



CITY OF OAKLAND

FY21 Q3 Revenue & Expenditure Report

<https://www.oaklandca.gov/topics/fiscal-year-2021-2023-budget>



Presentation Agenda



**GPF Current
Year Deficit**



**GPF
Revenues**



**GPF
Expenditures**



**Non-GPF
Funds**



**Key
Considerations**

Q3 Key Finding: Better Revenue and Expenditure Outlook Results in Excess ARPA funding



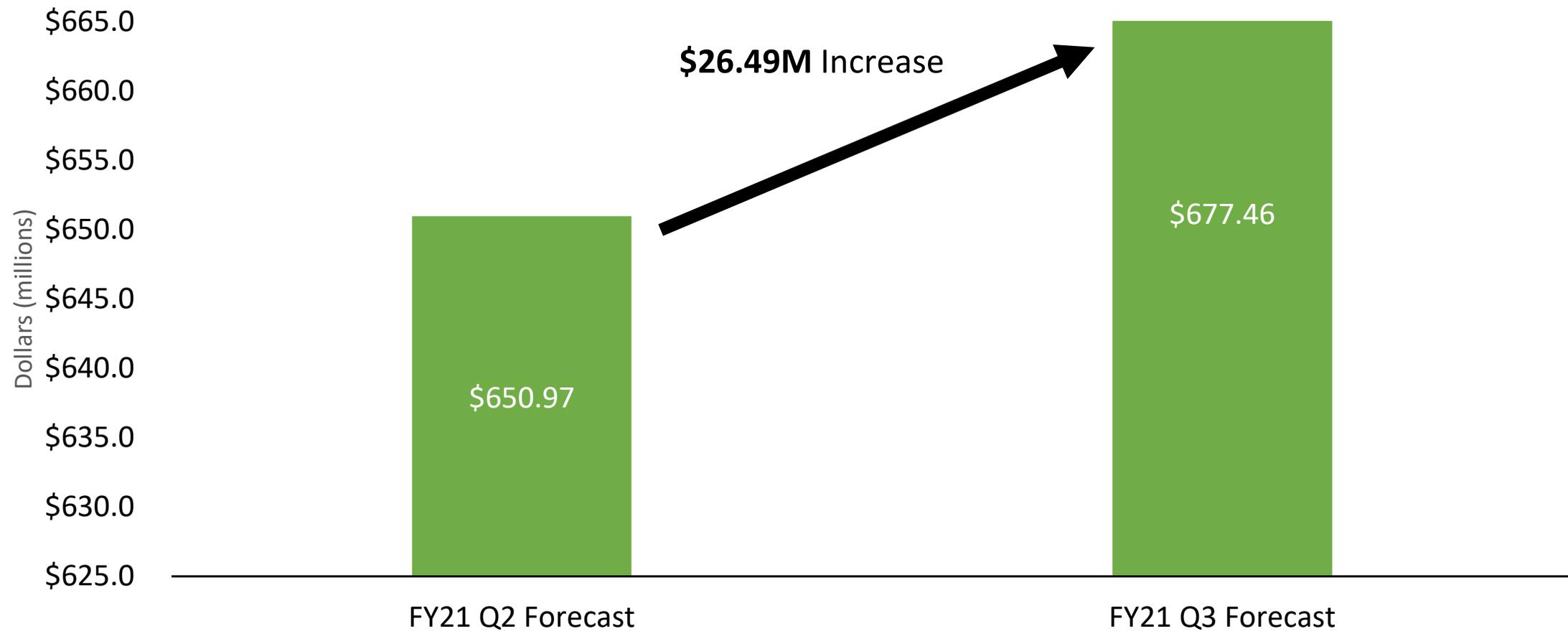
FY21 Q2 Projected Current Year GPF Deficit

Q2 Projected Ending Fund Balance		\$-71.62M
Increase in Projected Revenues	+	\$26.49M
Decrease in Projected Expenditures	+	\$9.31M
Q3 Projected Ending Fund Balance		\$-35.82M
ARPA Funding Allocated by Council Reso 88574	+	\$56.13M
Excess ARPA Funding to be Allocated in Biennial Budget		\$20.31M



Q3 Key Finding: Revenue Increases Due to One-time Revenue

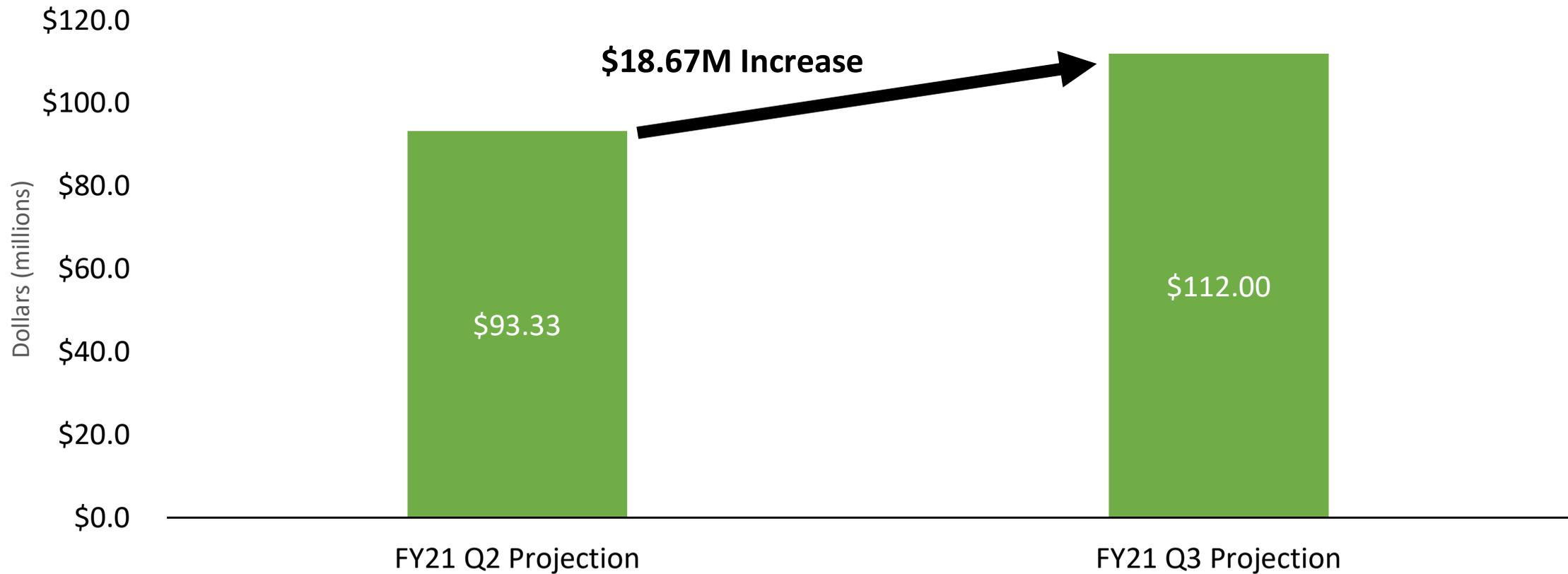
FY21 Q2 GPF Forecast vs. Q3 GPF Forecast



