIONS; OPEN-END. RECORD VERBATIM RESPONSE AND THEN CODE AFTER INTERVIEW IS COMPLETE)**

	<u>FIRST CHOICE</u>	<u>SECOND CHOICE</u>
Blight/abandoned buildings -----	1 -----	1
Cable TV service -----	2 -----	2
Crime/Violence -----	3 -----	3
Child Care / Head Start / Preschool -----	3a -----	3a
Code enforcement -----	4 -----	4
Drug crisis -----	5 -----	5
Dumping / Illegal dumping / Clean Streets -----	6 -----	6
Education/public schools -----	7 -----	7
Emergency medical response / fire safety -----	8 -----	8
Environment /Climate Change -----	9 -----	9
Eviction -----	9a -----	9a
Facilities Condition -----	9a -----	9a
Fire safety/fire inspections -----	10 -----	10
Garbage/Recycling pick-up -----	11 -----	11
Gentrification -----	11 -----	11
Graffiti -----	12 -----	12
Government waste/inefficiency -----	13 -----	13
Homelessness -----	14 -----	14
Housing costs/affordability -----	15 -----	15
Jobs -----	16 -----	16
Keeping businesses -----	16a -----	16a
Library services -----	17 -----	17
Mental Health services -----	17 -----	17
Parking -----	18 -----	18
Police Abuse / Harrassment / Misconduct -----	18a -----	18a
Police Protection / Response Time -----	18b -----	18b
Public transportation/buses -----	19 -----	19
Recreation programs -----	20 -----	20
Revitalizing downtown -----	21 -----	21
Revitalizing neighborhoods -----	22 -----	22
Sewer maintenance -----	23 -----	23
Street lighting -----	24 -----	24
Street and sidewalk maintenance -----	25 -----	25
Taxes too high -----	26 -----	26
Traffic congestion/traffic flow -----	27 -----	27
Tree trimming -----	28 -----	28
Water supplies -----	29 -----	29
Youth activities -----	30 -----	30
Other -----	31 -----	31
(DK/NA) -----	32 -----	32

NOW I AM GOING TO ASK YOU SOME QUESTIONS THAT DEAL WITH OAKLAND'S CITY GOVERNMENT BUDGET.

3. First, how closely do you follow issues related to the Oakland City budget? **(READ LIST)**

- Extremely closely ----- 1
- Very closely----- 2
- Somewhat closely ----- 3
- Not too closely----- 4
- Not at all closely----- 5
- (DON'T KNOW/NA)**----- 6

4. Next, I am going to ask you to imagine you are in charge of Oakland's City budget. The City of Oakland has five major priority goals and I would like you to tell me how you would prioritize City spending to achieve these goals. For this exercise, assume you have 100 dollars to spend on all five. After I read you all of the goals, please tell me how many dollars out of 100 you would spend on each goal, keeping in mind that the total must add up to 100 dollars. **(READ RANDOMIZED LIST OF GOALS; RE-READ INSTRUCTIONS AS NECESSARY AND ENSURE THAT THE TOTAL DOLLAR AMOUNT EQUALS \$100)**

<u>PRIORITY GOAL</u>	<u>DOLLAR AMOUNT</u>
<input type="checkbox"/> A safe city -----	___ ___
<input type="checkbox"/> A sustainable, prosperous economy that creates quality jobs-----	___ ___
<input type="checkbox"/> An attractive, vibrant community -----	___ ___
<input type="checkbox"/> A just, equitable and diverse community -----	___ ___
<input type="checkbox"/> Competent and effective delivery of City services -----	___ ___
TOTAL -----	\$100

5. Now I am going to mention some of the services the City provides its residents. Every two years, the City faces hard choices about these services in order to balance its budget. After you hear each one, please tell me [] whether you think cuts should be made to that service in order to balance the budget, or [] whether you would be willing to pay additional taxes or fees to maintain or improve that service. **(RANDOMIZE CUTS/WILLING TO PAY PHRASES)** **(IF CUTS, ASK: Would you be willing to make large cuts or just some cuts?)** **(IF PAY MORE, ASK: Would you be willing to pay a little more to maintain this service, or pay significantly more to improve it?)** **(RANDOMIZE)**

		<u>LARGE</u>	<u>SOME</u>	<u>PAY</u> <u>SOME TO</u>	<u>PAY SIG.</u> <u>MORE TO</u>	<u>(DK/NA)</u>
		<u>CUTS</u>	<u>CUTS</u>	<u>MAIN.</u>	<u>IMPR.</u>	
[]a.	(T) Library services and hours -----	1	2	3	4	5
[]b.	(T) Fire prevention and response -----	1	2	3	4	5
[]c.	(T) Artistic and cultural activities and events -----	1	2	3	4	5
[]d.	(T) Timely response to resident requests for services -----	1	2	3	4	5
[]e.	(T) Youth programs at city parks and recreation centers -----	1	2	3	4	5
[]f.	Providing services to Oakland’s immigrant population -----	1	2	3	4	5
[]g.	(T) Clean-up and removal of illegal dumping -----	1	2	3	4	5
[]h.	(T) Job training and employment programs -----	1	2	3	4	5
[]i.	(T) Maintenance of public parks, street medians and other open space -----	1	2	3	4	5
[]j.	Providing services to homeless populations -----	1	2	3	4	5

		<u>LARGE</u>	<u>SOME</u>	<u>PAY</u>	<u>PAY SIG.</u>	
		<u>CUTS</u>	<u>CUTS</u>	<u>SOME TO</u>	<u>MORE TO</u>	<u>(DK/NA)</u>
				<u>MAIN.</u>	<u>IMPR.</u>	
(SPLIT SAMPLE A ONLY) ?						
[]k.	(T) Child care and Head Start programs -----	1	2	3	4	5
[]l.	(T) Removal of graffiti -----	1	2	3	4	5
[]m.	(T) Maintenance of public buildings -----	1	2	3	4	5
[]n.	Ensuring current residents are not priced out of the Oakland housing market -----	1	2	3	4	5
[]o.	(T) Addressing abandoned homes and businesses -----	1	2	3	4	5
[]p.	(T) Programs to retain, expand, and attract businesses to Oakland -----	1	2	3	4	5
[]q.	(T) Neighborhood traffic congestion improvements -----	1	2	3	4	5
[]r.	(T) Police protection in your neighborhood -----	1	2	3	4	5
[]s.	(T) Flood prevention and storm drain maintenance -----	1	2	3	4	5

(SPLIT SAMPLE B ONLY) ?

