



MEMORANDUM

TO: Honorable Mayor & City Council

FROM: Erin Roseman
Director of Finance

SUBJECT: FY 2023-25 Proposed Biennial Budget
Development Questions/
Responses #2

DATE: June 14, 2023

PURPOSE

The purpose of this memorandum is to transmit to the full City Council and public, responses to questions raised by City Councilmembers and the public related to the Fiscal Year (FY) 2023-25 Proposed Biennial Budget. To the extent additional information becomes available on any of the responses below, updates will be provided.

For questions, please contact Bradley Johnson, Budget Administrator, at (510) 207-5730.

Respectfully submitted,

/s/

ERIN ROSEMAN
Director of Finance

QUESTIONS AND RESPONSES

For Public Awareness

Is a waiver resolution required to adopt the budget?

The proposed budget and the amendments thus far submitted will require the adoption of a waiver resolution prior to budget approval. This waiver resolution will be forthcoming at the City Council's meeting on June 26, 2023. The resolution will explicitly waive the Maintenance of Effort (MOE) and Minimum Staffing provisions of: Measure D (Libraries), Measure Q/C (Libraries), Measure Q (Parks, Homelessness, Stormwater), Measure W (Public Campaign Financing, and Measure X (City Auditor minimum staffing). It will also make the findings necessary, in accordance with the Consolidated Fiscal Policy, to use one-time funding for ongoing purposes, use the balance of Vital Services Stabilization (rainy-day) funds, and suspend required allocation of excess real estate transfer tax.

Questions from Council Member Ramachandran:

- 1. Direct Community Grant Program. How much is remaining in the FY 21-23 cycle, and how much is available in the FY 23-25 cycle? Can we use this in the amendment spreadsheet to fund, or partially fund, grants already submitted for FY 21-23 that have not been chosen already?**

FY21-23 Community Grants are fully committed and approved per Resolutions [88715 C.M.S.](#) and [89376 C.M.S.](#) For each year of the FY23-25 proposed budget, \$750,000 in the General Purpose Fund (1010) is included for direct community grants and \$300,00 in the Measure BB - Paratransit Fund (2220) for paratransit meal access or other eligible expenditures. The allocation of these funds is subject to the newly established Community Grants Process. More information on the process can be found online at <http://www.oaklandca.gov/topics/direct-community-grant->.

- 2. HCD and Homelessness Services Merger: Can you provide information about how much money is proposed to be saved by the HCD and HS merger? And whether, if any, there would be a financial deficit that must be accounted for in the proposed budget if the departments do not merge? What is the cost to create a standalone Homelessness Department?**

The costs to halting the Housing and Homelessness, and Human Services and Oakland, Park, Recreation and Youth Development (OPRYD) reorganizations is \$595,000 in FY23-24 and \$618,000 in FY24-25. There is a potential additional savings of \$180,000 per year depending on attrition rates.

The costs to create a standalone Homelessness Department is \$1.4M in FY23-24 and \$1.5M in FY24-25. These costs are in addition to those above assuming the merger is not implemented.

Questions from Council Member Reid:

- 1. Can you provide a chart of total criminal investigation staff compared with the solve rate of serious Part 1 crimes and non-serious Part 2 crime for the past 5 years? That can give us an expected average to understand the potential corresponding reduction and impact proposed.**

Current staffing in CID is:

Classification	Authorized	Filled
Deputy Chief	1	1
Captain	1	1
Lieutenant	4	4
Sergeant	19	19
Officer	94 (not including Measure Z positions)	66
Total	119	91

The Criminal Investigation Division (CID) does not have five years' worth of clearance rates. Additionally, CID has only a small amount of data for about two years based on approximations. CID has no validated information for clearance rates outside of the homicide stats. CID does not have the technology to provide validated information pending the implementation of the new Case Management system, which is working through the "purchase" and setup process. That may take up to 9 - 12 months before it is up and running.

- 2. Burglary Suppression, Sideshow and Traffic Enforcement**
 - a. How many sworn officers are funded overtime for each of these units?**

The number of officers funded for overtime in each of these areas varies. Officers voluntarily sign up for burglary suppression and traffic enforcement overtime. However, sideshow overtime is mandatory.