Q3 Key Finding: Increase in Real Estate Transfer Tax Due to Sale of Uptown Station



FY21 Q2 RETT Forecast vs. Q3 RETT Forecast





Q3 Key Finding: 31.69% Increase in Real Estate Transfer Volume

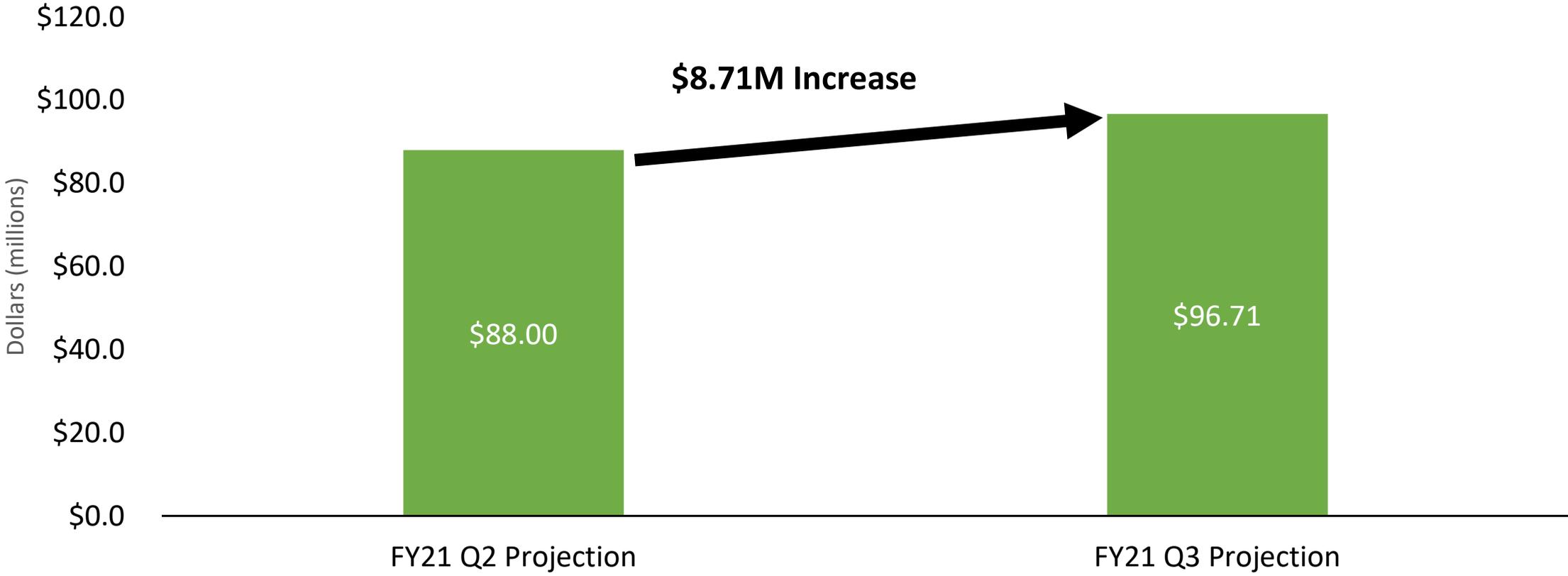
Real Property Sales Volume by Tax Band

Sale Price	FY 2019-20 thru April		FY 2020-21 thru April			
	Gross Sales	Volume	Gross Sales	Volume	Change in Gross Sales	Change in Volume
\$300,000 or below	\$ 46,749,851	299	\$ 58,175,736	365	24.44%	22.07%
\$300,001 to \$2 million	\$ 2,653,717,036	3,178	\$ 3,740,258,636	4,206	40.94%	32.35%
\$2 million to \$5 million	\$ 343,242,500	120	\$ 513,677,045	197	49.65%	64.17%
\$5-10 million	\$ 179,242,500	25	\$ 212,732,591	30	18.68%	20.00%
\$10.01-50 million	\$ 696,204,000	31	\$ 298,512,000	15	-57.12%	-51.61%
\$50.01-100 million	\$ 223,645,000	3	\$ 64,717,160	1	-71.06%	-66.67%
Over \$100 million	\$ 175,000,000	1	\$ 868,765,500	2	396.44%	100.00%
Total	\$ 4,317,800,887	3,657	\$ 5,756,838,669	4,816	33.33%	31.69%

Q3 Key Finding: Increase in Business License Tax Due to Cannabis and One-time Revenues from Delinquent Businesses



FY21 Q2 Business License Forecast vs. Q3 Business License Forecast



Q3 Key Finding: Increase in Business License Tax Due to Cannabis and One-time Revenues from Delinquent Businesses



