



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Margaret L. O'Brien  
Director of Finance, Interim

**SUBJECT:** FY 2019-20 Q4 &  
FY 2020-21 Q1 R&E Report

**DATE:** October 30, 2020

City Administrator Approval 

Date: Nov 30, 2020

## **RECOMMENDATION**

**Staff Recommends That City Council Receive An Informational Report On Fiscal Year (FY) 2019-20 Unaudited Fourth Quarter and FY 2020-21 First Quarter Revenue and Expenditure Results And Year-End Summaries For The General Purpose Fund (GPF, 1010) and Selected Funds.**

## **EXECUTIVE SUMMARY**

This report details the City of Oakland's (the City) unaudited Fourth Quarter Financial Results for FY 2019-20 in the General Purpose Fund (GPF) and other selected funds. It also contains preliminary FY 2020-21 projected revenue and expenditure in GPF based on First Quarter trends. The following points highlight key findings from the City's year-end results and First Quarter forecast (discussed in more detail in the Policy and Analysis Alternatives section of this report beginning on page 3).

### **General Purpose Fund**

Revenues in the GPF, excluding transfers from fund balance, are lower than the FY 2019-20 Adjusted Budget by \$(20.69) million (**Table 1**). Generally, year-end revenue in FY 2019-20 reflects the significant impact of the ongoing COVID-19 crisis on the local economy. (**Attachment A**).

Unaudited expenditures exceeded the FY 2019-20 Adjusted Budget by approximately \$26.89 million (**Table 1**), driven primarily by personnel overspending in the Oakland Police Department (OPD)

Spending by department is shown in **Table 4**.

Expenditures exceeded revenues resulting in a year-end shortfall in the fund balance of

\$(47.58) million (**Table 1**). Taken with the various fund balance adjustments and mandated reserve obligations, the FY 2019-20 year-end available GPF fund balance is \$(30.42) million (**Table 6**). This significant shortfall puts the City at risk for severe fiscal stress if not addressed. In addition, preliminary FY 2020-21 first quarter data indicates this shortfall is widening. FY 2020-21 year-end revenues are currently projected to be \$629.92 million net of transfers from fund balance, which is \$(13.63) million short of the adopted Midcycle Budget. **FY 2020-21 year-end GPF expenditures are projected to exceed budget by \$18.24 million for a total of \$662.33 million. If no fiscal corrective action is taken, FY 2020-21's ending GPF fund balance is projected to become \$(62.29) million.** This FY 2020-21 year-end forecast is based on 3 months of economic data, which will be revised and revisited as more data is received.

### **Non-General Purpose Funds**

The negative fund balance in the Self Insurance Liability Fund (1100) - which is on a City Council approved repayment plan - has decreased from negative \$(7.26) million to negative \$(6.88) million in FY 2019-20 (**Table 13**).

The negative fund balance in the Landscaping and Lighting Assessment District (LLAD) Fund (2310) continues to increase due to rising costs and stagnant revenues.

Three of the Internal Service Funds (Reproduction Fund, Central Stores Fund, and Purchasing Fund) were placed on repayment plans in the FY 2019-21 Biennial Budget (per Resolution No. 87140 C.M.S). However, due to the fiscal impact of the continuing pandemic, repayments were put on hold with the FY 2020-21 Midcycle Budget. The fund balance in the Facilities Fund (4400) is anticipated to have a positive ending balance at year-end in FY 2019-20 and has been left out of this report as a result.

The remainder of this report provides details on the unaudited fiscal year-end revenue and expenditures in the GPF and selected funds based on fourth quarter data (April 1, 2020 – June 30, 2020), as well as preliminary FY 2020-21 projected revenues and expenditures in GPF based on first quarter trends.

### **BACKGROUND / LEGISLATIVE HISTORY**

On June 24, 2019, Council adopted the FY 2019-20 Budget of \$655.89 million (both revenues and expenditures) in the GPF. This budget includes a transfer of \$4.11 million from the GPF fund balance as expenditures were forecasted higher than revenues.

During FY 2019-20 additional budget was added based on authorized carryforward (CF). The Adjusted Budget for FY 2019-20 is the cumulative total of the Adopted Budget and all other authorized additions.

This report contains the unaudited fiscal year-end results for FY 2019-20 based on data available from July 1, 2019 – June 30, 2020.

On June 23, 2020, Council adopted the FY 2020-21 Budget of \$644.09 million (both revenues and expenditures) in the GPF. This budget includes a transfer of \$0.54 million from GPF fund balance. **Attachment G to this report, provides a progression of estimated FY 2019-20 GPF fund balance from the various communications from the Finance Department as the economic crisis deepened while Attachment H provides the progression of the year-end revenue forecast.**

This report also contains the projected fiscal year-end results for FY 2020-21 based on data available from the first quarter (July 1, 2020 – September 30, 2020).

**ANALYSIS AND POLICY ALTERNATIVES**

**FY 2019-20 UNAUDITED FOURTH QUARTER RESULTS, GENERAL PURPOSE FUND**

Key Results

Unaudited FY 2019-20 expenditures exceeded revenues due to the impact of the COVID-19 crisis. This resulted in a decrease to fund balance of \$(52.33) million (**Table 1**).

**Table 1: Summary of GPF Budget to Actual Results (\$ in millions)**

Description	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	Year-End Over / Under Budget
<b><u>REVENUE</u></b>			
Revenue (excludes transfer from fund balance)	\$ 651.61	\$ 630.92	\$ (20.69)
<b>Subtotal Revenue</b>	<b>\$ 651.61</b>	<b>\$ 630.92</b>	<b>\$ (20.69)</b>
<b><u>EXPENDITURES</u></b>			
Expenditures	\$ 656.36	\$ 683.25	\$ 26.89
<b>Subtotal Expenditures</b>	<b>\$ 656.36</b>	<b>\$ 683.25</b>	<b>\$ 26.89</b>
<b>Estimated Contribution to Fund Balance</b>	<b>\$ (4.75)</b>	<b>\$ (52.33)</b>	<b>\$ (47.58)</b>

The year-end available GPF fund balance is \$(30.42) million (**Table 2**). This balance reflects the net difference between the revenue and expenditure projections, including adjustments such as FY 2019-20 carryforwards, the FY 2020-21 Adopted Budget, and mandated reserves (**Table 6**).

**Table 2: Summary of GPF Estimated Year-End Available Fund Balance (\$ in millions)**

GENERAL PURPOSE FUND (1010)	FY 2019-20 Q4 Unaudited Actuals
<b>Beginning Fund Balance - Audited</b>	<b>\$97.86</b>
Revenue	\$630.92
Expenditures	\$683.25
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$(52.33)</b>
<b>Subtotal Fund Balance</b>	<b>\$45.53</b>
FY19-20 / FY20-21 Obligated Fund Balance	\$(25.28)
Designated / Mandated Reserves	\$(50.67)
<b>Estimated Ending Available Fund Balance</b>	<b>\$(30.42)</b>

**I. REVENUES**

As reflected in **Attachment A**, the FY 2019-20 adjusted revenue budget is \$655.73 million, which includes a \$4.11 million transfer from GPF fund balance. Unaudited fiscal year-end revenues including use of fund balance are \$635.04 million, which represents a net decrease of \$20.69 million from the FY 2019-20 Adopted Budget.

As shown in **Table 3** below, the unaudited FY 2019-20 year-end revenues net of transfers from fund balance are \$630.92 million. Revenues, when compared to the adjusted budget, decreased by \$(20.69) million.