[]t.	(T) Emergency medical response -----	1	2	3	4	5
[]u.	(T) Street lighting in your neighborhood -----	1	2	3	4	5
[]v.	(T) Programs at senior centers -----	1	2	3	4	5
[]w.	(T) Housing programs and affordable housing development -----	1	2	3	4	5
[]x.	Reducing and preparing for climate change -----	1	2	3	4	5
[]y.	(T) Improvements to bicycle, pedestrian, and public transit services/infrastructure -----	1	2	3	4	5
[]z.	(T) Violence prevention and intervention services -----	1	2	3	4	5
[]aa.	(T) Repair of potholes in city streets and broken sidewalks -----	1	2	3	4	5
[]bb.	City preparations to support residents during an after a disaster -----	1	2	3	4	5
[]cc.	Speeding and unsafe driving in Nieghborhoods -----	1	2	3	4	5

6. Equity is an important value to City policy makers. In the upcoming two-year budget, what two services or programs should the city spend money on to best improve equity? **(DO NOT READ OPTIONS; OPEN-END. RECORD VERBATIM RESPONSE AND THEN CODE AFTER INTERVIEW IS COMPLETE)**

	<u>FIRST CHOICE</u>	<u>SECOND CHOICE</u>
Blight/abandoned buildings -----	1 -----	1
Cable TV service -----	2 -----	2
Crime/Violence -----	3 -----	3
Child Care / Head Start / Preschool -----	3a -----	3a
Code enforcement -----	4 -----	4
Drug crisis -----	5 -----	5
Dumping / Illegal dumping / Clean Streets -----	6 -----	6
Education/public schools -----	7 -----	7
Emergency medical response / fire safety -----	8 -----	8
Environment /Climate Change -----	9 -----	9
Eviction -----	9a -----	9a
Facilities Condition -----	9a -----	9a
Fire safety/fire inspections -----	10 -----	10
Garbage/Recycling pick-up -----	11 -----	11
Gentrification -----	11 -----	11
Graffiti -----	12 -----	12
Government waste/inefficiency -----	13 -----	13
Homelessness -----	14 -----	14
Housing costs/affordability -----	15 -----	15
Jobs -----	16 -----	16
Keeping businesses -----	16a -----	16a
Library services -----	17 -----	17
Mental Health services -----	17 -----	17
Parking -----	18 -----	18
Police Abuse / Harrassment / Misconduct -----	18a -----	18a
Police Protection / Response Time -----	18b -----	18b
Public transportation/buses -----	19 -----	19
Recreation programs -----	20 -----	20
Revitalizing downtown -----	21 -----	21
Revitalizing neighborhoods -----	22 -----	22
Sewer maintenance -----	23 -----	23
Street lighting -----	24 -----	24
Street and sidewalk maintenance -----	25 -----	25
Taxes too high -----	26 -----	26
Traffic congestion/traffic flow -----	27 -----	27
Tree trimming -----	28 -----	28
Water supplies -----	29 -----	29
Youth activities -----	30 -----	30
Other -----	31 -----	31
(DK/NA) -----	32 -----	32

7. In the upcoming two-year budget, if cuts are the only way to balance the budget, what two services or programs should be cut first to balance the budget?? **(DO NOT READ OPTIONS; OPEN-END. RECORD VERBATIM RESPONSE AND THEN CODE AFTER INTERVIEW IS COMPLETE)**

	<u>FIRST CHOICE</u>	<u>SECOND CHOICE</u>
Blight/abandoned buildings -----	1 -----	1
Cable TV service -----	2 -----	2
Crime/Violence -----	3 -----	3
Child Care / Head Start / Preschool-----	3a -----	3a
Code enforcement -----	4 -----	4
Drug crisis -----	5 -----	5
Dumping / Illegal dumping / Clean Streets -----	6 -----	6
Education/public schools -----	7 -----	7
Emergency medical response / fire safety-----	8 -----	8
Environment /Climate Change -----	9 -----	9
Eviction -----	9a -----	9a
Facilities Condition -----	9a -----	9a
Fire safety/fire inspections -----	10 -----	10
Garbage/Recycling pick-up -----	11 -----	11
Gentrification -----	11 -----	11
Graffiti -----	12 -----	12
Government waste/inefficiency -----	13 -----	13
Homelessness -----	14 -----	14
Housing costs/affordability -----	15 -----	15
Jobs -----	16 -----	16
Keeping businesses-----	16a -----	16a
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Taxes too high -----	26 -----	26
Traffic congestion/traffic flow -----	27 -----	27
Tree trimming-----	28 -----	28
Water supplies -----	29 -----	29
Youth activities -----	30 -----	30
Other -----	31 -----	31
(DK/NA) -----	32 -----	32

8. The City of Oakland faces large Debts over the next ten (10) years. Which of the below best describes how you believe the City should address these Debts?

- Moderately raise taxes and fees now to avoid larger tax increases and service cuts later --- 1
- Moderately cut services now to avoid larger tax increases and service cuts later ----- 2
- Keep taxes and fees the same now and avoid service cuts now but,
make very large increases to taxes and fees later ----- 3
- Keep taxes and fees the same now and avoid service cuts now but,
make very large cuts to services later ----- 4
- (DON'T KNOW/NA)** ----- 5

NOW I'D LIKE TO ASK YOU ABOUT HOW YOU INTERACT WITH THE CITY OF OAKLAND.

9. First, in what way have you recently interacted with the City of Oakland. That interaction could be using a City service or program, or using a City infrastructure? **(DO NOT READ OPTIONS; OPEN-END. RECORD VERBATIM RESPONSE AND THEN CODE AFTER INTERVIEW IS COMPLETE)**