Business Tax Breakdown Ongoing v. One-time*

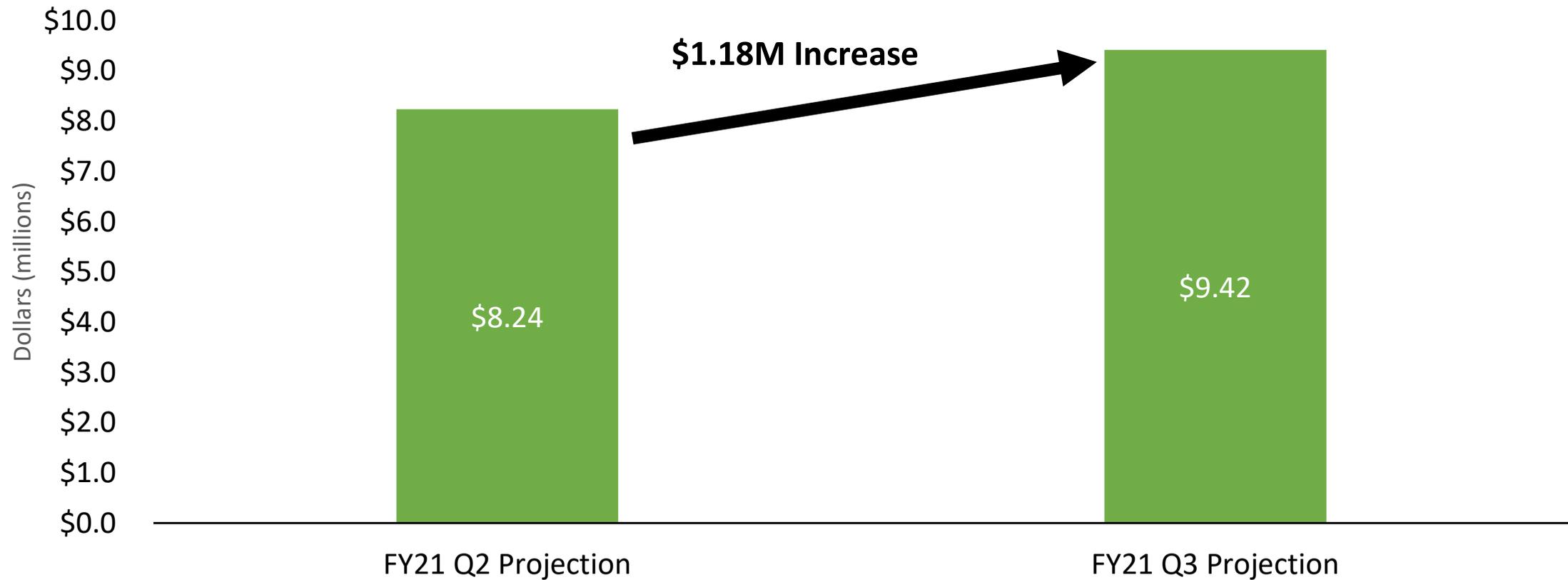
Category	Ongoing	One-time	Total
Residential Landlords	\$21.80	\$1.72	\$23.52
Cannabis Businesses	\$9.07	\$1.45	\$10.52
Commercial Landlords	\$15.51	\$0.68	\$16.19
Others	\$43.10	\$0.27	\$43.37
Total	\$89.48	\$4.12	\$93.60

* Note that ongoing revenues derived from business taxes is still expected to be \$98.04 million received in FY 2019-20.



Q3 Key Finding: Modest Recovery in Hotel Revenue

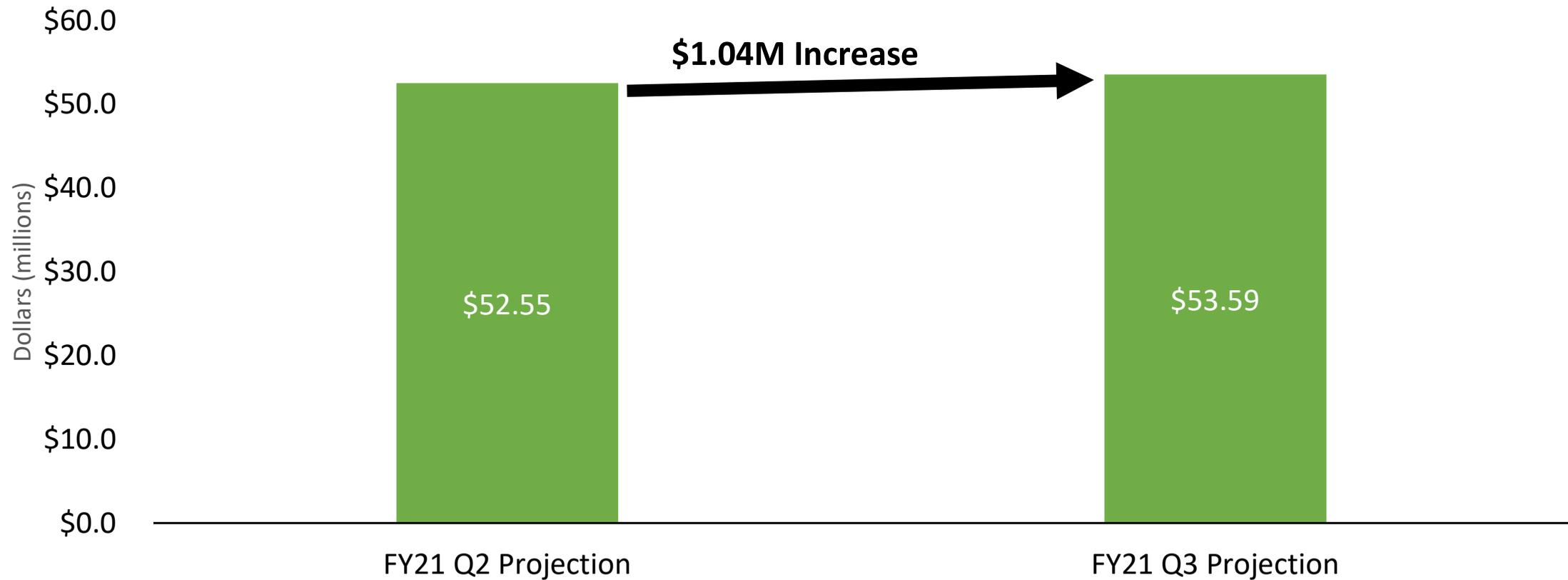
FY21 Q2 Hotel Tax Forecast vs. Q3 Hotel Tax Forecast