**Table 3: Summary of GPF Revenue Variance to FY 2019-20 Adjusted Budget:**

Description	FY 2019-20 Revenue
<b>FY 2019-20 Adjusted Revenue Budget</b>	<b>\$651.61</b>
Increases/(Decreases):	
Property Tax	\$3.64
Sales Tax	\$(4.43)
Business License Tax	\$(1.63)
Real Estate Transfer Tax	\$8.68
Fines & Penalties	\$(0.75)
Transient Occupancy Tax	\$(8.22)
Miscellaneous	\$1.42
All Other	\$(19.39)
<b>Net Projected GPF Revenue Growth</b>	<b>\$(20.69)</b>
<b>Total FY 2019-20 Projected Revenue</b>	<b>\$630.92</b>

## II. EXPENDITURES

The unaudited year-end expenditures in the GPF are estimated at \$683.25 million, which is (26.89) million over the net Adjusted Budget (**Table 4**). The unaudited year-end result is primarily attributed to overspending in OPD.

**Table 4: Summary of FY 2019-20 GPF Projected Expenditure Variance:**

Department	Adjusted Budget (Q4 less CF)	Q4 Year-End Actuals	Year-End (Over) / Under Budget
<b>FY 2019-20 Expenditures</b>	<b>\$ 656.36</b>	<b>\$ 683.25</b>	<b>\$ (26.89)</b>
MAYOR	\$ 3.74	\$ 2.92	\$ 0.81
CITY COUNCIL	\$ 5.98	\$ 5.66	\$ 0.32
CITY ADMINISTRATOR	\$ 16.39	\$ 16.05	\$ 0.34
CITY ATTORNEY	\$ 13.53	\$ 14.09	\$ (0.56)
CITY AUDITOR	\$ 2.27	\$ 2.36	\$ (0.08)
CITY CLERK	\$ 2.11	\$ 1.89	\$ 0.22
POLICE COMMISSION	\$ 4.13	\$ 2.99	\$ 1.14
PUBLIC ETHICS COMMISSION	\$ 1.16	\$ 1.24	\$ (0.08)
FINANCE DEPARTMENT	\$ 26.68	\$ 25.92	\$ 0.76
INFORMATION TECHNOLOGY	\$ 10.61	\$ 10.50	\$ 0.12
RACE & EQUITY	\$ 0.64	\$ 0.76	\$ (0.12)
HUMAN RESOURCES	\$ 6.57	\$ 7.14	\$ (0.57)
DEPARTMENT OF VIOLENCE PREVENTION	\$ 0.63	\$ 0.47	\$ 0.17
POLICE DEPARTMENT	\$ 287.59	\$ 319.77	\$ (32.18)
FIRE DEPARTMENT	\$ 164.91	\$ 162.91	\$ 1.99
OAKLAND PUBLIC LIBRARY	\$ 12.96	\$ 13.04	\$ (0.07)
PARKS & RECREATION	\$ 13.61	\$ 13.46	\$ 0.15
HUMAN SERVICES	\$ 16.21	\$ 15.37	\$ 0.84
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 5.30	\$ 5.04	\$ 0.26
HOUSING & COMMUNITY DEVELOPMENT	\$ 0.13	\$ 0.01	\$ 0.12
PLANNING & BUILDING	\$ 0.06	\$ 0.06	\$ —
OAKLAND PUBLIC WORKS	\$ 4.24	\$ 4.30	\$ (0.05)
TRANSPORTATION	\$ 10.97	\$ 10.23	\$ 0.74
NON-DEPARTMENTAL	\$ 44.67	\$ 46.10	\$ (1.42)
CAPITAL IMPROVEMENT PROGRAM	\$ 1.26	\$ 0.97	\$ 0.28

**Table 5** below shows the personnel expenditures, including overtime, for Public Safety in the GPF. Once all other personnel costs are accounted for, the overspending increases to \$(28.08) million in OPD and decreases to \$0.85 million in Oakland Fire Department (OFD).

**Table 5: FY 2019-20 Public Safety GPF Personnel Expenditures**

Department	FY 2019-20 Adjusted Budget**	FY 2019-20 Actuals	Year-End (Over) / Under Budget
<b>Police Department</b>			
Overtime (OT)*	\$ 16.56	\$ 35.07	\$ (19.03)
All Other Personnel (non-OT)	\$ 232.95	\$ 242.01	\$ (9.06)
<b>OPD Total Personnel</b>	<b>\$ 249.00</b>	<b>\$ 277.08</b>	<b>\$ (28.08)</b>
<b>Fire Department</b>			
Overtime (OT)*	\$ 2.37	\$ 20.63	\$ (18.26)
All Other Personnel (non-OT)	\$ 142.70	\$ 123.59	\$ 19.11
<b>OFD Total Personnel</b>	<b>\$ 145.06</b>	<b>\$ 144.22</b>	<b>\$ 0.85</b>

\* Details on the factors contributing to Police and Fire overtime projections are provided in a separate report presented to the Finance Committee.

\*\*The Police overtime budget continues to be underfunded. Per the 2019 [City Auditor Report](#) on Police Overtime, “the City still does not realistically budget for overtime. OPD has exceeded its overtime budget by an average of \$13.7 million over the last four fiscal years. The City has not considered historical spending in developing a balanced budget nor does it recognize reimbursable overtime revenues, thus contributing to the City consistently underfunding OPD’s overtime budget.”

### III. FUND BALANCE

The audited FY 2019-20 GPF beginning fund balance on July 1, 2019 was \$97.86 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 year-end available fund balance is estimated to be \$(30.42) million, after including for year-end revenues (net of transfers from fund balance) and expenditures, project and encumbrance carryforward, and amounts budgeted in FY 2019-20 (**Table 6**).

**Table 6: FY 2019-20 Year-End Available GPF Fund Balance**

GENERAL PURPOSE FUND (1010)	FY 2019-20 Q4 Unaudited FYE
<b>Beginning Fund Balance - Audited</b>	<b>\$ 97.86</b>
Revenue	\$ 630.92
Expenditures	\$ 683.25
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$ (52.33)</b>
<b>Subtotal Fund Balance</b>	<b>\$ 45.53</b>
<b>Use of Fund Balance:</b>	
Projects & Encumbrance Carried Forward (CF) to FY 2020-21	\$ (23.22)
FY 2018-19 Kid's First True Up (FY 2020-21 Midcycle Adjustment)	\$ (1.52)
FY 2020-21 Adopted Budget*	\$ (0.54)
<b>Subtotal Use of Fund Balance</b>	<b>\$ (25.28)</b>
<b>Designated / Mandated Reserves:</b>	
7.5% GPF Required Reserve	\$ (48.31)
FY 2019-20 VSSF & LTO Transfer Estimate (Total 50% Excess RETT set-aside)	\$ —
FY 2018-19 VSSF & LTO Transfer (Total 50% Excess RETT set-aside)	\$ —
OMERS Reversion of Assets (held with Trustee; Resolution 85098)	\$ (2.36)
<b>Subtotal Reserves</b>	<b>\$ (50.67)</b>
<b>Estimated Ending Available Fund Balance</b>	<b>\$ (30.42)</b>

**IV. RESERVES**

On December 9, 2014, Council 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 (RETT)). The summary below provides the adjusted total set-asides, including any additional contributions based on the excess RETT in the FY 2019-20 Fourth 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. The City’s 7.5% GPF Emergency Reserve is set at \$48.31 million based on the FY 2019-20 Adopted Budget (**Table 7**). During the FY 2020-21 Midcycle budget process, the entire balance of the Vital Services Stabilization Fund (\$14.65 million) was appropriated to plug a budget shortfall caused from the COVID-19 crisis. The reserve at its current amount of \$48.31 million is



equivalent to almost one month of FY 2019-20 Adjusted Budget of \$656.36 million in GPF (7.36%).