	<u>FIRST CHOICE</u>	<u>SECOND CHOICE</u>
Blight/abandoned buildings -----	1	1
Cable TV service -----	2	2
Crime/Violence -----	3	3
Child Care / Head Start / Preschool -----	3a	3a
Code enforcement -----	4	4
Drug crisis -----	5	5
Dumping / Illegal dumping / Clean Streets -----	6	6
Education/public schools -----	7	7
Emergency medical response / fire safety -----	8	8
Environment /Climate Change -----	9	9
Eviction -----	9a	9a
Facilities Condition -----	9a	9a
Fire safety/fire inspections -----	10	10
Garbage/Recycling pick-up -----	11	11
Gentrification -----	11	11
Graffiti -----	12	12
Government waste/inefficiency -----	13	13
Homelessness -----	14	14
Housing costs/affordability -----	15	15
Jobs -----	16	16
Keeping businesses -----	16a	16a
Library services -----	17	17
Mental Health services -----	17	17
Parking -----	18	18
Police Abuse / Harrassment / Misconduct -----	18a	18a
Police Protection / Response Time -----	18b	18b
Public transportation/buses -----	19	19
Recreation programs -----	20	20
Revitalizing downtown -----	21	21
Revitalizing neighborhoods -----	22	22
Sewer maintenance -----	23	23
Street lighting -----	24	24
Street and sidewalk maintenance -----	25	25
Taxes too high -----	26	26
Traffic congestion/traffic flow -----	27	27
Tree trimming -----	28	28
Water supplies -----	29	29
Youth activities -----	30	30
Other -----	31	31
(DK/NA) -----	32	32

10. (T) Next, how would you rate you interaction with the Oakland city government in providing that service: excellent, good, only fair or poor?

- Excellent ----- 1
- Good ----- 2
- Only fair ----- 3
- Poor ----- 4
- (DON'T KNOW/NA)**----- 5

HERE ARE MY FINAL QUESTIONS. THEY ARE JUST FOR STATISTICAL PURPOSES.

11. (T) About how long have you lived in Oakland? (READ LIST)

- Less than two years ----- 1
- Two to five years ----- 2
- Six to ten years ----- 3
- 11 to 20 years ----- 5
- 21 to 40 years ----- 6
- 41 years or more ----- 7
- (DON'T READ)** Don't know/Refused ----- 8

12. (T) In the house or apartment where you live, are you the owner, renter, do you stay with an owner or renter, or is your housing situation unstable?

- Own ----- 1
- Rent ----- 2
- Stay with Owner ----- 4
- Stay with Renter ----- 5
- Unstable Housing Arrangment ----- 6
- (DON'T READ)** Don't know/Refused ----- 7

13. (T) Next, what is your marital status: are you married, living with a partner, single, widowed or divorced?

- Married ----- 1
- Living with a partner ----- 2
- Single ----- 3
- Widowed ----- 4
- Divorced ----- 5
- (DK/NA)** ----- 6

14. (T) Are there any children under the age of 18 living in your household?

- Yes ----- 1
- No ----- 2
- (DK/NA)** ----- 3

15. (T) What is your current employment status? Are you ...? **(READ LIST)**

- Employed full-time ----- 1
- Employed part-time ----- 2
- Self-employed or work from home ----- 3
- A homemaker who does not
work outside the home ----- 4
- Retired ----- 5
- A student ----- 6
- Unemployed ----- 7
- (DON'T READ)** Refused ----- 8

(IF “EMPLOYED FULL TIME” OR “PART TIME” IN Q13, ASK:)

16. (T) Is your work located in the City of Oakland or not?

- In Oakland ----- 1
- Not in Oakland ----- 2
- (DON'T READ)** Don't know/Refused ----- 3

(RESUME ASKING ALL RESPONDENTS)

17. Which of the following modes of transportation do you use regularly? **(READ LIST, ACCEPT MULTIPLE RESPONSES)**

- Driving alone ----- 1
- Carpool ----- 2
- Biking ----- 3
- Walking ----- 4
- Riding buses ----- 5
- Riding BART ----- 6
- Services like Uber **(OO-ber)** or Lyft
(LIFT) ----- 7
- (DON'T READ)** DK/NA/REFUSED ----- 8

18. (T) What was the last level of school you completed?

- High School Graduate or less ----- 1
- Some College ----- 2
- Business/Vocational School ----- 3
- College Graduate (4) ----- 4
- Post-Graduate Work/Professional
School ----- 5
- (DON'T READ)** DK/Refused ----- 6

19. (T) With which racial or ethnic group do you identify yourself: Latino or Hispanic; African American or Black; White or Caucasian; Asian or Pacific Islander; or some other ethnic or racial background?

- Latino/Hispanic----- 1
- African American/Black ----- 2
- White or Caucasian ----- 3
- Asian/Pacific Islander ----- 4
- (MIXED RACE)** ----- 5
- (OTHER)** ----- 6
- (DON'T READ) DK/NA/REFUSED**----- 7

(ASK Q18 ONLY IF ASIAN/PACIFIC ISLANDER – CODE 4 – IN Q17)

20. (T) More specifically, would you say that you are: **(READ LIST)**

- Chinese ----- 1
- Filipino ----- 2
- Indian ----- 3
- Cambodian ----- 4
- Laotian----- 5
- Pacific Islander ----- 6
- Japanese ----- 7
- Korean ----- 8
- Vietnamese----- 9
- (MIXED RACE)** ----- 10
- (OTHER)** ----- 11
- (DON'T READ) DK/NA/REFUSED**----- 12

(RESUME ASKING ALL RESPONDENTS)

21. (T) I don't need to know the exact amount but I'm going to read you some categories for household income. Would you please stop me when I have read the category indicating the total combined income for all the people in your household before taxes in 2016?

- \$30,000 and under----- 1
- \$30,001 - \$60,000 ----- 2
- \$60,001 - \$75,000 ----- 3
- \$75,001 - \$100,000 ----- 4
- \$100,001 to \$150,000----- 5
- \$150,001 and over----- 6
- (DON'T READ) Refused**----- 7

22. (T) Were you born in the United States or did you immigrate to the United States?

- Immigrated to US ----- 1
- Born in US ----- 2
- (DON'T READ) DK/NA**----- 3

(ASK Q21 ONLY IF CODE 1 IN Q20)

23. **(T)** In which country were you born? **(RECORD VERBATIM RESPONSE AND CODE AFTERWARDS)**

24. **T)** Is anyone living in your immediate family homeless or housing insecure?

- Yes ----- 1
- No ----- 2
- (DK/NA)** ----- 3

25. **T)** Is anyone in your household currently or formerly incarcerated?

- Yes ----- 1
- No ----- 2
- (DK/NA)** ----- 3

(ASK IN RDD SAMPLES ONLY)

26. Are you a registered voter in the City of Oakland?

- Yes ----- 1
- No ----- 2
- (DON'T READ) Refused**----- 3

(ASK IN RDD SAMPLES AND CODE 1 – YES – IN QX ONLY)

27. Are you registered as a Democrat, as a Republican, as a member of another political party, or as having no party preference?