Q3 Key Finding: Increase in Sales Tax Due to Online Sales

FY21 Q2 Sales Tax Forecast vs. Q3 Sales Tax Forecast





Q3 Key Finding: Increase in Sales Tax Due to Online Sales

Sales Tax by Category

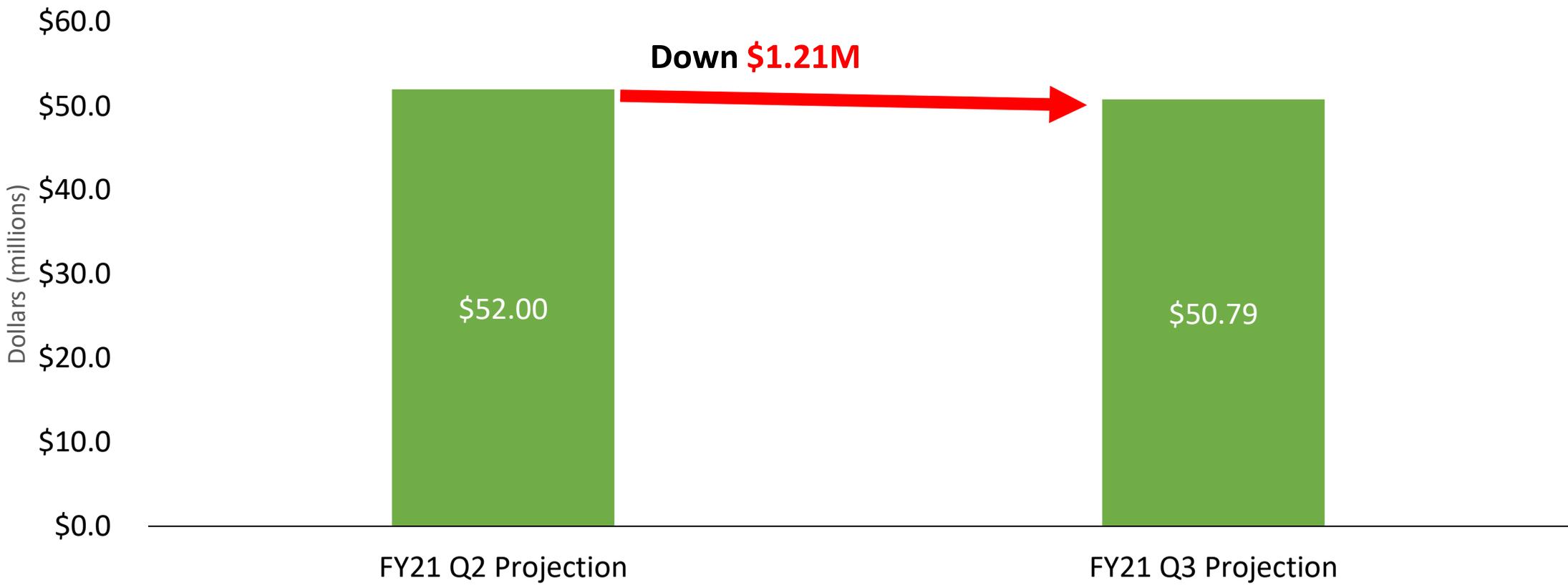
Category	FY 2019-20	FY 2020-21	Inc/Dec
Autos & Transportation	\$ 4.17	\$ 3.86	-7.43%
Building & Construction	\$ 3.26	\$ 2.94	-9.82%
Business & Industry	\$ 3.29	\$ 2.82	-14.29%
Food & Drugs	\$ 2.89	\$ 3.30	14.19%
Fuel & Service Stations	\$ 3.46	\$ 1.84	-46.82%
General Consumer Goods	\$ 1.66	\$ 2.83	70.48%
Restaurants & Hotels	\$ 5.55	\$ 3.20	-42.34%
County Pool	\$ 5.54	\$ 6.38	15.16%

*Revenues from the County Pool derive from on-line sales.

Q3 Key Finding: Decrease in Utility Consumption Tax Due to Less Commercial Utility Usage



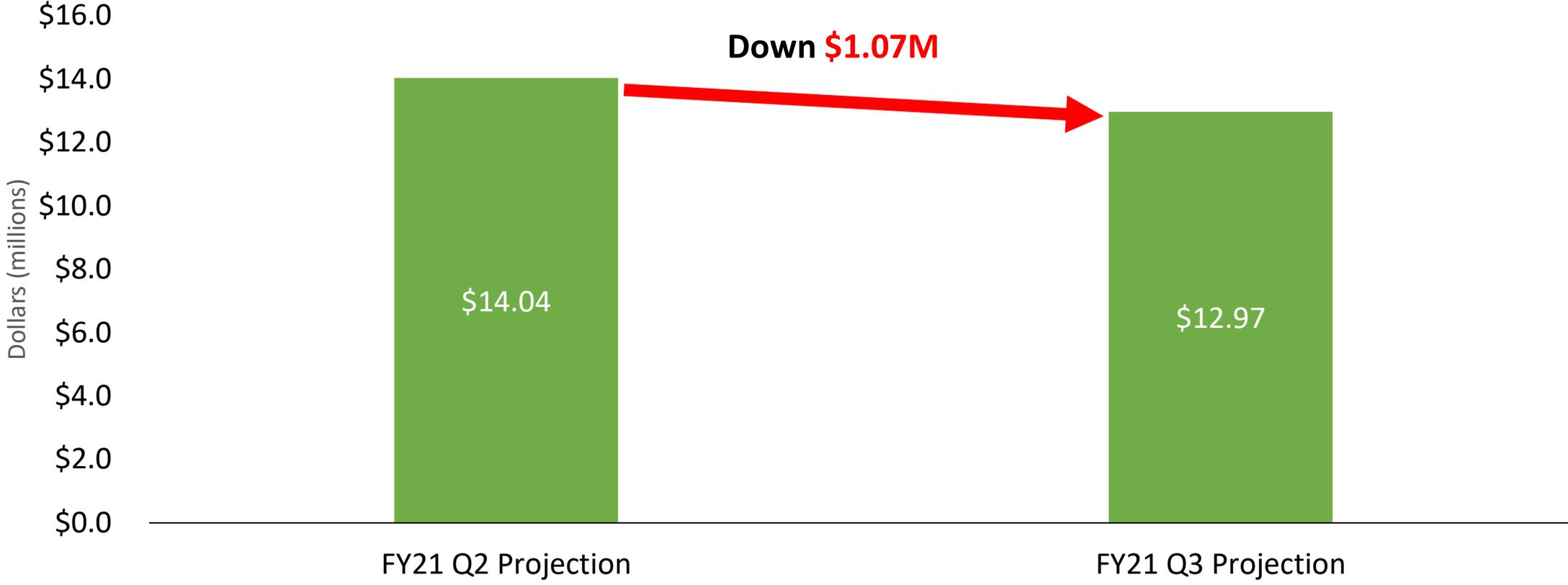
FY21 Q2 Forecast vs. Q3 Forecast



Q3 Key Finding: Decrease in Fines & Penalties Due to Reduced Parking Citations



FY21 Q2 Forecast vs. Q3 Forecast





FY21 Administrative Actions Taken – \$25.5M Target Savings

General Personnel and Spending Cuts	Target Savings - \$9.96M
Complete hiring freeze	\$3.85M
Release temporary staff	\$1.0M
Delayed pay increases for senior management	\$0.1M
Reduced discretionary spending (contract, travel, education)	\$0.1M
10 & 20% Reductions	\$4.9M

Public Safety Reductions	Target Savings - \$15.54M
Police – reduction in overtime, specialized units, programs	\$13.86M
Fire – reduction in overtime	\$1.7M



FY21 Council Restorations & Additions – \$66.14M

Restorations	Total GPF Impact - \$59.34M
Contribution to GPF Balance	\$56.13M
Rehiring Temporary Staff	\$0.50M
Unfreezing positions	\$0.16M
Public Safety Restorations	\$2.55M

