

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a **special meeting (date)** of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, May 30, 2018 at 6:00 pm** In the **Hearing Room 4, City Hall, 2nd Floor**, at 1 Frank Ogawa Plaza.

Commission Members:

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

City's Representative:

Brad Johnson – *Finance Department*

Meeting Agenda:

1. Administrative Matters
 - Welcome & Attendance
2. Discussion regarding the Proposed FY 2018-19 Midcycle Budget, see attached materials. [25 minutes]
3. Discussion regarding the FY 2017-18 Third Quarter R&E Report, see attached materials. [25 minutes]
4. Discussion regarding the proposed OPEB Obligations funding policy, see attached materials. [25 minutes]
5. Discussion regarding the Proposed Vacant Property Parcel Tax, see Council materials at the following link:
<https://oakland.legistar.com/LegislationDetail.aspx?ID=3321057&GUID=F00F2AE5-16ED-4870-9C0B-6479863B3205&Options=&Search=>. [15 minutes]
6. Update regarding the status of the proposal for use of certain Funds to support job training, see Council materials at the following link:
<https://oakland.legistar.com/LegislationDetail.aspx?ID=3465986&GUID=E1861773-57C8-4ECF-BE9D-64A58BD9A5C1&Options=&Search=>. [15 minutes]
7. Open Forum
8. Adjournment



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 MAY 18 AM 10:19

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: FY 2018-19 Midcycle Budget
Amendments

DATE: May 17, 2018

City Administrator Approval

Date:

5/18/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending The City Of Oakland's Fiscal Year 2017-19 Biennial Budget, Which Was Adopted Pursuant To Resolution No. 86821 C.M.S., To Make Adjustments: (1) Changing The Fiscal Year 2018-19 Revenue Projection In The General Purpose Fund (GPF); (2) Changing Fiscal Year 2018-19 GPF Expenditure Appropriations; And (3) Changing Fiscal Year 2018-19 Revenues And Expenditure Appropriations In Other Non-GPF Funds.

EXECUTIVE SUMMARY

The Fiscal Year ("FY") 2018-19 Proposed Midcycle Budget ("Midcycle") is presented here for Council consideration. The budget adjustment continues the City's commitment to growing responsibly through investments in key service areas such as homelessness, illegal dumping, animal care services, and job training, while taking steps to address some of our long-term fiscal challenges.

The FY 2018-19 projected baseline budget included over an \$11 million projected deficit in the GPF, in addition to many other structural imbalances in several other funds. *Of note, this deficit is in addition to the projected shortfall in the current FY 2017-18 GPF forecast.* The \$11 million deficit is due to increased employee costs, including unbudgeted wage increases and other negotiated employee benefits, as well as charter-mandated obligations such as Kids First. As a result of this projected deficit, City departments were requested to submit the equivalent of 2% expenditure reduction (or revenue enhancement) proposals in order to help close the gap.

This proposed Midcycle closes the \$11 million deficit through a combination of modest increases in revenues and expenditure reductions, as well as the use of one-time monies made available due to a Council-adopted amendment to the City's Consolidated Fiscal Policy that allows the City to recategorize some one-time funds as ongoing. It should be noted that this amendment thereby reduces the amount of funds projected to be deposited into the Vital Services Stabilization Fund (Rainy Day Fund). **Importantly, despite the revenue and expenditure adjustments, a gap of approximately \$1.2 million remains in the GPF, which is proposed to be funded out of reserves in order to preserve critical services.**

Item: _____
City Council
May 29, 2018

While the City is experiencing continued economic growth, expenditures continue to outpace revenue increases. In addition, there continue to be major challenges that impact City finances and create structural imbalance, that need to be addressed.

Growing medical and pension costs. According to CalPERS projections, the City's total pension contribution is forecast to increase **49.2 percent over the next 5-years**. This is an average annual increase of 10.5 percent per year. In addition, other post-employment benefits (OPEB) obligations continue to increase. As of July 1, 2015, the Unfunded Actuarial Accrued Liability (the "UAAL"), was \$859.99 million. In 2014, the City began investing into the California Employer's Retiree Benefit Trust, with a balance of approximately \$16.1 million as of May 14, 2018. In FY 2018-19 an additional \$10 million will be deposited into the Trust; however, more must be done to address this unfunded liability. Included as a request in the Midcycle is funding to assist the City with the various funding options and cost reductions strategies, and to develop a funding strategy to address the OPEB obligations no later than January 2019.