**Table 7: FY 2019-20 Year-End Reserve Balances**

Description	FYE 2019-20 Balances
7.5% GPF Required Reserve <sup>1</sup>	\$ 48.31
Vital Services Stabilization Fund	
<b>Total Reserves</b>	<b>\$ 48.31</b>

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

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 REVENUE HIGHLIGHTS**

The FY 2019-20 unaudited year-end revenues are \$630.92 million. This represents a net decrease of \$(20.69) million over the FY 2019-20 Adjusted Budget. **Attachment A** provides details of Fourth Quarter revenue forecasts and comparison to the FY 2019-20 Adopted Budget.

Property Tax: +\$3.64 million compared to FY 2019-20 Adjusted Budget

Property Tax revenues exceed FY 2019-20 Adjusted Budget by \$3.64 million due to the receipt of additional Residual Property Tax Trust Fund (RPTTF) revenues (**Table 8**). 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 6.08% when compared to Fiscal Year 2018-19.

**Table 8: Historical Property Tax Revenue: FY 2013-14 through FY 2019-20**

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 Unaudited
Property Tax	\$ 133.12	\$ 141.03	\$ 150.93	\$ 160.98	\$ 172.46	\$ 183.44	\$ 195.69
Property Tax - RPTTF	\$ 9.71	\$ 18.33	\$ 7.77	\$ 10.50	\$ 14.71	\$ 16.53	\$ 22.97
<b>Total Property Tax</b>	<b>\$ 142.83</b>	<b>\$ 159.36</b>	<b>\$ 158.7</b>	<b>\$ 171.48</b>	<b>\$ 187.17</b>	<b>\$ 199.97</b>	<b>\$ 218.66</b>

During the depths of the Great Recession, the City lost \$2.59 billion in assessed valuation. For the past 5 years, Oakland’s assessed valuation has experienced significant growth as shown in **Table 9**. Since FY 2013-14, the City’s assessed valuation has grown \$26.06 billion.

**Table 9: Assessed Valuation Growth: FY 2013-2014 through FY 2019-20**

FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
5.15%	5.85%	7.56%	7.47%	7.21%	5.84%	7.70%

**Sales Tax: -\$4.43 million compared to FY 2019-20 Adjusted Budget**

Based upon Fourth Quarter results, COVID-19 has severely impacted nearly all sales tax categories, most notably the decrease has been experienced in 1) Auto & Transportation, which consists of auto sales, gas sales and jet fuel; 2) Business & Industry; and 3) Restaurants & Hotels.

As a result, unaudited sales tax revenues are \$55.52 million which is nearly a 10.53%, or \$6.54 million decrease below the Adopted Budget of \$59.95 million, but \$1.6 million higher than estimated in July (**Table 10**). A portion of this decrease was offset by an increase in use tax revenue derived from the County pool. Under the County pool, the use tax is first coded to the county of use and then distributed to Cities in that County on a pro-rata share of taxable sales using population as the basis of allocation. The pro-rata share under the system is devised to distribute the local share because the use tax is an excise tax imposed on a person for the storage, use, or other consumption of tangible personal property purchased from any local retailer. The share of the County pool for the City of Oakland was 16.4% for FY 2019/20.

**Table 10: Sales Tax by Category FY 2019-20**

Category	FY 2018-19	FY 2019-20	Inc/(Dec)
Autos & Transportation	\$ 9,482,781	\$ 7,409,345	(21.87)%
Building & Construction	\$ 6,146,339	\$ 5,809,686	(5.48)%
Business & Industry	\$ 7,789,733	\$ 5,903,095	(24.22)%
Food & Drugs	\$ 5,660,185	\$ 5,329,771	(5.84)%
Fuel & Service Stations	\$ 7,676,235	\$ 5,388,452	(29.80)%
General Consumer Goods	\$ 5,952,793	\$ 5,247,133	(11.85)%
Restaurants & Hotels	\$ 11,203,059	\$ 8,555,670	(23.63)%
County Pool	\$ 9,769,412	\$ 10,773,385	10.28 %

**Real Estate Transfer Tax: \$+8.68 million compared to FY 2019-20 Adjusted Budget**

After seeing a serious decline in revenues derived from sale of real property in April 2020, the real estate market posted a slight recovery. Based upon unaudited results, FY 2019-20 year-end Real Estate Transfer Tax (RETT) is anticipated to be \$91.56 million, which is \$8.68 million

above the FY 2019-20 Budget. When compared to Fiscal Year 2018-19, revenues derived from RETT are anticipated to decrease (12.73)% from \$104.90 million to \$91.56 million.

In accordance with the City's Consolidated Fiscal Policy (Ordinance No. 13487 C.M.S.), \$10.22 million is considered one-time revenues, of which 25% should be placed in the Vital Services Stabilization Fund (VSSF) and 25% be used to fund debt retirement and unfunded long-term obligations (LTO). **However, on May 12, 2020, the Council suspended the VSSF and LTO transfers for FY 2018-19, FY 2019-20, and FY 2020-21 (per Resolution No. 88108 C.M.S).**

**Table 11** reflects changes in both total gross sales and volume, when comparing total property transfers that occurred in FY 2018-19 and FY 2019-20. After controlling for property sales over \$100 million, gross sales decreased \$(689.86) million, while the citywide sales volume decreased (17.58)%.

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.

**Table 11: RETT Growth Rate**

Sale Price	FY 2018-19 Through Q4		FY 2019-20 Through Q4			
	Gross Sales	Volume	Gross Sales	Volume	Gross Sales	Volume
\$300,000 or below	\$ 68,902,000	421	\$ 53,682,364	348	(22.09)%	(17.34)%
\$300,001 to \$2 Million	\$ 3,615,362,136	4,423	\$ 3,092,119,445	3,661	(14.47)%	(17.23)%
\$2 million to \$5 Million	\$ 542,701,500	190	\$ 405,084,000	143	(25.36)%	(24.74)%
\$5 -10 Million	\$ 281,101,000	40	\$ 185,282,500	26	(34.09)%	(35.00)%
\$10 - 50 Million	\$ 654,647,000	33	\$ 736,684,000	32	12.53 %	(3.03)%
\$50.01-100 Million	\$ 203,703,000	3	\$ 357,393,000	5	75.45 %	66.67 %
Over \$100 Million	\$ 1,039,319,418	5	\$ 175,000,000	\$ 1	(83.16)%	(80.00)%
<b>Total</b>	<b>\$ 6,405,736,054</b>	<b>5115</b>	<b>\$ 5,005,245,309</b>	<b>4,216</b>	<b>(21.86)%</b>	<b>(17.58)%</b>

**Business License Tax:  $-\$(1.63)$  million compared to FY 2019-20 Adjusted Budget**

The City's business tax filings and payments are due on January 1 and are considered delinquent if not received by March 1 of each year. Since most taxpayers filed and remitted taxes prior to the onset of the pandemic, there was minor impact on FY 2019-20 business taxes due to COVID-19. The City did see an impact with regards to revenue derived from delinquent filings. As a result, unaudited business tax revenues for FY 2019-20 came in at \$98.04 million, a slight decrease from the adopted budget and \$1.04 million higher than estimated in July.