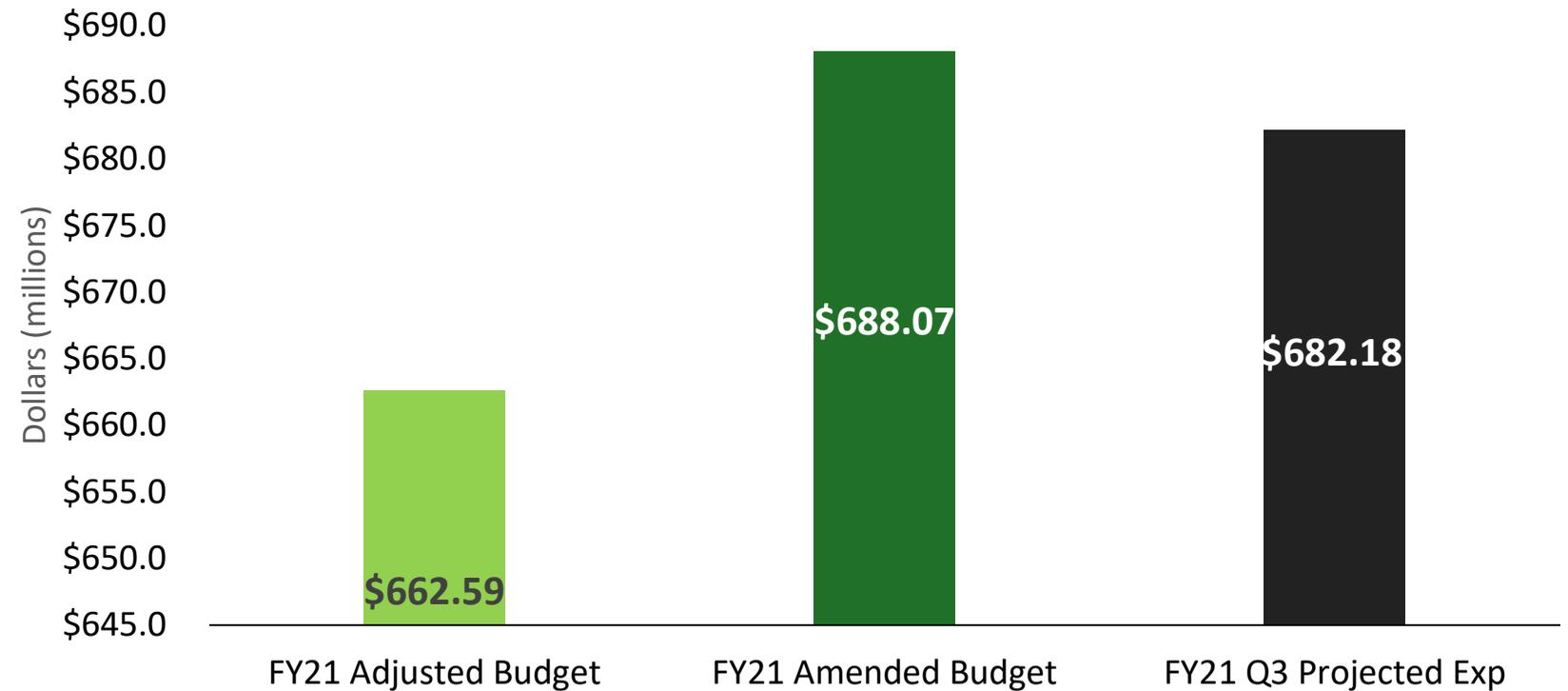
Additions	Total GPF Impact - \$6.8M
Affordable Housing & Homelessness	\$0.41M
Good Jobs & Vibrant Economy	\$1.30M
Public Safety & Violence Prevention	\$1.97M
Clean, Healthy, and Sustainable Neighborhoods	\$2.72M
Fire Prevention	\$0.24M
Council	\$0.16M

Q3 Key Finding: GPF Projected Expenditures Decrease Due to Service Reductions



FY21 GPF Adjusted Budget vs. Amended Budget vs. Q3 Forecast

- Amended Budget includes service reductions, restorations, and additions.
- Projected Expenditures expected to be \$5.89M less than Amended Budget
- Savings projected in most departments due to vacancies and some reductions in O&M