Possibility of economic retraction. Historically, periods of economic expansion are followed by contraction. Since World War II, the average expansion period has lasted approximately 5 to 6 years. The current expansion period is nearly double that duration, and it is critical that the City approach the next couple years with caution. Even though many baseline revenue categories are continuing to show steady growth, the City's more volatile, economically sensitive revenue categories – such as Sales Taxes and Real Estate Transfer Taxes – are showing signs of pullback, as detailed later in this report.

FY 2018-19 Proposed Midcycle Budget Highlights by Service Area

The information below highlights the key additional investments included in the FY 2018-19 Proposed Midcycle Budget **across all funds** by service area.

Affordable Housing & Homelessness

- Add \$300,000 for sanitation services for homeless residents (Fund 1010);
- Add 1.0 Full-Time Equivalent (FTE) Health and Human Services Planner to the Community Housing Division in the City's Human Services Department to improve and enhance services to homeless residents at a cost of \$163,433 (Fund 1010);
- Add ongoing baseline funding of \$60,000 for the Home Dues & Biennial Homeless Count, a regional survey conducted annually that is critical to understanding the City's homeless population (Fund 1010);
- Appropriate approximately \$10.8 million in one-time project funds for Affordable Housing (multiple funds) to expand funding through City's recent Notice of Funding Availability for the construction of affordable housing and the First-Time Home Buyer program;
- Appropriate approximately \$16.7 million in one-time project funds toward affordable housing at Brooklyn Basin that will go toward development of approximately 465 affordable housing units (Fund 1885); and,
- Provide an additional \$500,000 in one-time funding for new Rapid Rehousing Center and expansion of winter shelters (Fund 1870).

Illegal Dumping

- Add an additional Illegal Dumping Crew consisting of 1.0 FTE Street Maintenance Leader & 2.0 FTE PW Maintenance Workers at a cost of \$172,381 (assuming one-half year) and Operations and Maintenance (O&M) of \$57,000 (Fund 1010);
- Provide for the purchase of equipment in the amount of \$325,000 for the new Illegal Dumping Crew to be supported from existing appropriations in internal service fund (Fund 4100);
- Appropriates \$250,000 in funding to replace lighting fixtures, including underpass lighting, street lighting, and pedestrian overpass lighting in illegal dumping hotspots (Fund 2215);
- Add \$50,000 for educational campaign on Recycling, Illegal Dumping, and Waste Aversion to promote a healthy, sustainable community (Fund 1710); and,
- Fund 3.0 FTE Litter/Nuisance Enforcement Officers (LEO) at a cost of \$452,415 to improve community sustainability and health (Fund 1720). Provide for equipment purchase for LEO's from FY 2017-18 vehicle rebates (Fund 4100).

Animal Services

- Add 1.0 FTE Animal Care Attendant at a cost of \$77,709 and add 1.0 FTE Public Service Representative at a cost of \$89,787 to address critical needs at the Oakland Animal Shelter (Fund 1010).

Planning & Building

- Add 6.0 FTE in the City's Planning & Building Department to add additional capacity in strategic planning, permitting, and code enforcement & inspections. These 6.0 FTE include: 1.0 Permit Technician II; 1.0 Planner IV; 1.0 Principal Inspection Supervisor; 1.0 Inspection Services Manager; 2.0 Specialty Combination Inspectors and will cost approximately \$1.12 million (Fund 2415).

Public Safety

- Restore ongoing funding of approximately \$1.1 million for Fire Academy with an approximate yield of 22 trainees (Fund 1010); and,
- Civilianize Police Department IT services by adding 1.0 FTE Business Analyst IV and 1.0 FTE Project Manager II in DIT to provide technology services to OPD at a cost of \$474,494 (split funded in Fund 1010 and Fund 4600).

Recruitment & Training

- Add 1.0 FTE Principal Human Resources Analyst in HRMD for recruitments at a cost of \$198,493 (Fund 2415);

- Add 2.0 FTE Senior HR Analyst in HRMD to enhance recruitment capacity at a cost of \$310,902 (Fund 1010; Fund 7760); and,
- Add 1.0 FTE Administrative Assistant II in the Training Division at a cost of \$104,228 (Fund 1010).

Job Training, Job Preparation, and Placement

- Provide an additional \$275,000 in one-time funding for job training, job preparation, and placement services (Fund 1010).