**Utility User Tax:  $-\$(5.33)$  million compared to FY 2019-20 Adjusted Budget**

Unaudited year-end revenue derived from Utility User Tax (UUT) is \$49.83 million, which is a 0.47% increase when compared to Fiscal Year 2018-19 audited receipts. UUT revenues decreased over the past 2 fiscal years due to PG&E's application of the California Climate Credit that is distributed to rate payers in the months of April and October through calendar year 2020. Upon expiration of the California Climate Credit in October 2020, UUT revenues should return to more normal levels. While commercial business activity may impact UUT, the reduction

could be offset by increase in residential activity due to Shelter-in-Place directives. Staff will continue to monitor current and historical trends and use the data to create a more refined forecast.

**Transient Occupancy Tax:  $-\$(8.22)$  million compared to FY 2019-20 Adjusted Budget**

As large public gatherings have been canceled, as well as all non-essential business travel, and travel restrictions from Europe took effect, hotel occupancy rates in the Bay Area plunged to 20 percent or less, down from occupancy rates of around 80 percent. The unprecedented disruption caused by COVID-19 to the airline industry created a domino effect to the lodging industry as airlines no longer need many hotel rooms for flight crews, impacting local hotels in close proximity to the airport. Drastically reduced hotel occupancies continue to negatively impact revenues received from transient occupancies. Due to the extreme restrictions, year-end Transient Occupancy Tax (TOT) came in at \$19.58 million, an \$(8.22) million decrease from the adopted budget, but \$0.58 million higher than forecasted in July. **Table 12** reflects year-over-year change of TOT.

**Table 12: Transient Occupancy Tax Growth Rate**

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Transient Occupancy Tax	15.99%	17.24%	18.03%	12.89%	5.43%	9.92%	(24.47)%

**GENERAL PURPOSE FUND EXPENDITURE HIGHLIGHTS**

As outlined in **Table 4**, the FY 2019-20 Adjusted Budget is \$656.36 million excluding carryforwards. The fiscal year-end 2019-20 GPF expenditures are \$683.25 million. Below is a discussion of each department’s savings or overspending in the GPF at FY 2019-20 year-end as compared to the Adjusted Budget.

**Mayor’s Office**

The Mayor’s Office ended the fiscal year with a savings of \$0.81 million due to vacancies.

**City Council**

The City Council ended the fiscal year with a savings of \$0.32 million due to savings in personnel.

**City Administrator**

The City Administrator’s Office ended the fiscal year with a savings of \$0.34 million primarily due to underspending in O&M.

City Attorney

The City Attorney overspent by \$0.56 million due to personnel overspending.

City Auditor

The City Auditor slightly overspent by \$0.08 million due to personnel overspending.

City Clerk

The Office of the City Clerk ended the fiscal year with a savings of \$0.22 million primarily due to underspending in O&M.

Police Commission

The Police Commission ended the fiscal year with a savings of \$1.14 million due to underspending in O&M.

Public Ethics Commission (PEC)

The PEC slightly overspent by \$0.08 million due to overspending in Personnel.

Finance Department

Finance ended the fiscal year with a savings of \$0.76 million due primarily to underspending in O&M.

Information Technology Department (ITD)

ITD ended the fiscal year with a savings of \$0.12 million primarily due to underspending in O&M.

Race & Equity

The Race & Equity Department overspent by \$0.12 million due to personnel costs.

Human Resources Management Department (HRMD)

Human Resources overspent by \$0.57 million due to personnel costs.

Department of Violence Prevention (DVP)

DVP ended the fiscal year with a savings of \$0.17 million due to vacancies.

Oakland Police Department (OPD)

OPD overspent by \$32.18 million. OPD spent \$35.07 million on overtime. Overtime was used for backfill, extension of shift, and unanticipated special enforcement. **Table 5** provides additional information for overall personnel savings versus costs.

Oakland Fire Department (OFD)

OFD ended the fiscal year with a savings of \$1.99 million due to underspending in O&M. **Table 5** provides additional information for personnel savings versus costs.

Oakland Public Library (OPL)

OPL slightly overspent by \$0.07 million due to personnel costs.

Oakland Parks, Recreation & Youth Development (OPRYD)

OPRYD ended the fiscal year with a savings of \$0.15 million due to underspending in O&M.

Human Services Department (HSD)

HSD ended the fiscal year with a savings of \$0.84 million primarily due to underspending in O&M miscellaneous contracts.

Economic Workforce & Development (EWD)

EWD ended the fiscal year with a savings of \$0.26 million due to underspending in O&M.

Housing & Community Development (HCD)

HCD ended the fiscal year with a savings of \$0.12 million.

Planning & Building (PBD)

PBD ended the fiscal year at budget.

Oakland Public Works (OPW)

OPW slightly overspent by \$0.05 million.

Department of Transportation (DOT)

DOT ended the fiscal year with a savings of \$0.74 million due to vacancies and underspending in O&M.

Non-Departmental

Non-Departmental has a deficit of \$1.42 million due to under-recovering overhead recoveries.

**OTHER FUNDS**  
**(Attachments B through F)**

The five (5) non-GPF funds analyzed for this report have historically shown negative fund, or cash balances (**Attachments B to F**). The FY 2019-20 ending fund balance/(deficit) compared to FY 2018-19 is shown in **Table 13. Tables A-E** on the following pages provide additional information on fund balance calculations.

**Table 13: FY 2019-20 Ending Fund Balance for Non-GPF Funds**

<b>FUND</b>	<b>FY 2018-19 Audited Ending Balance</b>	<b>FY 2019-20 Ending Balance</b>
Self-Insurance Liability Fund	\$ (7.26)	\$ (6.88)
Landscaping & Lighting Assess. District Fund (LLAD)	\$ (0.01)	\$ (0.91)
Reproduction Fund	\$ (1.72)	\$ (1.52)
Central Stores Fund	\$ (4.25)	\$ (3.71)
Purchasing Fund	\$ (0.45)	\$ (0.14)

Self-Insurance Liability Fund

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

Unaudited revenues at fiscal year-end are \$34.78 million, which is \$0.82 million higher than the Adjusted Budget. Actual expenditures of \$33.91 million exceeded the Adjusted Budget by \$(0.43) million (**Table A**). Additional details are provided in **Attachment B**.

The negative fund balance in the Self Insurance Liability Fund (1100) – which is on a City Council approved repayment plan – has decreased from negative \$(7.26) million to negative \$(6.88) million in FY 2019-20.

**Table A: FY 2019-20 Self-Insurance Liability Fund Year-End Available Fund Balance**

<b>SELF-INSURANCE LIABILITY FUND (1100)</b>	<b>FY 2019-20 Adjusted Budget</b>	<b>FY 2019-20 Q4 Unaudited Actuals</b>	<b>Year-End Over / Under Budget</b>
Beginning Fund Balance – Audited	\$ (7.26)	\$ (7.26)	—
Revenue	\$ 33.96	\$ 34.78	\$ 0.82
Expenditures	\$ 33.48	\$ 33.91	\$ (0.43)
Estimated Current Year Surplus/(Shortfall)	\$ 0.48	\$ 0.87	\$ 0.39
Subtotal Fund Balance	(6.78)	(6.39)	—
Use of Fund Balance in FY 2019-20:			
Budgeted Amounts Carried Forward (CF) to FY 2020-21	\$ —	\$ (0.49)	—
Budgeted Fund Balance Repayment	\$ 2.08	\$ —	—
Estimated Ending Fund Balance	\$ (4.70)	\$ (6.88)	



Landscaping and Lighting Assessment District (LLAD) Fund

In the LLAD Fund (2310), unaudited year-end revenue and expenditure results show an operating deficit of \$(0.28) million in FY 2019-20 as reflected in **Attachment C**. When accounting for obligated amounts carried forward to FY 2019-20, and a beginning fund balance deficit of \$(0.01) million, the deficit in LLAD has increased to \$(0.91) million as reflected in **Table B**.