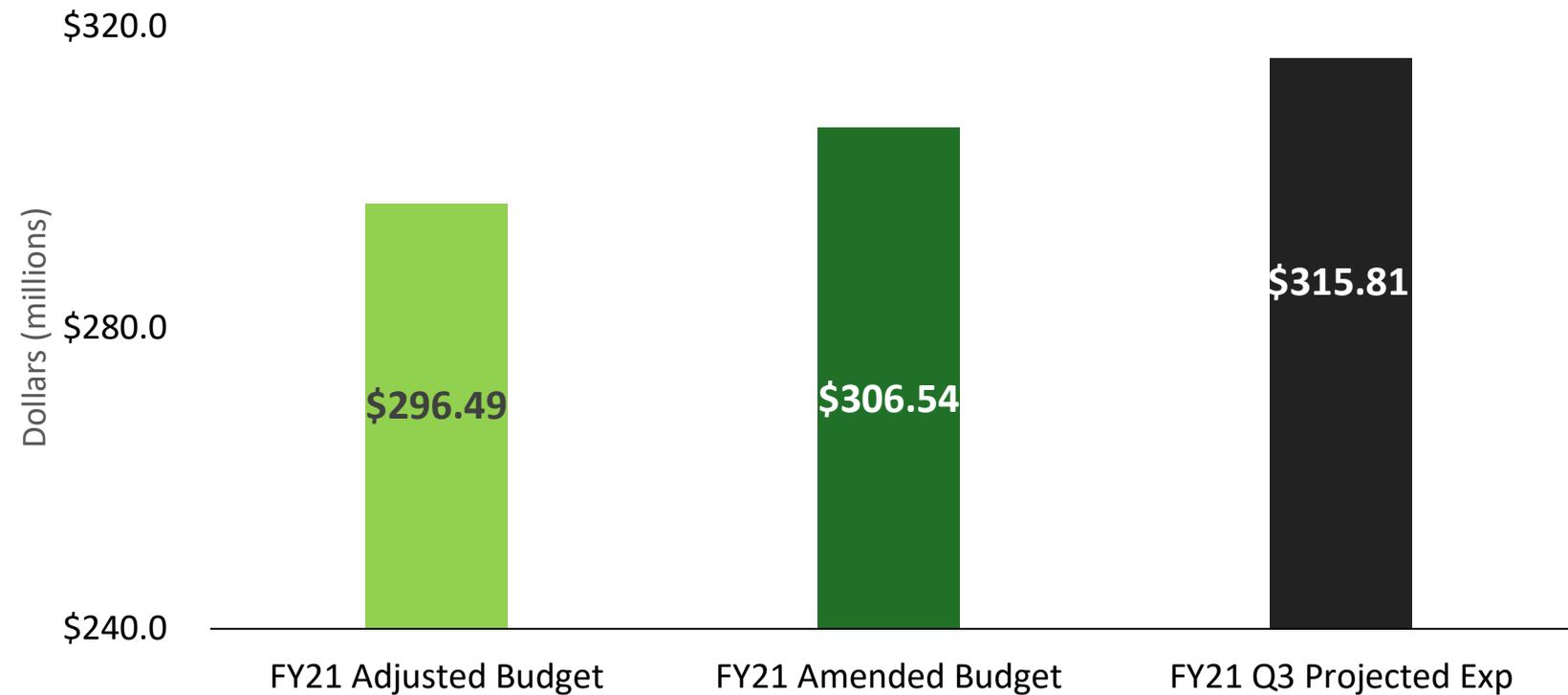


Q3 Key Finding: Department Overspending Is Primarily In Police Department



FY21 OPD Adjusted Budget vs. Amended Budget vs. Q3 Forecast

- OPD projected to exceed its budget by **3%**.
- Amended budget includes service reductions and restorations.
- Projected increase in OPD expenditures due to significant increase in violent crime requiring increased overtime for area crime response.





FY21 Q3 GPF Year-End Fund Balance

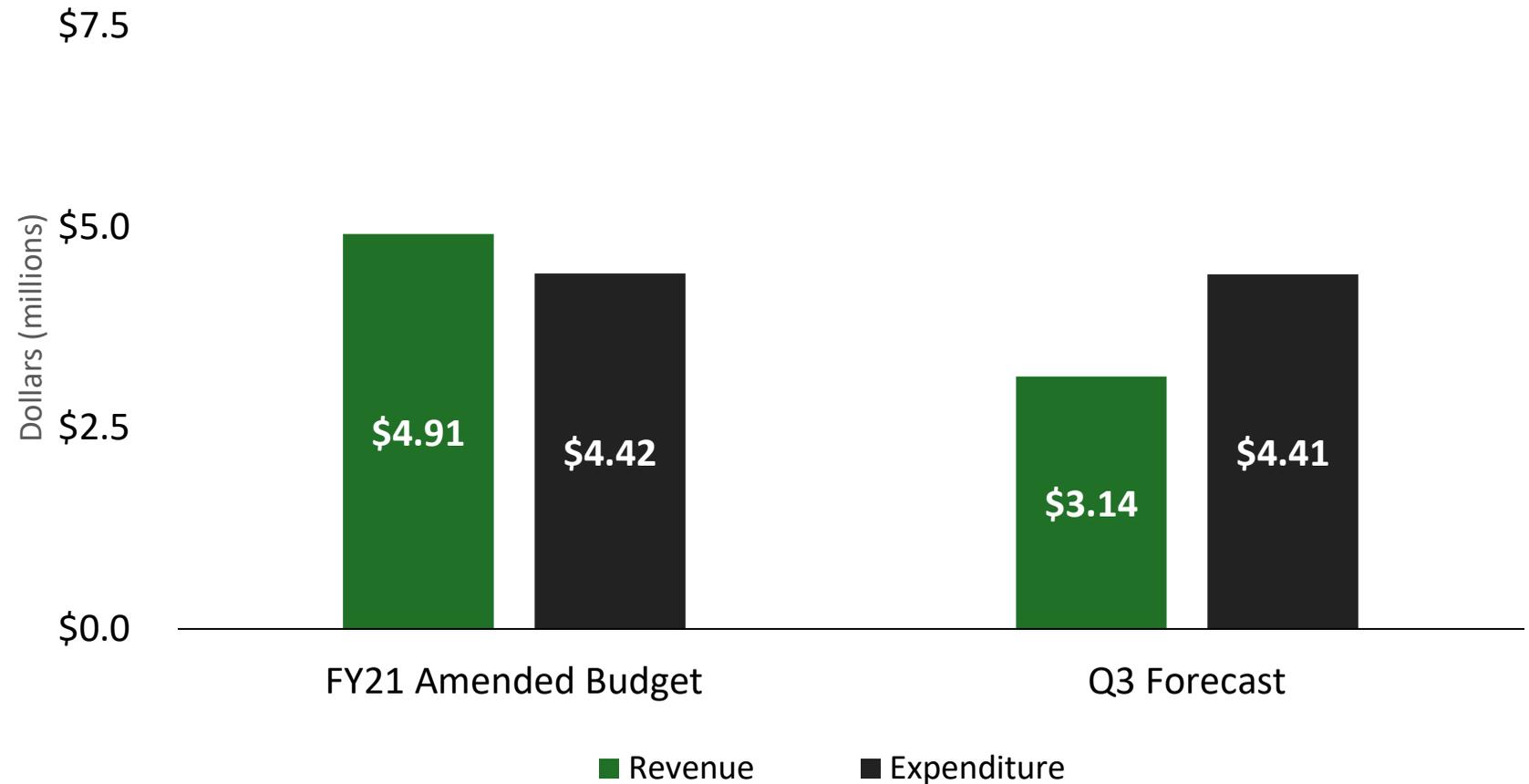
FY20-21 Current Fund Balance	\$19.57
Revenue	\$677.46
Expenditures	\$682.18
FY20-21 Current Fund Balance	\$-4.72
FY 2020-21 Fund Balance Minus Operating Shortfall	\$14.85
Mandated Emergency Reserves	\$-48.31
OMERS Reserves (Reso. No. 85098 C.M.S)	\$-2.36
FY 2020-21 Projected Year-End Fund Balance with Reserves Included	\$-35.82
Use of ARPA Funds	\$56.13
Subtotal Use of Aid	\$56.13
FY 2020-21 Reserves Balance (will transfer to new fund 1011 in FY2021-23)	\$50.67
FY 2020-21 Projected Year-End Fund Balance	\$0.00
Estimated ARPA Funds in Excess of Fund Balance	\$20.31



Q3 Key Finding: Pandemic Continued Impact on Non-GPF Funds

FY21 Measure C – Transient Occupancy Tax

- Measure C – Transient Occupancy Tax funds key cultural institutions such as the Oakland Zoo, Chabot Space & Science Center, Visit Oakland, Oakland Museum, and cultural art programs like street festivals, art grants, etc.
- Amended Budget includes ARPA funds of \$0.49M
- Fund Balance projected to decrease from \$-0.16M to \$-1.51M