- Democrat ----- 1
- Republican ----- 2
- Other ----- 3
- No party preference ----- 4
- (DON'T READ) Refused**----- 5

(ASK IN RDD SAMPLE ONLY)

28. Here is my final question. Could you tell me the cross streets of the closest intersection near where you live? **(WRITE IN STREET NAMES)**

_____ and _____

THANK AND TERMINATE

SEX (BY OBSERVATION):

- Male----- 1
- Female ----- 2

REGISTRATION (Voter File):

- Democrat ----- 1
- Republican ----- 2

No party preference -----	3
Other -----	4

LANGUAGE OF INTERVIEW:

English-----	1
Spanish -----	2
Chinese -----	3

SAMPLE SOURCE:

Voter File-----	1
Enhanced RDD-----	2

SPLIT:

A-----	1
B-----	2

FROM VOTER FILE:

ELECTION FLAGS

P12 -----	1
G12 -----	2
P14 -----	3
G14 -----	4
P16 -----	5
G16 -----	6
Blank -----	7

AGE

18-29-----	1
30-39-----	2
40-49-----	3
50-54-----	4
55-59-----	5
60-64-----	6
65-74-----	7
75+-----	8

CITY COUNCIL DISTRICT

City Council District 1 -----	1
City Council District 2 -----	2
City Council District 3 -----	3
City Council District 4 -----	4
City Council District 5 -----	5
City Council District 6 -----	6
City Council District 7 -----	7

To: Oakland City Council Members
From: Budget Advisory Commission
Regarding: Recommendations to Address Negative Fund Balances
Date: October 23, 2018

Problem Statement

Negative fund balances typically accumulate when operating expenses within the fund exceed ongoing revenue sources, and may grow over time as a result of the accumulation of negative interest. In recent years, the City has made significant progress in reducing negative balances within its budgeted funds, bringing their cumulative deficit down from \$138.8 million at the end of FY 2009-10 to \$72.6 million at the end of FY 2016-17.

Nonetheless, the outstanding liability is considerable, amounting to approximately 12.5 percent of the total General Purpose Fund (GPF) budget. Although many negative balances originate in non-GPF funds, the GPF backstops all funds with a negative balance if no other source of revenue is available to support them and therefore ultimately bears the full liability.

Of the \$72.6 million cumulative deficit, the greatest concern is the \$14.7 million that sits in non-reimbursable funds without a repayment plan, some of which have current appropriations obligated against them. An additional \$26.9 million sits in funds that have a repayment plan in place, but which are still of concern because those repayments generally come from the General Purpose Fund. Of lesser concern is the \$31 million negative balance in reimbursable funds for which expenditure reimbursements are anticipated.

Staff and the Council are to be commended for taking steps to begin to address the problem of negative fund balances. However, it would be prudent for the City to enact stronger fiscal control policies to ensure that progress continues and to prevent the recurrence of this problem in future.

Recommendations

The Budget Advisory Commission (BAC) recommends that the City Council take the following steps to resolve the issue of outstanding negative fund balances and prevent their recurrence. These recommendations were informed by conversations with Finance Department staff, a review of recent staff reports on negative fund balances, conversations with financial management staff at the City and County of San Francisco, and by the relevant professional expertise of members of the Budget Advisory Commission.

1. Improve Transparency Regarding the City's Negative Fund Liability.

Direct staff to report annually to the Council, as part of the year end close process, on the status of negative fund balances. Such reports should (i) identify line item appropriations that are being carried forward in funds with a existing negative balance, (ii) identify encumbrance carry forwards that will create a negative balance because the encumbrance amount exceeds available sources within the fund, and (iii) specify the year in which each fund went negative in so that policymakers can distinguish legacy problems from newly emerging ones.

Commented [DA1]: Brad, ideally the numbers in this section would be updated to tie to the new report due out this month. Possible for you to do?

2. Grant the City Administrator Authority to Enforce Fiscal Discipline.

Revise the Consolidated Fiscal Policy to:

- a. prohibit the expenditure of funds without corresponding appropriation authority,
- b. require the City Administrator to certify the availability of funds to support any mid-year expenditure appropriation prior to Council adoption, and
- c. authorize the City Administrator to freeze existing expenditure appropriations in order to maintain a balanced budget.

3. Amend the City's Consolidated Fiscal Policy to Strengthen Existing Fiscal Controls.

- a. Statutorily prohibit appropriations against negative fund balances from being carried forward from one fiscal year to the next on other than an exception basis, and codify the circumstances in which the City Administrator (or Director of Finance) may grant an exception.
- b. Statutorily prohibit any non-reimbursable fund from being allowed to remain in negative balance for more than a specified period of time. A limit of two to three years is recommended. Legislation would have to be prospective given that the City's current negative fund liability is unlikely to be cleared within that time frame.
- c. Direct staff to propose for Council adoption policies and procedures to strengthen oversight of departmental grant management, in order to ensure proper grant accounting, expenditure controls and timely close-out of appropriations for which there is inadequate revenue.
- d. Direct staff to propose for Council adoption policies and procedures to strengthen the oversight of municipal bonds, in order to ensure proper bond program accounting, expenditure controls and timely close-out of appropriations for which there is inadequate revenue.

4. Adopt a Revised Repayment Schedule as Part of the FY 2019-21 Budget.

In a Finance Department report dated February 5, 2018 and presented to the Finance and Management Committee on February 27, 2018, staff recommended that the Council approve a revised repayment schedule for negative funds that are currently on repayment or that lack a repayment plan. The BAC endorses this recommendation and urges the Council to act on it as part of the FY 2019-21 budget development process, if not sooner.

5. Request Additional Analysis from Staff.

- a. Direct staff to conduct an analysis of negative balances in special funds that could potentially be repaid by special fund revenues (to reduce GPF liability).
- b. Direct staff to research the legality and feasibility of forgiving the repayment of accumulated negative interest charges in funds with no source of revenue other than the General Purpose Fund, and/or designating certain types of funds as non-interest accumulating.
- c. Direct staff to conduct or retain the services of a consultant to research the fiscal control and fund accounting policies of a handful of other California local jurisdictions, and to report back to the Council on any findings of best practice and relevant recommendations.



CITY OF OAKLAND

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OFFICE OF THE CITY CLERK
OAKLAND

2018 OCT 11 PM 3:38

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Department

SUBJECT: Status of Negative Funds Citywide
as of June 30, 2018

DATE: October 4, 2018

City Administrator Approval

Date:

10/11/18

RECOMMENDATION

Staff Recommends That City Council Receive An Informational Report On The Status of Negative Funds As of June 30, 2018.