The LLAD Fund eliminated its roughly \$(6.0) million negative fund balance in FY 2014-15. However, rapidly increasing costs and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining a positive fund balance. The assessment rate cannot be adjusted without voter approval; therefore, the City must continue to carefully manage personnel and O&M expenses throughout FY 2020-21 to mitigate any further reductions in the fund balance.

**Table B: FY 2019-20 LLAD Year-End Available Fund Balance**

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 Unaudited Actuals	Year-End Over / Under Budget
Beginning Fund Balance – Audited	\$ (0.01)	\$ (0.01)	
Revenue	\$ 20.26	\$ 19.83	\$ (0.43)
Expenditures	\$ 20.73	\$ 20.11	\$ 0.62
Estimated Current Year Surplus/(Shortfall)	\$ (0.47)	\$ (0.28)	
Subtotal Fund Balance	\$ (0.48)	\$ (0.29)	
Use of Fund Balance in FY 2019-20:			
Budgeted Amounts Carried Forward (CF) to FY 2020-21		\$ (0.62)	
<b>Estimated Ending Fund Balance</b>	<b>\$ (0.48)</b>	<b>\$ (0.91)</b>	

Reproduction Fund

This fund is reported on a cash basis. Revenues are generated from equipment rental and services charges to operating departments for maintenance and replacement of City reproduction equipment.

**Table C**, which shows the fiscal year-end results for the Reproduction Fund (4300), reflects a slight operating surplus with revenues exceeding expenditures by \$0.28 million. The cash balance deficit has decreased from \$(1.78) million to \$(1.52) million as this fund has been placed on a repayment plan in the FY 2019-21 Biennial Budget (per Resolution No. 87140 C.M.S.). Additional details are provided in **Attachment D**.

**Table C: FY 2019-20 Reproduction Fund Year-End Available Fund Balance**

<b>REPRODUCTION FUND (4300)</b>	<b>FY 2019-20 Adjusted Budget</b>	<b>FY 2019-20 Q4 Unaudited Actuals</b>	<b>Year-End Over / Under Budget</b>
Gross Beginning Cash Balance – Audited	(1.72)	(1.72)	
Revenue	\$ 1.59	\$ 1.61	\$ 0.02
Expenditures	\$ 1.65	\$ 1.33	\$ 0.32
Estimated Current Year Surplus/(Shortfall)	\$ (0.06)	\$ 0.28	\$ 0.34
Subtotal Cash Balance	\$ (1.78)	\$ (1.44)	
<b>Use of Cash Balance in FY 2019-20:</b>			
Budgeted Amounts Carried Forward (CF) to FY 2020-21		\$ (0.08)	
<b>Estimated Ending Cash Balance</b>	<b>\$ (1.78)</b>	<b>\$ (1.52)</b>	

Central Stores Fund

This fund is reported on a cash basis. The Central Stores operation and facility was closed during a restructured inventory model in Public Works. The negative fund balance resulted primarily from liquidating the physical inventory on hand. This fund now supports the Citywide mailroom function and revenues are generated by charges to internal user departments.

The fiscal year-end results for the Central Stores Fund (4500) are provided in **Table D**. The data shows that there was an operating surplus where revenues exceeded expenditures by \$0.55 million. The cash balance deficit has decreased from \$(4.25) million to \$(3.71) million, as this fund has been placed on a repayment plan in the FY 2019-21 Biennial Budget (per Resolution No. 87140 C.M.S.). Additional details are provided in **Attachment E**.

**Table D: FY 2019-20 Central Stores Fund Year-End Available Fund Balance**

<b>CENTRAL STORES FUND (4500)</b>	<b>FY 2019-20 Adjusted Budget</b>	<b>FY 2019-20 Q4 Unaudited Actuals</b>	<b>Year-End Over / Under Budget</b>
<b>Gross Beginning Cash Balance</b>	\$ (4.25)	\$ (4.25)	
Revenue	\$ 0.96	\$ 0.94	\$ (0.02)
Expenditures	\$ 0.96	\$ 0.39	\$ 0.57
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 0.55	
<b>Subtotal Cash Balance</b>	<b>\$ (4.25)</b>	<b>\$ (3.70)</b>	
<b>Use of Cash Balance in FY 2019-20:</b>			
Budgeted Amounts Carried Forward (CF) to FY 2020-21		\$ (0.01)	
<b>Estimated Ending Cash Balance</b>	<b>\$ (4.25)</b>	<b>\$ (3.69)</b>	

Purchasing Fund

This fund is reported on a cash basis. The Purchasing supports the Citywide purchasing function for good and services. Revenues are generated by charges to internal user departments.

The FY 2019-20 year-end revenues exceeded budget by \$0.03 million as shown in **Table E**. The cash balance deficit has decreased from \$(0.45) million to \$(0.14) million as a result of expenditure savings. This fund has been placed on a repayment plan in the FY 2019-21 Biennial Budget (per Resolution No. 87140 C.M.S.). Additional detail on the Purchasing Fund is provided in **Attachment F**.

**Table E: FY 2019-20 Purchasing Fund Year-End Available Fund Balance**

<b>PURCHASING FUND (4550)</b>	<b>FY 2019-20 Adjusted Budget</b>	<b>FY 2019-20 Q4 Unaudited Actuals</b>	<b>Year-End Over / Under Budget</b>
Gross Beginning Cash Balance	\$ (0.45)	\$ (0.45)	
Revenue	\$ 1.68	\$ 1.71	\$ 0.03
Expenditures	\$ 1.69	\$ 1.38	\$ 0.31
Estimated Current Year Surplus/(Shortfall)	\$ (0.01)	\$ 0.33	
<b>Subtotal Cash Balance</b>	<b>\$ (0.46)</b>	<b>\$ (0.12)</b>	
Use of Cash Balance in FY 2019-20:			
Budgeted Amounts Carried Forward (CF) to FY 2020-21		\$ (0.02)	
<b>Estimated Ending Cash Balance</b>	<b>\$ (0.46)</b>	<b>\$ (0.14)</b>	

**FY 2020-21 GENERAL PURPOSE FUND FIRST QUARTER FORECAST**

***FY 2020-21 Q1 REVENUE FORECAST***

The GPF revenue shortfalls projected in this analysis indicate a revenue loss of **\$(13.63) million representing an unprecedented fiscal challenge for the City.** While the exact economic impact remains unknown, it is clear that the current emergency will have an enormous impact on the City finances at a time when a historic number of residents are unemployed and the need for City services has never been greater. **Table 14** details the anticipated changes in FY2020-21 GPF revenues. **It is important to note that FY 2020-21 year-end revenues are being forecasted with only 3 months of FY 2020-21 revenue data, which makes it exceedingly difficult to identify trends.** This forecast will require updating as new information is received.