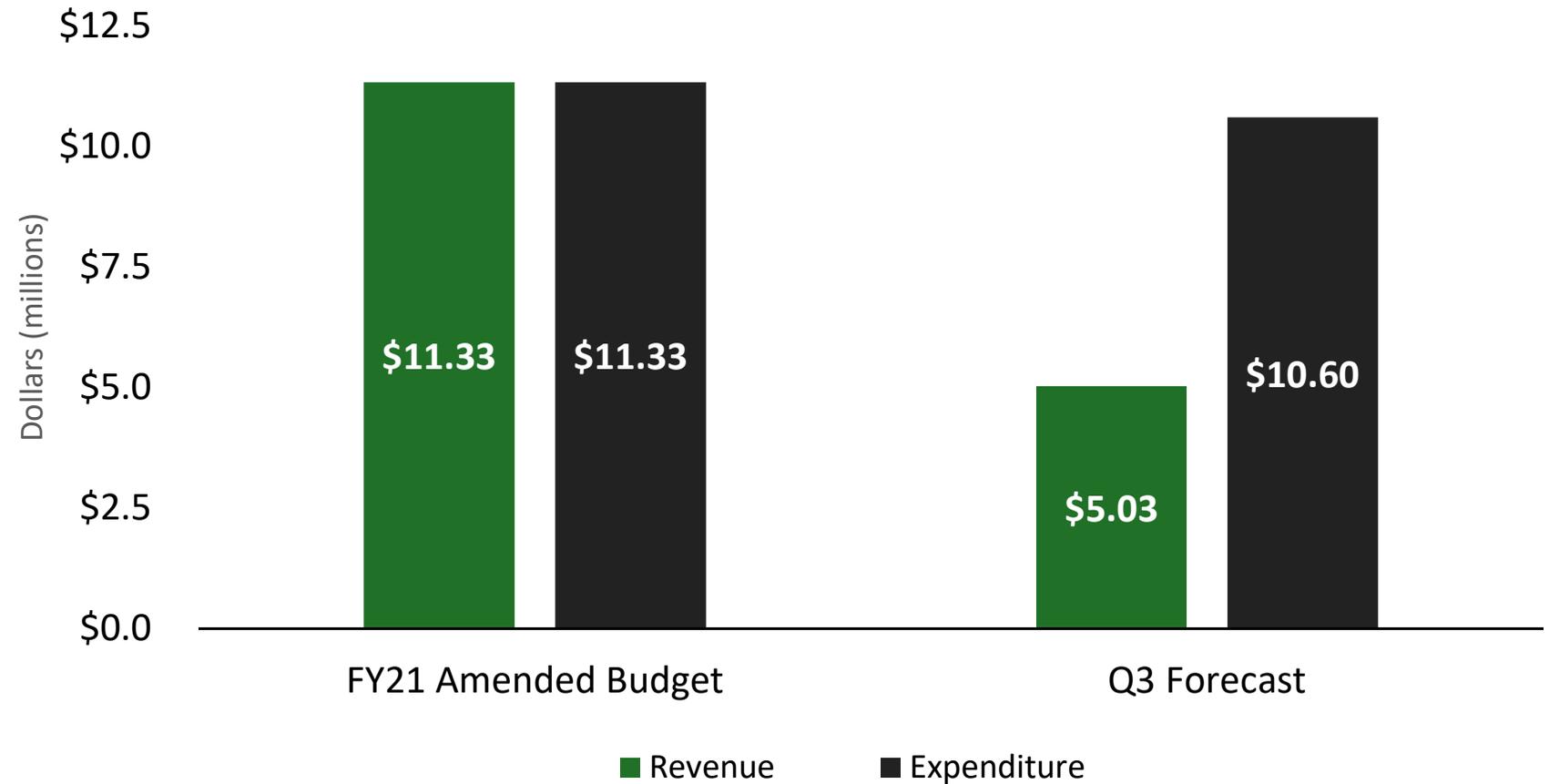




Q3 Key Finding: Pandemic Continued Impact on Non-GPF Funds

FY21 Multi-Purpose Reserve Fund

- The COVID-19 pandemic has had a negative impact on the collection of off street parking fees.
- Fund balance projected to decrease from \$4.46M to \$2.23M