EXECUTIVE SUMMARY

The City's estimated balance of negative funds is \$62.81 million as of June 30, 2018. Between Fiscal Year (FY) 2016-17 and FY 2017-18 negative balances declined by \$13.15 million, and since FY 2009-10 negative balances have declined by \$75.96 million.

Table 1: Repayment Progress for Negative Fund Categories – FY 2009-10 to FY 2017-18

Negative Fund Category	Ending Fund Balance FY 2010	Total Repayment To Date	Pre-Audited Fund Balance FY 2018
1. Negative Funds on Repayment Plan	(98,175,473)	72,845,264	(25,330,209)
2. Reimbursable Negative Funds	(23,055,796)	732,708	(22,323,088)
3. Non-Reimbursable Negative Funds without Repayment Plans	(17,542,656)	2,382,497	(15,160,159)
Total Negative Funds	(138,773,925)	75,960,469	(62,813,456)

The City's historical negative balances largely arose from operating expenses that could not be sustained and/or expenditures that outpaced or preceded the receipt of revenues. There are three categories of negative funds:

- Negative Funds on Repayment Plan (\$25.33 million) – Funds that were placed on repayment plans as part of the Adopted Policy Budgets providing them with an on-going strategy to reduce the balances over a 10 or 15-year period. Funds in this category have on-going sources of revenue.
- Reimbursable Negative Funds (\$22.32 million) – These funds do not typically require a repayment plan since they are intended to incur costs that are subsequently reimbursed, but may also include historical negative balances that are unlikely to be recovered.
- Non-Reimbursable Negative Funds without Repayment Plans (\$15.16 million) – Funds that have no sources of funding. Historical negative balances in these funds can only be

Item: _____

Finance and Management Committee
October 23, 2018

addressed with an infusion of one-time revenues, the write-off of the full amount of the negative balance against the General Purpose Fund (GPF), or a repayment plan with the GPF as the revenue source. Alternatively, the City's Consolidated Fiscal Policy on use of excess Real Estate Transfer Tax (RETT) revenues (Ordinance 13279 C.M.S., Part C) allows for the use of the long-term obligations set-aside (25% of the excess RETT) to repay negative fund balances.

The City Council authorized the City Administrator to identify one-time sources of revenue to pay down negative funds and to present a revised repayment plan for all non-reimbursable negative funds in the FY 2019-21 budget development process.

Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. External auditors, rating agencies, and investors pay close attention to negative fund balances and the City's commitment to repayments.

This report provides the status of City efforts to clear negative fund balances since FY 2010.

BACKGROUND / LEGISLATIVE HISTORY

City 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 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.

On December 9, 2014 Ordinance No. 13279 C.M.S., 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 Adopted 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.

On April 17, 2018, Resolution No. 87140 C.M.S. authorized the City Administrator to eliminate appropriation balances in the Municipal Capital Improvement Fund (5500) in the amount of up to \$2.81 million, Capital Fund (5510) in the amount of up to \$2.04 million, and to restore the appropriations in alternative funds as funding sources become available. The City Administrator was also authorized to identify one-time sources of revenue to pay down negative funds

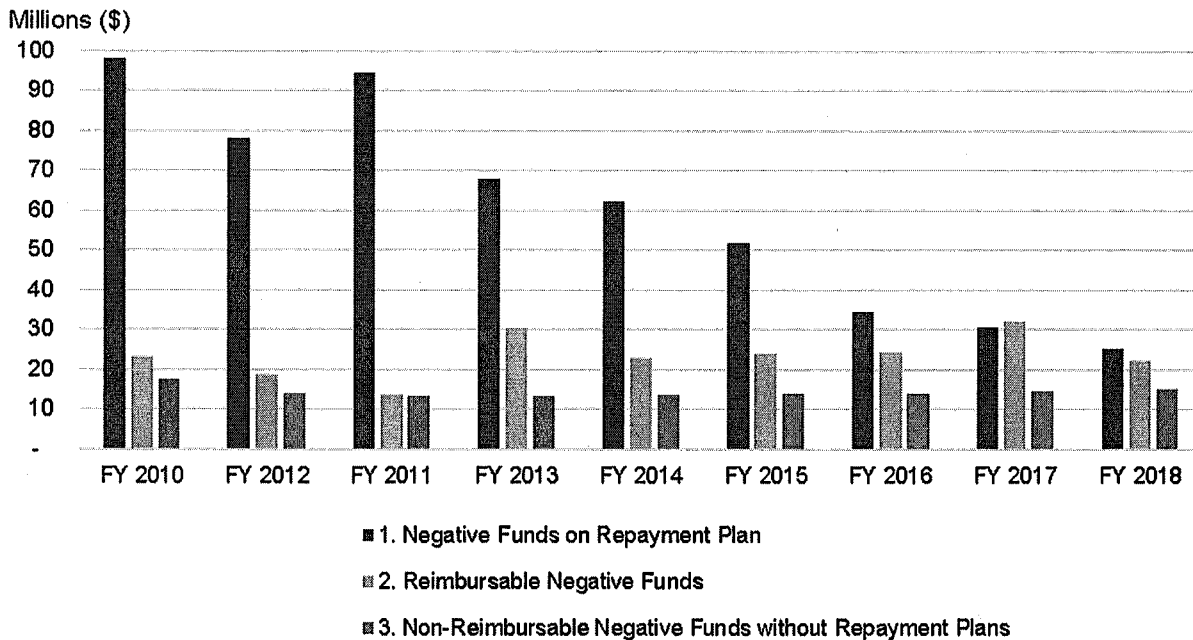
balances from sources including, but not limited to, the Long Term Obligations set-aside in accordance with the City's Consolidated Fiscal Policy, and to present a revised Repayment Schedule for specified funds as part of the FY 2019-21 budget development process.

On May 15, 2018, Council Ordinance No. 13487 C.M.S. amended the City's Consolidated Fiscal Policies to facilitate various goals and objectives, including policies to reduce the potential for future increases in negative fund balances. Specific items in support of this goal include requirements for departments to submit corrective action plans in the event of overspending and revised criteria for GPF project carryforwards and encumbrances.