**Table 14: Summary of FY 2020-21 GPF Revenue Forecast (in millions)**

Revenue Category	Midcycle Adopted Budget	Q1 FY 21 Forecast	Variance Q1 Forecast to Adopted Budget
PROPERTY TAX	\$233.15	\$233.23	\$0.08
SALES TAX	\$52.55	\$52.55	-
BUSINESS LICENSE TAX	\$88.00	\$83.25	(\$4.75)
UTILITY CONSUMPTION TAX	\$52.00	\$52.00	-
REAL ESTATE TRANSFER TAX	\$89.06	\$89.06	-
TRANSIENT OCCUPANCY TAX	\$15.91	\$10.47	(\$5.44)
PARKING TAX	\$8.85	\$5.57	(\$3.28)
LICENSES & PERMITS	\$1.68	\$1.68	-
FINES & PENALTIES	\$18.34	\$17.42	(\$0.92)
INTEREST INCOME	\$0.48	\$0.48	-
SERVICE CHARGES	\$61.47	\$61.47	-
GRANTS & SUBSIDIES	\$0.12	\$0.80	\$0.68
MISCELLANEOUS	\$4.39	\$4.39	-
INTER-FUND TRANSFERS	\$17.55	\$17.55	-
<b>Sub-Total Revenue</b>	<b>\$643.55</b>	<b>\$629.92</b>	<b>(\$13.63)</b>
TRANSFERS FROM FUND BALANCE	\$0.54	\$0.54	-
<b>Total Revenue</b>	<b>\$644.09</b>	<b>\$630.46</b>	<b>(\$13.63)</b>

***Property Tax***

The First Quarter forecast does not anticipate any reduction to the FY 2020-21 property tax revenue. This projection also assumes that the overall amount of funding deposited to the RPTTF will remain constant for FY 2020-21. Staff does not anticipate any significant decreases in obligations for the next year, nor does the projection include any additional funds from the

sale of successor agency properties. Furthermore, the forecast still anticipates revenues derived from property taxes to remain stable.

### **Sales Tax**

Shelter-in-place orders have been a significant factor in the decline of sales tax revenues, most notably within leisure and hospitality, retail, auto and transportation, and gas and jet fuel sales. On a positive note, online sales tax receipts have risen due to an increase in e-commerce transactions and the effects from the Wayfair decision, which has offset the decline in sales at brick and mortar businesses. As a result, based on first quarter data, we anticipate a minimal change to the FY 2020/21 sales tax forecast.

### **Business Tax**

Utilizing sales tax data from April through June 2020, staff anticipates business tax revenues to follow a similar trajectory when businesses report their CY 2020 gross receipts. Staff forecasts significant reductions in the following tax categories: retail, auto sales, entertainment, lodging, and the cannabis industry. Additionally, the landlord business tax category is anticipated to report declining gross receipts. The City will see a negative revenue impact due to an anticipated increase in the number of delinquent taxpayers. As a result, based on information available at the end of the First Quarter of FY 2020-21, business tax revenues are currently forecasted to end the fiscal year at **\$83.25 million, a significant decrease of \$4.75 million (5.4% decrease), from the Midcycle Adopted Budget of \$88 million**. Note that the forecast was revised using the relationship between sales tax filings and local business tax gross receipts. *This number will be reviewed as more data becomes available and may be revised upwards.*

### **Real Estate Transfer Tax**

Real Estate Transfer Tax is a volatile revenue source. Estimates based on First Quarter results may not be predictive of future revenues. When applying the proposed real estate transactions in Q1 2020, staff is currently not changing the FY 2020-21 year-end forecast.

After the market experienced a decline in the early months of the economic impact of the pandemic, the City is seeing an increase in sales in the single family residential real estate market. There is a spike in multifamily residential when a single investor purchased 8 multifamily buildings.

**Table 15. FY 2020-21 Real Estate Transactions**

Sale Price	FY 2019-20 Q1		FY 2020-21 Q1			
	Actuals		Actuals		Change	
	Gross Sales	Volume	Gross Sales	Volume	Gross Sales	Volume
\$300,000 or below	\$ 14,470,000	88	\$ 16,827,864	107	16.29%	21.59%
\$300,001 to \$2 million	\$ 942,275,409	1,122	\$ 1,077,778,364	1,204	14.38%	7.31%
\$2 million to \$5 million	\$ 126,553,500	45	\$ 124,518,000	48	-1.61%	6.67%
\$5-10 million	\$ 20,530,000	3	\$ 124,999,500	17	508.86%	466.67%
\$10.01-50 million	\$ 163,066,000	7	\$ 143,715,500	7	-11.87%	0.00%
\$50.01-100 million	\$ 57,650,000	1	\$ -	-	-100.00%	-100.00%
Over \$100m	\$ 175,000,000	1	\$ -	-	-100.00%	-100.00%
<b>Total</b>	<b>\$ 1,499,544,909</b>	<b>1,267</b>	<b>\$ 1,487,839,227</b>	<b>1,383</b>	<b>-0.78%</b>	<b>9.16%</b>

**Table 15** above shows a comparison of gross real estate sales and transaction volume for FYs 2019-20 and 2020-21 through the end of the first quarter. The City ended the first quarter with a 9.16% increase in sales volume (116 more transactions) and a (0.78)% decrease in gross sales. **Table 16** below reflects average transaction value and provides a comparison to the previous year.

**Table 16. Average Transaction- Year-over-Year Comparison**

Sale Price	FY 2019-20 Q1 Avg Transaction	FY 2020-21 Q1 Avg Transaction	Year over Year Increase/(Decrease)
\$300,000 or below	\$ 14,470,000	\$ 16,827,864	\$ 2,357,864
\$300,001 to \$2 million	\$ 942,275,409	\$ 1,077,778,364	\$ 135,502,955
\$2 million to \$5 million	\$ 126,553,500	\$ 124,518,000	\$ (2,035,500)
\$5-10 million	\$ 20,530,000	\$ 124,999,500	\$ 104,469,500
\$10.01-50 million	\$ 163,066,000	\$ 143,715,500	\$ (19,350,500)
\$50.01-100 million	\$ 57,650,000	\$ -	\$ (57,650,000)
Over \$100 million	\$ 175,000,000	\$ -	\$ (175,000,000)

Staff recently learned about a single, large commercial transaction that may generate approximately \$11 million in RETT. The sale closed in late October and will be included in the next report. The sale of this property will continue to show investors that Oakland commercial real estate is an excellent investment choice during and after the pandemic.

**Transient Occupancy Tax (TOT)**

The pandemic dealt a bigger blow to this revenue stream than any previous event of economic disruption due to travel restrictions, unprecedented cancellations of conventions and other group events. The unprecedented disruption caused by COVID-19 to the airline industry created a domino effect to the lodging industry as airlines no longer need as many hotel rooms for flight crews, impacting local hotels in close proximity to the airport. Drastically reduced hotel occupancies continue to negatively impact revenues received from transient occupancies.

The City saw an increase of approximately 13% between the months August and September. It is important to note that the City historically sees this type of increase between August and

September. While the historical tax pattern still appears to be holding, a year-over-year comparison still reflects a (65)% decrease. Staff will continue to monitor current and historical trends and use the data to create a more refined forecast as the fiscal year progresses.

Passenger volume (air travel) is up 2.3% month-over-month at the Oakland airport, but overall traffic was down (71.5)% compared last year. Given the dramatic disruptions, staff estimates TOT revenue for FY 2020-21 **to decrease to \$10.47 million, a \$5.44 million decrease from the Midcycle Adopted Budget.**

### ***Parking Tax***

Due to the COVID-19 shelter-in-place order, vehicle traffic declined sharply, leading to lower estimates for parking tax collections at airport and City parking garages.