Unfunded Liabilities/Other Post-Employment Benefits (OPEB)

- Allocate \$150,000 to engage professional consultants to develop a funding policy for OPEB to help restructure and reduce unfunded liabilities.

BACKGROUND / LEGISLATIVE HISTORY

On June 29, 2017, the City Council adopted the FY 2017-19 Biennial Budget (Resolution No. 86821 C.M.S.), which authorized expenditures of \$584,072,049 in FY 2017-18 and \$595,954,802 in FY 2018-19. The Midcycle Budget is built on the principles set forth in the Adopted FY 2017-19 Biennial Budget:

- **A Safe City:** that invests in Holistic Community Safety strategies.
- **A Vibrant City:** that makes strategic investments in infrastructure, public works, and the arts to protect and enhance the quality of life for all neighborhoods.
- **A Just City:** that promotes equitable jobs and housing that protects and nurtures a diverse and inclusive community that cares for its youth, elderly, families, and the vulnerable.
- **A Prosperous City:** that values workers and fosters a diverse economy that creates equitable economic growth, jobs, and housing.
- **Trustworthy Government:** that provides quality municipal services, efficiency, transparency, and accountability, as well as respects municipal employees.

On February 20, 2018, the City Council adopted Resolution No. 87062 that established a new fund for the collection and tracking of Sugar-Sweetened Beverages Taxes ("SSBT), which was previously included in the GPF (Fund 1010). To facilitate comparison, unless otherwise noted, GPF figures presented in this report were adjusted to exclude SSBT tax revenues.

ANALYSIS

The FY 2018-19 Proposed Midcycle Budget continues to support the Mayor's and City Council's established priorities through strategic investments in high-priority, high-need areas such as affordable housing, services for the homeless, and illegal dumping. Although the City's General Purpose Fund is structurally balanced in FY 2018-19, it does not fully address all the City's long-

Item: _____
City Council
May 29, 2018

term liabilities and other acute cost pressures, such as Other Post-Employment Benefits (“OPEB”) and unfunded pension liabilities. Further, **the Midcycle Budget is balanced with the use of approximately \$1.2 million in Fund Balance.** Through conservative fiscal management and scrutiny of GPF project and encumbrance carryforwards over the course of FY 2018-19, the proposed use of fund balance is manageable within the City’s broader financial position.

On June 29, 2017, the City Council adopted a two-year operating budget for FY 2017-18 and FY 2018-19. The Midcycle Budget is an amendment to the second year of the biennial budget that reflects revised revenue projections, expenditure adjustments approved by City Council during the first year of the budget, and service enhancements that are critical to the City’s core operations.

Table 1 below summarizes the recommended changes to the projected GPF revenues. Additional details are provided in **Exhibit 1** to the Resolution. Staff recommends the City Council adopt a budget for FY 2018-19 by recognizing total revenues in the GPF of approximately \$602.45 million, an increase of \$12.40 million or 2.1% from the FY 2018-19 Adopted Budget of \$590.05 million. Year-over-year, FY 2018-19 revenues are projected to increase by \$24.28 million or 4.2%, up from \$578.17 million in the FY 2017-18 Adopted Budget.¹

Table 1. FY 2018-19 GPF Revenues (\$ in Millions)

	FY 2017-18 Adopted Budget	FY 2018-19 Adopted Budget	FY 2018-19 Midcycle Proposed	Variance over FY 2018-19 Adopted Budget
GPF	\$578.17	\$590.05	\$602.45	\$12.40

In FY 2018-19, a total of \$12.40 in additional appropriations are recommended (See **Exhibit 2** to the Resolution for details). These appropriations fall broadly into the following two categories: 1) required & technical expenditure adjustments, and 2) service enhancements.

The required and technical adjustments include negotiated wage and other employee compensation increases (cost-of-living adjustments and equity increases) and adjustments to fringe benefit rate calculations. In turn, these require adjustments to Internal Service Fund charges and Central Service Overhead recoveries. Required adjustments also include mandatory appropriations resulting from legal requirements, such as the KidsFirst set-aside. In total, technical expenditure adjustments account for approximately \$7.70 million in net new expenditures in the GPF.