ANALYSIS AND POLICY ALTERNATIVES

The City's total negative balances have declined substantially since FY 2009-10, largely because of repayment plans included in the last two biennial Adopted Policy Budgets. Figure 1 illustrates the City's progress over the last nine fiscal years.

Figure 1: Negative Fund Balances by Category – FY 2009-10 to FY 2017-18



The City Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process, which will support continued progress in reducing negative fund balances. The Council's action included all non-reimbursable negative funds without repayment plans, putting the City on track to have repayment plans for all negative funds other than reimbursable funds. In addition, the elimination of appropriation authority in the Municipal Capital Improvement Fund (5500) and in the Capital Fund (5510) will provide protection against new declines in these funds' balances.

There are three categories of funds in the City with negative balances:

1. Negative Funds with Repayment Schedules (\$25.33 million):

Table 2: Repayment Progress FY 2009-10 to FY 2017-18

Fund	Fund Description	Ending Fund Balance FY 2009-10	Total Repayment To Date	Pre-Audited Fund Balance FY 2017-18
1100	Self Insurance Liability	(23,482,665)	9,698,233	(13,784,433)
1700	Mandatory Refuse Program	(7,401,479)	6,055,400	(1,346,080)
1730	Henry J Kaiser Convention Center	(4,710,045)	4,701,060	(8,985)
1750	Multipurpose Reserve	(4,047,612)	4,047,612	-
1760	Telecommunications Reserve	(1,074,609)	1,074,609	-
1791	Contract Administration Fee	(4,131,840)	4,125,625	(6,215)
2232	Gas Tax RMRA	-	(559,723)	(559,723)
2241	Measure Q-Library Services Ret	-	(386,057)	(386,057)
2310	Lighting and Landscape Assessment District	(4,620,719)	4,453,725	(166,994)
4100	Equipment*	(13,224,994)	13,224,994	-
4300	Reproduction*	(187,543)	(1,733,131)	(1,920,674)
4400	City Facilities*	(29,088,831)	26,741,244	(2,347,587)
4500	Central Stores*	(5,209,132)	944,252	(4,264,880)
4550	Purchasing*	(996,004)	457,423	(538,581)
Total Negative Funds with Repayment Schedules		(98,175,473)	72,845,264	(25,330,209)

*Reported on a cash basis

- a. Negative Internal Services Funds: Internal Services Funds (ISFs) are funds used to centralize certain services and allocate their costs to Departments, consistent with generally accepted accounting principles. Some of the City's ISFs have grown negative fund balances because of historical under-collection of reimbursements. Repayment schedules for several of these negative funds were established and followed for the past 10 years repaying approximately \$39.63 million.
- b. Selected General Funds on Existing Repayment Schedules: These include the Self-Insurance Liability, Mandatory Refuse Program, Henry J. Kaiser Convention Center, Telecommunications Reserve and Contract Administration Fee funds. Repayment schedules for these negative funds were established and followed for the past 10 years repaying approximately \$33.21 million.

For General Fund Group funds, repayments were generally based on structured transfers from the General Purpose Fund. Remaining balances in the Henry J. Kaiser Convention Center and Contract Administration Fee funds represent accumulated negative interest. The increase in negative fund balance for the Self Insurance Fund resulted from a \$12 million settlement in FY 2017-18 that is expected to be offset by \$9 million in insurance proceeds anticipated in the current fiscal year.

For ISFs, repayment schedules were based on reductions in costs and gradually increasing rates charged to Departments utilizing these services over time.

2. Reimbursable Negative Funds (\$22.32 million):

- a. Grant Funds: These negative balances are generally caused by lagging drawdowns, requirements to expend prior to reimbursement and, in rare cases, disallowed expenditures. Apart from disallowed expenditures, negative balances in this category result from the timing of reimbursements. Departments have been developing plans to address these negative balances, conducting research as necessary with assistance from the Finance Department. Departments are committed to completing most draw downs on a monthly or quarterly basis. With the new Grants functionality in Oracle R12 Departments are now able to bill grantors directly from the system which has improved the efficiency and timeliness of drawdowns.
- b. Other Reimbursable Funds: These funds include FEMA Declarations, Emergency Response, Housing loans, and revolving loan funds. These funds rely on reimbursements based on either drawdown of associated costs or loan repayments.

3. Non-Reimbursable Negative Funds without Repayment Plans (\$15.16 million):

- a. 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.
- b. Active Funds: These funds have no revenue source but have historically retained substantial appropriation authority.

The City Council has directed the City Administrator to present a revised Repayment Schedule for these funds as part of the FY 2019-21 budget development process. In addition, the Council has authorized the City Administrator to eliminate most of the outstanding appropriation authority for active funds and to restore the appropriations in alternative funds as funding sources become available.

Departmental fiscal managers across the City have worked with the Controller's Bureau and Budget Bureau staff to take proactive steps to reduce and eliminate negative fund balances by reducing carryforward appropriations and monitoring spending. Specific departments were

assigned as fund managers with responsibilities to monitor revenue collection, spending, and grant drawdowns, and alert the Finance Department of major deviations from the budget. **Attachment A** provides a detailed listing of all negative funds by category.

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.

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.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

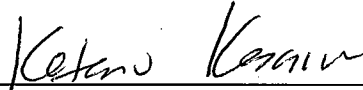
Social Equity: No social equity opportunities have been identified.

ACTION REQUESTED OF CITY COUNCIL

Staff recommends that City Council accept this informational report on the status of negative funds as of June 30, 2018.

For questions regarding this report, please contact KIRSTEN LACASSE, CONTROLLER, at 238-6776.