Parking tax revenues derive primarily from the following sources: 51% from parking garages and surface lots, 37% from Oakland Airport/Port activity, 4% from hotels, and 8% from other sources. Due to the decrease in traffic through the Airport/Port, hotels, garages, and surface lots, staff forecasts parking tax to come in at **\$5.57 million, a \$3.28 million decrease from the adopted budget.**

### ***Fines & Penalties & Service Charges***

In response to the COVID-19 shelter-in-place order from both the County and the State, the City “turned off” parking meters and seriously restricted the issuance of parking citations.

Parking meters remained off through mid-July 2020 and street sweeping enforcement was still limited through the First Quarter of FY 2020-21. Staff estimates an initial decline in Fines and Penalties of \$(0.92) million due to reduced citation volume compared to Midcycle Adopted Budget. Additionally, revenues derived from parking meters declined 65% in the First Quarter of FY 2020-21 when compared to the First Quarter of FY 2019-20.

### ***FY 2020-21 Q1 GENERAL PURPOSE FUND BALANCE***

Although City Council undertook significant measures during the FY 2020-21 Midcycle Budget to close an unprecedented budget shortfall and create a balanced budget, staff is projecting significant overspending based on initial First Quarter trends. FY 2020-21 GPF year-end expenditures are projected to be \$662.33 million, \$18.24 million over the adopted budget. The Police Department, which is projected to go \$29.01 million over budget, is primarily driving this overspending. It is important to note that these are preliminary numbers and do not include reimbursable overtime that may bring this projection down. As **Table 17** below shows, the forecasted revenue loss of \$13.63 million in combination with the overspending puts the projected FY 2020-21 year-end fund balance at \$(62.29) million.



**Table 17: Summary of FY 2020-21 GPF Budget to Projected Actual Results (in millions)**

Description	Adopted Budget	Q1 FY 2020-21 Forecast
<b>FY 2020-21 Beginning Fund Balance</b>		<b>\$ (30.42)</b>
Revenue	\$ 644.09	\$ 630.46
Expenditure	\$ 644.09	\$ 662.33
<b>Projected FY 2020-21 Year-End Balance</b>		<b>\$ (62.29)</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, 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.

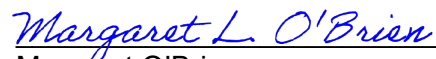
**Race & Equity:** No race or equity opportunities have been identified.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends that City Council receive an informational report on Fiscal Year (FY) 2019-20 Unaudited Fourth Quarter and FY 2020-21 First Quarter Revenue and Expenditure results and year-end summaries for the General Purpose Fund (GPF, 1010) and selected funds.

For questions regarding this report, please contact Lisa Agustin, Budget Administrator, at 238-2989.

Respectfully submitted,



Margaret O'Brien  
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Attachments (8):

- A: *General Purpose Fund Revenues*
- B: *Self-Insurance Liability Fund Revenues & Expenditures*
- C: *Landscape and Lighting Assessment District Fund Revenues & Expenditures*
- D: *Reproduction Fund Revenues & Expenditures*
- E: *Central Stores Fund Revenues & Expenditures*
- F: *Purchasing Fund Revenues & Expenditures*
- G: *Progression of Estimated Fund Balances*
- H: *Progression of FY 2020-21 Year-End Revenue Forecast*

**FY 2019-20 REVENUE AND EXPENDITURE ANALYSIS**

**Through Fourth Quarter (July 1, 2019 - June 30, 2020)**

**GENERAL PURPOSE FUND REVENUES (\$ in millions)**

<b>Revenue Category</b>	<b>FY 2019-20 Adjusted Budget</b>	<b>FY 2019-20 Q4 YTD Actuals</b>	<b>FY 2019-20 Year-End \$ Over / (Under) Adjusted Budget</b>
<b>PROPERTY TAX</b>	\$ 215.02	\$ 218.66	\$ 3.64
<b>SALES TAX</b>	59.95	55.52	(4.43)
<b>BUSINESS LICENSE TAX</b>	99.67	98.04	(1.63)
<b>UTILITY CONSUMPTION TAX</b>	55.16	49.83	(5.33)
<b>REAL ESTATE TRANSFER TAX</b>	82.87	91.56	8.68
<b>TRANSIENT OCCUPANCY TAX</b>	27.80	19.58	(8.22)
<b>PARKING TAX</b>	11.46	9.07	(2.39)
<b>LICENSES &amp; PERMITS</b>	2.95	1.61	(1.34)
<b>FINES &amp; PENALTIES</b>	19.79	19.04	(0.75)
<b>INTEREST INCOME</b>	1.21	0.90	(0.31)
<b>SERVICE CHARGES</b>	67.29	58.17	(9.12)
<b>GRANTS &amp; SUBSIDIES</b>	0.67	2.22	1.55
<b>MISCELLANEOUS</b>	0.97	2.39	1.42
<b>INTER-FUND TRANSFERS</b>	6.81	4.01	(2.80)
<b>Sub-Total Revenue</b>	\$ 651.61	\$ 630.92	\$ (20.69)
<b>TRANSFERS FROM FUND BALANCE</b>	4.11	—	—

**FY 2019-20 REVENUE AND EXPENDITURE ANALYSIS**

Through Fourth Quarter (July 1, 2019 - June 30, 2020)

**SELF-INSURANCE LIABILITY FUND REVENUES (\$ in millions)**

Revenue Category	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ Over / (Under) Adjusted Budget
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	—	(0.24)	(0.24)
SERVICES CHARGES	—	0.06	0.06
MISCELLANEOUS	0.49	1.48	1.00
INTER-FUND TRANSFERS	33.47	33.47	—
<b>Total Revenue</b>	<b>\$ 33.96</b>	<b>\$ 34.77</b>	<b>\$ 0.82</b>

**SELF-INSURANCE LIABILITY FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ (Over) / Under Adjusted Budget
HUMAN RESOURCES	\$ —	\$ —	\$ —
POLICE DEPARTMENT	7.60	5.18	2.42
FIRE DEPARTMENT	1.79	0.07	1.72
PARKS & RECREATION	0.61	0.01	0.60
PUBLIC WORKS	4.12	6.12	(2.00)
NON-DEPARTMENTAL	19.36	22.53	(3.17)
<b>Total Expenditures</b>	<b>\$ 33.48</b>	<b>\$ 33.91</b>	<b>\$ (0.43)</b>

**FY 2019-20 REVENUE AND EXPENDITURE ANALYSIS**

Through Fourth Quarter (July 1, 2019 - June 30, 2020)

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

Revenue Category	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ Over / (Under) Adjusted Budget
LOCAL TAX	\$ 19.16	\$ 18.87	\$ (0.29)
LICENSES & PERMITS	0.05	0.12	0.07
INTEREST INCOME	—	—	—
SERVICE CHARGES	0.21	—	(0.21)
INTERFUND TRANSFERS	0.84	0.84	—
<b>Total Revenue</b>	<b>\$ 20.26</b>	<b>\$ 19.83</b>	<b>\$ (0.43)</b>