- **Burglary Suppression** - Officers voluntarily sign up for burglary suppression overtime, which includes walking and directive patrol. Depending on an operation's nature, frequency, and geographical location, it could require anywhere from one Sergeant and two to eight Officers. However, this could scale up or down based on available resources.
- **Sideshow** - Sideshow overtime is mandatory. The Department averages 39 sworn personnel (2 Lieutenants, 6 Sergeants, 31 Officers) for each event.
- **Traffic Enforcement** - Officers voluntarily sign up for traffic enforcement overtime. Operations are worked on the High Injury Network, and the locations of enforcement are rotated throughout the city by police areas to provide equitable coverage and reduce the number of serious and fatal car accidents. With the exception of the DUI Checkpoints, traffic enforcement overtime averages One sergeant and two to eight Officers.

b. What is the total cost to fund that number of officers on overtime for each unit?

As of March 31, 2023, OPD spent \$2.3M in overtime for burglary suppression, sideshow, and traffic enforcement. The Department is projected to spend \$3.2M in FY 22-23 on overtime for all three enforcements.

- **Burglary Suppression** - As of March 31, 2023, OPD has spent \$413,349 on burglary suppression overtime. OPD is projected to spend a total of \$571,132 for FY 22-23.
- **Sideshow** - OPD plans for 72 sideshow operations per year at an estimated cost of \$40,660 per operation.
- **Traffic Enforcement** - Projected traffic enforcement overtime is approximately \$69,365 per month and is primarily worked through the Office of Traffic Safety Grant, which runs from 1 Oct 22 to 30 Sep 23.

How much overtime funds would be adequate using the current capacity of staff to sustain each unit?

OPD is projected to spend a combined total of \$3.2M in overtime for all three operations.

- **Burglary Suppression** - Adequate overtime for burglary suppression would be approximately \$46,000 per month.

- Sideshow - OPD plans for 72 sideshow operations per year at an estimated cost of \$40,660 per operation.
- Traffic Enforcement - Adequate overtime for traffic enforcement is projected to be approximately \$69,365 per month.

3. Fund 2244 - Measure Q - Parks & Recreation Preservation, Litter Reduction, And Homelessness Support Act

Use of Funds: Variety of programs and services for parks, landscape maintenance, recreation, homelessness, water quality, litter reduction, and stormwater trash collection systems. Would this be an acceptable fund to use for the cost of hiring any needed mechanics in OPW and DOT?

No, this is not an eligible use of Fund 2244. As it relates to equipment, only the purchase/acquisition of equipment for the purposes of enhancing parks and recreation services is allowed.

4. Fund 2330 - Werner Court Vegetation Management District

**Use of Funds: Vegetation management services in that area
Would this be an acceptable fund to use to fund the removal of hazardous Eucalyptus trees? What is an eligible use of these funds?**

Generally, if the trees lay within the mapped boundaries of the CFD, and/or there exists a direct nexus to wildfire prevention of the CFD, this could be an eligible use of funds. Staff recommends that a legal review of acceptable uses is conducted prior to any commitment of funds as Werner Court Vegetation Management District (No. 2003-1) is a tax funded CFD.

Per the CFD language (CFD No. 2003-1), "The types of maintenance services authorized to be financed by CFD No. 2004-1 are described as maintenance services for open space parcel situated immediately adjacent to and generally to the northeast of the boundary of CFD No. 2003-1, which services shall consist of weed abatement and vegetation management on a buffer strip approximately 50 feet wide between the boundary line of CFD No. 2003-1 and the balance of the open space parcel."

5. What are the line-itemed reductions that are saving from the HCD-HSD-OPYRD merger?

The estimated savings from the merger is \$595,000 in FY23-24 and \$618,000 in FY24-25. There is a potential additional savings of \$180,000 per year depending on attrition rates.

- 6. Can you please advise on how to allocate fund balance from one fund to another? Are there certain stipulations to doing so? If that is possible, could you provide an example on how we can use this mechanism in our spreadsheet as a means to fund additional priorities?**

Fund Balances are not transferred between funds unless its related to a clean-up purposes such as; 1) correcting a mis-booking of balances and transferring from the old fund and into the new fund or 2) transferring balances from an old, expiring fund number into the new fund number (uses of fund remain the same; i.e. Measure B to Measure BB). Fund balances should remain within their respective funds to avoid the comingling of funds per Generally Accepted Accounting Practices (GAAP) and to keep in alignment with the restrictions imposed on any given fund.