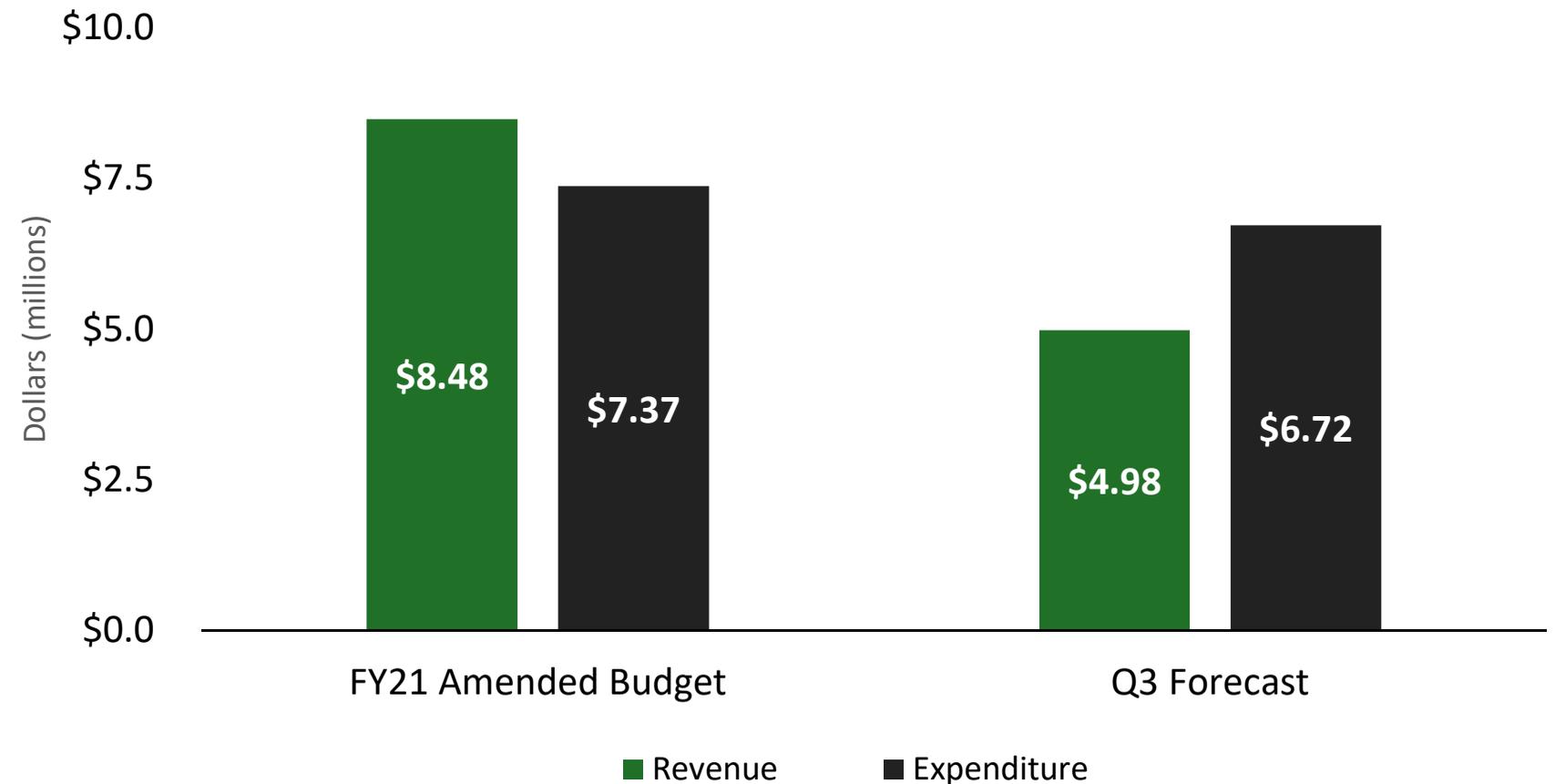




Q3 Key Finding: Pandemic Continued Impact on Non-GPF Funds

FY21 OPRCA Self Sustaining Revolving Fund

- Parks & Rec Self Sustaining Revolving Fund gets its revenues from facility rental fees and fees for recreation related programs and supports programming in the Department OPRYD.
- Amended budget includes \$1.11M in ARPA funds
- Fund balance projected to decrease from \$2.01M to \$0.2M

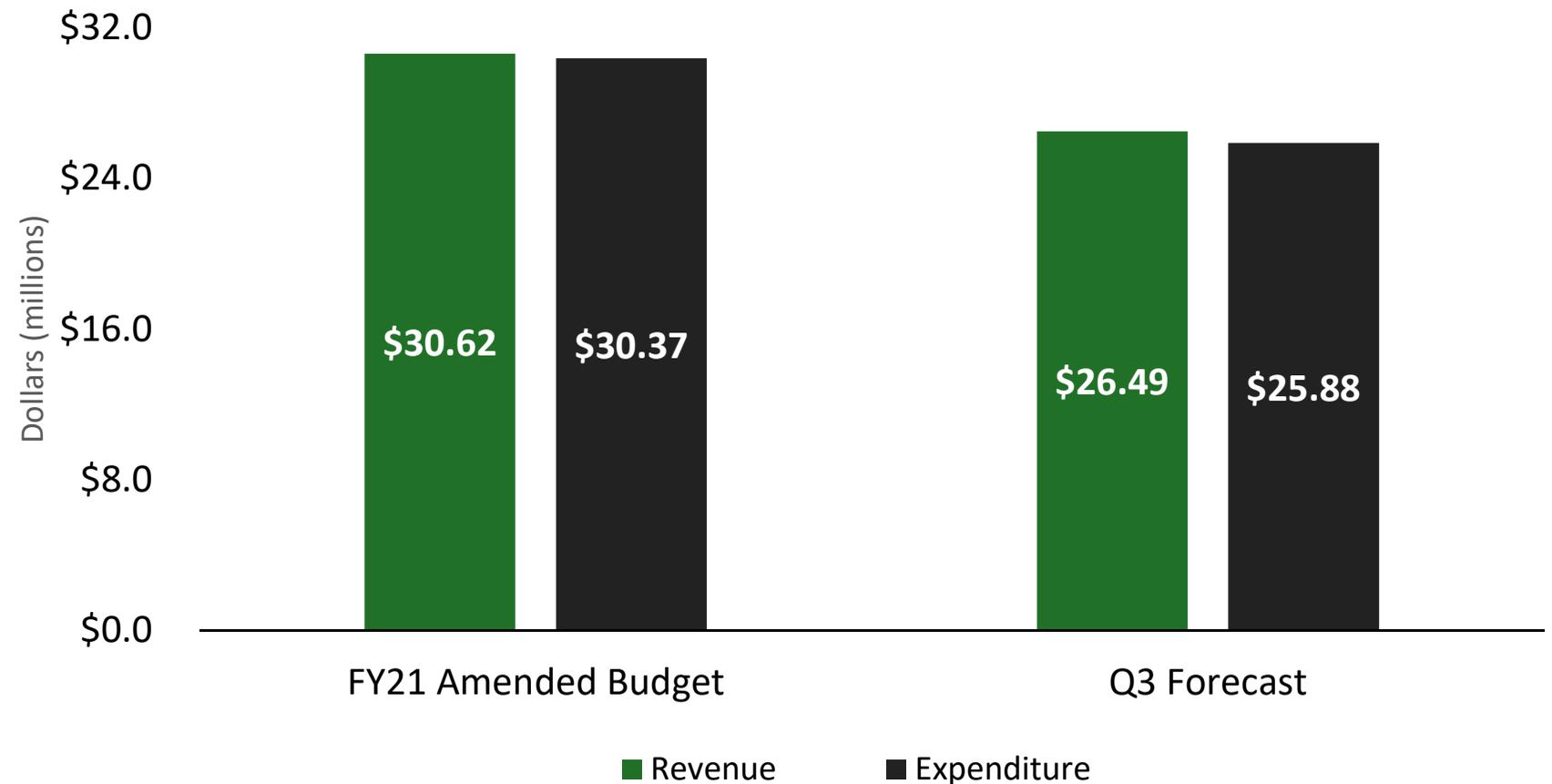




Q3 Key Finding: Pandemic Continued Impact on Non-GPF Funds

FY21 Measure Z – Violence Prevention

- Measure Z – Public Safety and Services Violence Prevention Act of 2014 funds violence prevention/intervention programs like re-entry job training, community violence interrupters, and cease fire.
- Parking tax loss jeopardizes this fund
- Amended Budget includes ARPA funds of \$0.83M
- Fund balance is projected to decrease from \$5.28M to \$2.48M





Key Considerations



- Revenue increase largely due to one-time revenues
- Excess RETT revenues spent that would have been set aside per CFP to Rainy Day Fund and to Long Term Liabilities
- Remaining ARPA to be allocated to FY 2021-23 Budget is one-time and does not resolve ongoing structural deficit
- One quarter left in the fiscal year, must exercise restraint and caution



Questions?