Respectfully submitted,



KATANO KASAINÉ
Finance Director, Finance Department

Reviewed by:
Kirsten LaCasse, Controller
Controller's Bureau

Prepared by:
Stephen Walsh, Assistant Controller
Controller's Bureau

Attachments (1):

- Attachment A: Status of Negative Funds FY 2014 through FY 2018

Status of Negative Funds FY 2014 through FY 2018

Attachment A

Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Ending Fund Balance (as of 6/30/2017)	Pre-Audited Fund Balance (as of 6/30/2018)	Explanation of Negative Fund Balance
Negative Funds with Repayment Schedules:								
1100	Self Insurance Liability	Finance	(22,474,395)	(15,374,053)	(10,964,949)	(10,310,411)	(13,784,433)	On repayment plan through 2022. The increase for FY 2018 resulted from a settlement that is anticipated to be offset with insurance proceeds in the current fiscal year.
1700	Mandatory Refuse Program	Finance	(5,063,421)	(3,851,273)	(3,316,282)	(2,745,667)	(1,346,080)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Rising lien receivables due to non-payments of garbage fees, and previous transfers to GPF. This fund is on an informal repayment plan. Additional negative amounts should also decline over time as liens are collected through sale of properties.
1730	Henry J Kaiser Convention Center	Finance	(2,338,469)	(1,765,491)	(8,815)	(8,854)	(8,985)	Negative balance was paid off in FY 2014-15. Final adjustment of negative interest allocation must be off-set with one-time GPF revenue
1750	Multipurpose Reserve	Public Works	(5,206,844)	(4,867,100)	(2,631,841)	(609,263)	-	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
1791	Contract Administration Fee	City Administrator	(1,789,294)	(1,214,270)	(6,097)	(6,124)	(6,215)	Negative balance was paid off in FY 2015-16. Final adjustment of negative interest allocation must be off-set with one-time GPF revenue
2232	Gas Tax RMRA	Transportation	-	-	-	-	(559,723)	Repayment plan will be developed in the FY 2019-21 budget development process
2241	Measure Q-Library Services Ret	Library	-	-	-	-	(386,057)	Amount will be off-set by the Measure Q Reserve Fund (2242)
2310	Lighting and Landscape Assessment District	Public Works	-	(289,890)	(289,731)	(664,762)	(166,994)	Negative balance results from static revenue source and increasing costs.
4100	Equipment*	Public Works	(1,584,849)	-	-	-	-	This fund was on a repayment plan and was paid off early as a result of underspending.
4300	Reproduction*	Information Technology	(1,530,670)	(1,651,661)	(1,583,924)	(1,853,889)	(1,920,674)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historically costs have exceeded the revenues in this pay-as-you-go ISF.
4400	City Facilities*	Public Works	(18,329,573)	(17,537,264)	(11,371,299)	(9,651,781)	(2,347,587)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. The FY 2017-19 Adopted Policy Budget allocated over \$4 million each year to reduce this balance.
4500	Central Stores*	Finance	(3,820,440)	(3,838,796)	(4,060,880)	(4,231,973)	(4,264,880)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. To reduce costs, Central Stores was eliminated in the FY2011-12 adopted budget and agencies/departments now manage their supplies on a just-in-time basis.
4550	Purchasing*	Finance	(140,664)	(1,351,632)	(227,040)	(577,956)	(538,581)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
Subtotal Negative Funds with Repayment Schedules			(62,278,619)	(51,741,430)	(34,460,859)	(30,660,676)	(25,330,209)	
Reimbursable Negative Funds:								
1770	Telecommunications Land Use	Information Technology	-	-	-	(52,930)	(261,264)	Will be covered by future revenue.
1831	Central City East Project Ar	Economic & Workforce Dev	(710,04)	(712)	(715)	(718)	-	Will be covered by loan repayments
1883	2000 Subordinated Housing Se	Economic & Workforce Dev	-	(128,007)	(791,561)	(129,312)	(129,611)	Will be reimbursed by ORSA
1885	2011A-T Subordinated Housing	Economic & Workforce Dev	(1,451,334.59)	-	-	-	-	Reimbursed by ORSA
2061	2006 FEMA: 1628 Winter Storm	Public Works	(174,446)	(32,151)	-	-	-	Negative balance cleared
2062	2006 FEMA: 1646 Spring Storm	Public Works	(271,683)	(271,643)	-	-	-	Negative balance cleared
2063	FEMA Declarations	Public Works/Fire	-	-	-	(614,330)	-	Negative balance cleared
2102	Department of Agriculture	Human Services	(161,917)	(256,109)	(173,824)	(219,118)	(29,924)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2103	HUD-ESG/SHP/HOPWA	Human Services	(4,445,304)	(4,565,763)	(6,208,949)	(4,656,863)	(5,290,082)	Historical negative balance (pre FY1999-2000) requires one-time offset of \$3.9M. A portion of this uncollectible amount (approximately \$1.2 M) is due to HUD's modified cost reimbursement methodology.
2105	HUD-EDI Grants	Housing	-	-	(342,819)	(608,582)	(839,985)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2107	HUD-108	Housing	(3,613,637)	(3,242,669)	(294,261)	(1,863,969)	(1,389,416)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2108	HUD-CDBG	Housing	-	(240,281)	(1,204,091)	(1,124,875)	(1,367,264)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2109	HUD-Home	Housing	-	-	-	(782,942)	-	Negative balance cleared
2111	2000 Local Law Enforcement B	Police	(78,606)	(80,269)	(80,332)	(80,249)	(60,434)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2112	Department of Justice	Police	(87,332)	-	-	(110,899)	-	Negative balance cleared
2113	Department of Justice- COPS	Human Services	(270,750)	(215,771)	(1,708,978)	(1,864,312)	(1,176,117)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.