- 7. Fund 5505- Municipal Capital Improvements- Public Arts**
- a. Fund Balance of \$1,805,880 year 1**
 - b. Can this fund be used to cover supplement the reductions to the cultural affairs grant?**

Per the Public Arts Ordinance 11086 C.M.S., the intended use of funds are to obtain and install visual art in public places, maintain and refurbish visual art in public places, fund Cultural Affairs staff time necessary to administer the public art program, and to defray such other expenses which are, or may become, an integral part of the public art program including programs to educate the public about the public art. Monies appropriated under this ordinance may also be used for hiring artists to develop design concepts and for the selection, acquisition, purchase, commissioning, placement, installation, exhibition, and/or display of artworks. Additionally, there is a public art process whereby the Public Art Advisory Committee, as an independent City Committee, advises the Mayor, City Council, and the City Administrator on matters pertaining to the public art program and public art funded by the City or located on City property and in the public right of way.

- 8. Fund 5333- Measure KK- Affordable Housing Series**
- a. Fund Balance of \$1,687,051 year 1**
 - b. Can this fund be used to fund a transitional housing project on our district?**

No, the remainder of our Measure KK funds have been appropriated though the last round of Notice of Funding Availability (NOFAs), specifically the Acquisition and Conversion (ACAH) NOFA.

- 9. Fund 2244 Measure Q- Parks and Recreation**
- a. Fund Balance of \$2,532,945 in year 1**
 - b. Can this fund be used for improvements to the 85th Boys and Girls club?**

No, under the Parks, landscape, and recreational services category the taxes collected under the Measure Q ordinance allows for the improvements to facilities and assets that are City-owned.

10. Fund 2252- Measure Z Violence and Prevention Act

- a. **Fund Balance of \$281,532 in year 1**
- b. **We are looking to fund community safety ambassadors, if we cannot use Measure Z funds for this purchase, can you point us to another mechanism we can use for this line item?**

This cost would be eligible under the General Purpose Funds (GPF) however, a decrease in O&M would be required to offset this addition.

11. Fund 2330- Werner Vegetation Management District

- a. **Fund Balance of \$52,522 in year 1**
- b. **The line item to sustain funds for the Oakland Fire Department Wildfire Safety and Vegetation Management is \$250k, can you point us to another mechanism we can use to fund this for this?**

Per the CFD language (CFD No. 2003-1), "The types of maintenance services authorized to be financed by CFD No. 2004-1 are described as maintenance services for open space parcel situated immediately adjacent to and generally to the northeast of the boundary of CFD No. 2003-1, **which services shall consist of weed abatement and vegetation management** on a buffer strip approximately 50 feet wide between the boundary line of CFD No. 2003-1 and the balance of the open space parcel."

12. Fund 1030 - Measure HH (SSBDT)

- a. **Fund Balance of \$293,751 in year 1**
- b. **Can the SSBT be used to fund additional nutritional food from for the East Oakland Senior Center at \$60k**

This cost would be eligible; however, the fund balance is fully expended at the end of FY25. As such, a decrease in O&M would be required to offset this addition.

13. Fund 2113 - Department of Justice - COPS Hiring

- a. **Fund Balance of \$779,735 in year 1**
- b. **Can this fund be used to funds a Grant Writer for OPD at \$175k?**

The only allowable costs under the CHP COPS Hiring grant are for the approved full-time, entry-level salaries and fringe benefits of newly hired or rehired sworn career law enforcement officers.

14. Fund 2160 - County of Alameda Grants

- a. **Fund Balance of \$297,755 in year 1**
- b. **Can this fund be used for traffic request?**

There are no funds available in Fund 2160 in the Transportation Department for this purpose. Each grant project must be independently balanced based on grant awards. Fund Balance in grant funds is normally not available for use other than for purposes prescribed by the grant.

15. Fund 2218- Measure BB Local Streets and Roads

- a. Fund Balance of \$5,251,612 in year 2**
- b. Can this fund be used for traffic request?**

While technically eligible for traffic and transportation projects, including street and signal construction, and maintenance and repair, these funds have all been allocated to existing operating and capital needs. In addition to taking away from existing operating and/or capital needs, if allocated for new traffic calming measures, these funds would face the same implementation challenges as other OakDOT capital projects, namely limited staff capacity and project delivery resources. They would also be inconsistent with the City's CIP prioritization criteria. Many projects that were earmarked for the current budget cycle ending in July 2023 have yet to begin design and are projected for completion by the end of 2024 in the best-case scenario.