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

Agency / Department	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ (Over) / Under Adjusted Budget
FINANCE DEPARTMENT	\$ 0.08	\$ 0.06	\$ 0.02
PARKS & RECREATION	0.83	0.83	—
PUBLIC WORKS	17.25	16.59	0.66
TRANSPORTATION	0.09	0.15	(0.06)
NON-DEPARTMENTAL	2.48	2.48	—
<b>Total Expenditures</b>	<b>\$ 20.73</b>	<b>\$ 20.11</b>	<b>\$ 0.62</b>

**FY 2019-20 REVENUE AND EXPENDITURE ANALYSIS**

Through Fourth Quarter (July 1, 2019 - June 30, 2020)

**REPRODUCTION FUND REVENUES (\$ in millions)**

Revenue Category	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ Over / (Under) Adjusted Budget
INTERNAL SERVICE	1.59	1.62	0.03
<b>Total Revenue</b>	<b>\$ 1.59</b>	<b>\$ 1.62</b>	<b>\$ 0.03</b>

**REPRODUCTION FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ (Over) / Under Adjusted Budget
INFORMATION TECHNOLOGY	\$ 1.65	\$ 1.33	\$ 0.32
<b>Total Expenditures</b>	<b>\$ 1.65</b>	<b>\$ 1.33</b>	<b>\$ 0.32</b>

**FY 2019-20 REVENUE AND EXPENDITURE ANALYSIS**

Through Fourth Quarter (July 1, 2019 - June 30, 2020)

**CENTRAL STORES FUND REVENUES (\$ in millions)**

Revenue Category	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ Over / (Under) Adjusted Budget
INTEREST INCOME	\$ —	\$ (0.03)	\$ (0.03)
INTERNAL SERVICE	0.96	0.97	0.01
MISCELLANEOUS	—	—	—
<b>Total Revenue</b>	<b>\$ 0.96</b>	<b>\$ 0.94</b>	<b>\$ (0.02)</b>

**CENTRAL STORES FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ (Over) / Under Adjusted Budget
FINANCE	\$ 0.88	\$ 0.39	\$ 0.49
NON-DEPARTMENTAL	0.08	—	0.08
<b>Total Expenditures</b>	<b>\$ 0.96</b>	<b>\$ 0.39</b>	<b>\$ 0.57</b>

**FY 2019-20 REVENUE AND EXPENDITURE ANALYSIS**

Through Fourth Quarter (July 1, 2019 - June 30, 2020)

**PURCHASING FUND REVENUES (\$ in millions)**

Revenue Category	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ Over / (Under) Adjusted Budget
INTEREST INCOME	\$ —	\$ —	\$ —
INTERNAL SERVICE	1.68	1.69	(0.02)
MISCELLANEOUS	—	0.01	(0.01)
<b>Total Revenue</b>	<b>\$ 1.68</b>	<b>\$ 1.70</b>	<b>\$ (0.03)</b>

**PURCHASING FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2019-20 Adjusted Budget	FY 2019-20 Q4 YTD Actuals	FY 2019-20 Year-End \$ (Over) / Under Adjusted Budget
FINANCE	\$ 1.69	\$ 1.38	\$ 0.31
NON-DEPARTMENTAL	—	—	—
<b>Total Expenditures</b>	<b>\$ 1.69</b>	<b>\$ 1.38</b>	<b>\$ 0.31</b>



**ATTACHMENT G**

**Progression of FY 2019-20 Year-End Fund Balance**

GENERAL PURPOSE FUND (1010)	Q3 Report - 4/21/20	Q4 Report
	FY 2019-20 Projected FYE	FY 2019-20 Projected FYE
	<i>(in millions)</i>	<i>(in millions)</i>
<b>Beginning Fund Balance- Audited</b>	<b>\$97.86</b>	<b>\$97.86</b>
Revenue	\$640.62	\$630.92
Expenditures	\$666.79	\$683.25
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>(\$26.17)</b>	<b>(\$52.33)</b>
<b>Subtotal Fund Balance</b>	<b>\$71.69</b>	<b>\$45.53</b>
<b>Use of Fund Balance:</b>		
Projects Carried Forward (CF) to FY 2019-20	(\$23.69)	-
Projects & Encumbrance Carried Forward (CF) to FY 2020-21		(\$23.22)
FY 2018-19 Kids First True-up (FY20-21 Midcycle Adjustment)		(\$1.52)
FY 2019-20 Adopted Budget	(\$4.11)	-
FY 2019-20 Emergency Waste Collection (Res. No. 88079 C.M.S.)	(\$1.60)	-
FY 2020-21 Adopted Budget	(\$0.54)	(\$0.54)
<b>Subtotal Use of Fund Balance</b>	<b>(\$29.94)</b>	<b>(\$25.28)</b>
<b>Fund Balance Prior to Set-Aside for Reserves</b>	<b>\$41.75</b>	<b>\$20.25</b>
<b>Designated / Mandated Reserves:</b>		
7.5% GPF Required Reserve	(\$49.13)	(\$48.31)
FY 2019-20 VSSF & LTO Transfer Estimate (Total 50% Excess RETT set-aside)	(10.98)	-
FY 2018-19 VSSF & LTO Transfer Estimate (Total 50% Excess RETT set-aside)	(4.74)	-
OMERS Reversion Assets (held with Trustee; Resolution 85098)	(\$2.36)	(\$2.36)
<b>Subtotal Reserves</b>	<b>(\$67.21)</b>	<b>(\$50.67)</b>
<b>Estimated Ending Available Fund Balance</b>	<b>(\$25.46)</b>	<b>(\$30.42)</b>

**Variance Explanation**

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*Decrease of \$9.7 million due to sharp declines in Transient Occupancy Tax, Parking Meter collectons, and Parking Tax  
Increase of \$16.5 million due to protest-related OT and decreased employee paid leave taken*

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*Remaining funds carried forward to the next FY (see line below)*

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*Accounted for in expenditures above*

*Transferred to Vacant Property Tax Act Fund (2270)*

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*Transfer suspended by Council*

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*Transfer suspended by Council*

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## Progression of FY 2020-21 Year-End Forecasts

<i>(in millions)</i>	<b>Midcycle Adopted Budget</b>	<b>Q1 Report</b>	<b>Variance</b>
Property Tax	\$ 233.15	\$ 233.23	\$ 0.08
Sales Tax	\$ 52.55	\$ 52.55	\$ -
Business License Tax	\$ 88.00	\$ 83.25	\$ (4.75)
Utility Consumption Tax	\$ 52.00	\$ 52.00	\$ -
Real Estate Transfer Tax	\$ 89.06	\$ 89.06	\$ -
Transient Occupancy Tax	\$ 15.91	\$ 10.47	\$ (5.44)
Parking Tax	\$ 8.85	\$ 5.57	\$ (3.28)
Licenses & Permits	\$ 1.68	\$ 1.68	\$ -
Fines & Penalties	\$ 18.34	\$ 17.42	\$ (0.92)
Interest Income	\$ 0.48	\$ 0.48	\$ -
Service Charges	\$ 61.47	\$ 61.47	\$ -
Grants & Subsidies	\$ 0.12	\$ 0.80	\$ 0.68
Miscellaneous Revenue	\$ 4.39	\$ 4.39	\$ -
Interfund Transfers	\$ 17.55	\$ 17.55	\$ -
<b>Subtotal Revenue</b>	<b>\$ 643.55</b>	<b>\$ 629.92</b>	<b>\$ (13.63)</b>
Transfers from Fund Balance	\$ 0.54	\$ 0.54	\$ -
<b>Total Revenue</b>	<b>\$ 644.09</b>	<b>\$ 630.46</b>	<b>\$ (13.63)</b>