Status of Negative Funds FY 2014 through FY 2018

Attachment A

Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Ending Fund Balance (as of 6/30/2017)	Pre-Audited Fund Balance (as of 6/30/2018)	Explanation of Negative Fund Balance
2114	Department of Labor	Human Services	(108,390)	(242,278)	-	-	-	Negative balance cleared
2116	Department of Transportation	Public Works	(109,220)	-	-	(3,118,186)	-	Negative balance cleared
2120	Federal Action Agency	Human Services	(36,949)	(20,556)	(39,654)	(98,357)	(24,998)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2123	US Dept of Homeland Security	Fire	(764,364)	(389,866)	-	(10,468)	(44,258)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2124	Federal Emergency Management	Fire	(1,249,486)	(847,080)	(1,514,094)	(1,974,548)	(267,908)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2127	Department of Transportation-Tiger	OBRA	(15,091)	-	-	-	-	Negative balance cleared
2128	Dept. of Health and Human Services	Human Services	(1,553,583)	(3,121,772)	(1,678,263)	(1,843,286)	(2,015,101)	Historical negative balance (pre-FY 2000) requires one-time offset; negative balance also due to time lag between spending grant funds and receiving reimbursement from the grantor.
2129	Trade Corridor Improvement F	Economic & Workforce Dev	(274,718)	(1,124,417)	(232,838)	(1,397,196)	(1,400,865)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2134	California Parks and Recreation	Public Works	(1,445,219)	(2,896,902)	(1,078,478)	(1,848,212)	-	Negative balance cleared
2138	California Department of Education	Human Services	-	-	-	-	-	Negative balance cleared
2140	California Department of Trans	Public Works	-	-	(1,030,167)	(1,760,959)	-	Negative balance cleared
2144	California Housing and Community Development	Housing/Human Services	(1,518,506)	(412,057)	(635,171)	(1,604,310)	-	Negative balance cleared
2148	California Library Services	Library/Public Works	(564,621)	-	-	-	-	Negative balance cleared
2152	California Board of Corrections	Police	-	-	-	-	(3,307,037)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2154	California Integrated Waste Management Board	Public Works	(72,790)	(77,300)	(82,668)	(98,303)	(64,003)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2159	State of California Other	Public Works	-	(634,164)	(1,480,938)	-	-	Negative balance cleared
2162	Metro Transportation Com: TD	Public Works	(10,870)	(47,709)	(58,866)	(193,189)	(25,491)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2163	Metro Transportation Com: Program Grant	Public Works	(537,224)	(319,125)	(368,176)	(810,965)	(291,802)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2164	Congestion Mitigation & Air	Public Works	(91,717)	(91,703)	(91,775)	(91,680)	(91,892)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2165	Prop 1B Nov 2006 CA Trans Bo	Public Works	(23,462)	-	-	-	-	Negative balance cleared
2166	Bay Area Air Quality Management District	Public Works	(59,557)	-	-	(433,384)	-	Negative balance cleared
2190	Private Grants	Various	(540,691)	(523,013)	(512,029)	(482,691)	(118,672)	Historical negative balance due to Neighborhood law project (City Attorney's Office). This project requires a one-time revenue offset.
2214	ACTIA Reimbursable Grants	Public Works	-	(1,167,347)	(1,088,728)	(361,046)	-	Negative balance cleared
2260	Measure WW: East Bay Regional Parks District Local Grant	Public Works	(951,249)	(879,096)	(1,285,583)	(565,059)	(547,787)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2411	False Alarm Reduction Program	Police	-	-	-	(387,241)	(821,696)	The fund balance will be recovered from False Alarm program revenue.
2418	Traffic Impact Program (TIP)	Public Works	-	-	-	(118,830)	(119,018)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2605	Dept of Health & Human Services	Human Services	(138)	(135)	(133)	(129)	(117)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2613	Port Security Grant Program	Fire	(51,094)	(51,094)	(51,094)	(51,094)	(51,094)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2990	Public Works Grants	Public Works	(879,048)	(706,980)	(637,928)	(916,631)	(710,719)	OPW staff will continue efforts to coordinate with responsible departments to move ineligible grant charges to other matching fund sources.
2995	Police Grants	Police	-	-	(123,591)	-	-	Negative balance cleared
5008	Emergency Response: GOB Series 1992	Public Works	(156,342)	(156,821)	(157,405)	(158,097)	(160,439)	OPW staff will coordinate with responsible departments to move ineligible charges to other funds.
5320	Measure DD: 2003A Clean Water,	Public Works	-	-	-	(78,038)	(77,644)	Will be reimbursed by Measure DD bond proceeds
5660	West Oakland Projects	Economic & Workforce Dev	(1,152,558.61)	(1,244,494)	(1,362,109)	(1,398,883)	(1,419,623)	Economic & Workforce Development staff should cleanup
6570	JPFA Pooled Assessment: 1996 Revenue Bonds	Non-Departmental	(144,305)	(94,734)	(95,086)	(95,503)	(97,357)	Fund balance will be recovered by assessments.
6612	JPFA Lease Revenue Refunding	Non-Departmental	(4,206)	(1,196)	(3,084)	(3,132)	(3,867)	Fund balance will be recovered by assessments.
7130	Employee Deferred Compensati	Human Resources	-	(2,502)	(97,181)	(215,575)	(72,557)	Due to overspending on personnel. Remaining balance will be corrected in FY 2019.
7780	Oakland Redevelopment Agency Projects	ORSA	-	(1,671)	(16,356)	(24,798)	(25,044)	Negative fund balance created by transfers / incorrect charges created during dissolution of RDA. Remaining balance will be corrected in FY 2019.
Subtotal Reimbursable Negative Funds:			(22,971,416)	(24,087,366)	(24,466,924)	(32,248,463)	(22,323,463)	

Status of Negative Funds FY 2014 through FY 2018

Attachment A

Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Ending Fund Balance (as of 6/30/2017)	Pre-Audited Fund Balance (as of 6/30/2018)	Explanation of Negative Fund Balance
Non-Reimbursable Negative Funds without Repayment Plan:								
1600	Underground District Revolving Fund	Public Works	(968,269)	(971,381)	(974,997)	(979,283)	(993,791)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Fund was originally set up as a pass-through for undergrounding projects but is no longer being used. Very little recovery took place in FY 1999-00 and FY2000-01. The fund has accumulated negative interest of \$721K and all remaining charges are considered un-collectable.
2992	Parks and Recreation Grants	Parks & Recreation	(2,588,260)	(2,587,880)	(2,589,917)	(2,587,228)	(2,593,208)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historical negative balance from FY 1993-94.
5012	JPFA Admin Building: Series 1996	Public Works	(1,619,201)	(1,624,167)	(1,630,213)	(1,637,379)	(1,661,636)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historical negative balance is from FY2001-02 and is related to Admin. building projects (Civic Center Complex/City Hall) that are uncollectable.
5500	Municipal Capital Improvement	Finance	(5,007,783)	(5,414,975)	(5,469,869)	(5,494,985)	(5,602,415)	Council has authorized the City Administrator to eliminate all appropriations balances in the amount of up to \$2.81 million as alternative funding sources become available and to restore the appropriations in those alternative funds. Council has also directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
5510	Capital Reserves	Public Works	-	-	-	(769,989)	(1,138,319)	Council has authorized the City Administrator to eliminate all appropriations balances in the amount of up to \$2.04 million as alternative funding sources become available and to restore the appropriations in those alternative funds. Council has also directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
5999	Miscellaneous Capital Projects	Finance/Public Works	(3,336,084)	(3,317,981)	(3,278,531)	(3,197,490)	(3,170,791)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historical negative balance related to negative interest and various project expenditures (e.g., Y2K conversion).
Subtotal Non-Reimbursable Negative Funds			(13,519,597)	(13,916,383)	(13,943,527)	(14,666,354)	(15,160,159)	
Total Negative Funds			(98,689,332)	(89,745,189)	(72,871,310)	(77,575,920)	(62,813,456)	

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