16. Fund 2420- Transportation Impact Fee

- a. Fund Balance of \$1,570,896 in year 1**
- b. Can this fund be used for traffic request?**

While technically eligible, these funds have all been allocated to existing capital needs. In addition to taking away from existing operating and/or capital needs, if allocated for new traffic projects, these funds would face the same implementation challenges as other OakDOT capital projects, namely limited staff capacity and project delivery resources. They would also be inconsistent with the City's CIP prioritization criteria. Many projects that were earmarked for the current budget cycle ending in July 2023 have yet to begin design and are projected for completion by the end of 2024 in the best-case scenario.

17. Fund 2270- Vacant Property Tax Act Fund

- a. Fund Balance of \$339,173 in year 1**
- b. Can this fund be used for O&M in OPW for equipment maintenance related to illegal dumping effort?**

This cost is eligible under Fund 2270, however, a decrease to O&M would be required to offset this addition.

18. Fund 2990 - Public Works Grants

- a. Fund Balance of \$173,412 year 1**
- b. Can this fund be used for O&M in OPW for equipment maintenance related to illegal dumping effort?**

No, grant funds in Fund 2990 are currently used to implement the Collaborative Creek Improvement And Clean Creeks programs that help the City and the Alameda County Flood Control And Water Conservation District achieve the goals of improving water quality, reducing flooding and erosion, enforcing against illegal activities that impact waterbodies including District facilities, leading equitable public outreach, participation, and engagement, benefitting communities, and protecting and enhancing Oakland's creeks, water bodies, and the San Francisco Bay.

19. Fund 4100- Equipment Rentals

a. Fund Balance of \$5,250,815 year 1

b. Can this fund be used for O&M in OPW for equipment maintenance related to illegal dumping effort?

Yes, the primary use of Fund 4100 is to pay for the maintenance City vehicles and other motorized equipment.

20. We are looking to prioritize one the illegal dumping blitz, clean and clear or median crews, all costed at \$833,000 in the budget, in our packet- can you provide any feedback on what mechanism or fund balance is available for these?

This cost would be eligible under Fund 1720 – Comprehensive Clean-up, Fund 2270 – Vacant Property Fund, or the General Purpose Fund, however, there is no available fund balance. A decrease in O&M would be required in the respective fund to offset this addition.

Questions from Council Member Kalb:

1. What year of the 3-year DVP grants cycle are we in?

The current grant cycle is two years, FY 22-24. FY 22-23 is wrapping up. FY 23-24 is the second and final year.

2. Provide the dollar value of Cultural Affairs reduction across all funds. (Separate staff from grants)

Below is a table that compares the FY22-23 Midcycle Budget vs FY23-24 Proposed Budget across Cultural Affairs Orgs 85511 and Public Art 85521:

Category	FY22-23 Midcycle Budget for 855XX Orgs (All Funds)	FY23-24 Proposed Budget for 855XX Orgs (All Funds)	Difference	%
Personnel & Overhead	1,537,737	1,317,037	-220,700	-14.35%
ISF	122,018	119,276	-2,742	-2.25%

Category	FY22-23 Midcycle Budget for 855XX Orgs (All Funds)	FY23-24 Proposed Budget for 855XX Orgs (All Funds)	Difference	%
Grants (Fund 1010 and Fund 2419)	2,113,467	861,013	-1,252,454	-59.26%
TOT Fairs & Festivals	274,639	255,458	-19,181	-6.98%
Other O&M (includes all projects, excluding F&F)	151,948	77,048	-74,900	-49.29%
TOTAL	4,199,809	2,629,832	-1,569,977	-37.38%

**Figures do not include carryforwards.*

3. In the Mayor’s Budget for the DVP, <https://stories.opengov.com/oaklandca/published/v1YTVrPMi> note that the Dept of Corrections grant is listed as \$3.9M for FY 22-23 and \$0 for FY 23-24. But looking at the Cal VIP grant allocations https://www.bscc.ca.gov/s_cpgpcalvipgrant/ the Cal VIP grant to Oakland is about \$6M, the grant goes from 7/1/22 to 12/31/25. Also, in the DVP presentation they listed a Gilead Foundation grant of \$1M over 2 years, which is not accounted for in the Mayor’s Budget. Please clarify and confirm funding amounts.

The Gilead Foundation grant is included in the Mayor’s Budget. It is budgeted in Fund 2994 – Social Services Grants, in the amount of \$450,000 in FY23-24 and \$600,000 in FY 24-25. The CalVIP grant was fully appropriated in the current year, FY22-23, at approximately \$6 million. Since the full amount was received in the current year, the FY23-25 Proposed Budget utilizes the use of carryforward from the current year to fund the CalVIP program over the next two fiscal years.