In addition to the required and technical expenditure adjustments, the proposed Midcycle Budget expands upon the services approved in the FY 2018-19 Adopted Budget in key service areas such as homelessness, illegal dumping, animal care services, and job training. In total,

¹ Resolution No. 87062 C.M.S. established a separate fund for Sugar-Sweetened Beverage Tax (SSBT) revenues. Unless otherwise noted, the GPF (Fund 1010) figures presented in this report were adjusted to exclude SSBT tax revenues to facilitate comparison.

service enhancements account for approximately \$4.69 million in net new expenditures in the GPF.

Additionally, there are proposed changes to other (non-GPF) funds as outlined in **Exhibit 3** and **Exhibit 4** totaling approximately \$79.26 million in both revenues and expenditures.

GPF Revenues

The City of Oakland (City) has experienced healthy economic growth over the last several years. GPF revenues are a combination of 15 major revenue categories as outlined in *Table 2* on the following page. Each revenue category is forecasted separately based upon key economic indicators and other financial information. A full breakdown of historical and projected GPF revenues are included in **Exhibit 1** to the Resolution.

The FY 2018-19 Proposed Midcycle Budget reflects total revenues of \$602.45 million in the GPF (\$601.27 million excluding Transfers from Fund Balance), a net increase of \$12.40 million relative to the FY 2018-19 Adopted Budget revenues of \$590.05 million.

The City is specifically experiencing forecasted growth in Property Tax revenues (+\$6.37 million), the largest single revenue category in the GPF, and forecasted growth in Business License Tax revenues (+\$4.79 million) relative to the FY 2018-19 Adopted Budget.

Property Tax revenues are forecasted to exceed the FY 2018-19 Adopted Budget by \$6.37 million due to an estimated 6.52% growth in general property tax receipts based on the latest County Assessor data and forecasted receipt of additional Residual Property Tax Trust Fund ("RPTTF") revenues. Starting in FY 2011-12, the City began receiving a portion of the RPTTF as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less Successor Agency enforceable obligations, that would have gone to redevelopment agencies if they had not been dissolved. Ongoing RPTTF revenues are anticipated to increase by approximately 18.45% (+\$1.71 million) compared to third quarter estimates for FY 2017-18 due to savings from refunding Successor Agency debt obligations and continued growth in assessed values in former redevelopment project areas. Net of RPTTF, Property Tax revenues are forecast to increase 5.69% compared to third quarter estimates for FY 2017-18 (+\$4.57 million).

Business Licenses Taxes are forecasted to be \$86.62 million in the FY 2018-19 Midcycle Budget. This is \$7.04 million higher than the FY 2017-18 Adopted Budget of \$79.58 million, for an increase of more than 8.8% year-over-year on a budgetary basis. The forecast includes approximately \$4.5 million in audit revenues that are considered one-time. **It also includes approximately \$11 million in estimated cannabis business tax revenues based on gross receipts tax rates of 5.0% for medicinal and 10.0% for recreational cannabis use.**

While many baseline revenue categories are showing strong growth, the City's more volatile, economically sensitive revenue categories – such as Sales Taxes and Real Estate Transfer Taxes (RETT) – are showing signs of pullback. As noted in the 2017-18 Third Quarter Revenue and Expenditure report, the City is seeing a slowdown in RETT due to a reduction in the volume of property sales. The baseline revenue derived through property sales through the Third Quarter of FY 2017-18 decreased approximately 1.9% when compared to the prior fiscal year.

Consistent with this trend, RETT revenues of \$74.18 million in the FY 2018-19 Proposed Midcycle Budget reflect a 4.8% reduction from the Adopted Budget. During FY 2017-18, the City anticipates receipt of one-time sales tax revenue of approximately \$1.4 million. As these revenues are not considered recurring, revenues derived from Sales Taxes are forecast at \$57.68 million, consistent with the Adopted Budget.

Table 2. FY 2018-19 Proposed Midcycle Budget GPF Revenues

	FY 2018-19 Adopted Budget	FY 2018-19 Midcycle Proposed	FY 2018-19 Variance
Property Tax	\$190,093,739	\$196,467,669	\$6,373,930
Sales Tax	\$57,678,493	\$57,678,493	\$0
Vehicle License Fee	\$0	\$0	\$0
Business License Tax	\$81,834,879	\$86,622,000	\$4,787,121
Utility User Tax	\$50,700,000	\$54,207,390	\$3,507,390
Real Estate Transfer Tax	\$77,962,496	\$74,181,417	(\$3,781,079)
Transient Occupancy Tax	\$23,333,435	\$23,673,242	\$339,807
Parking Tax	\$11,436,700	\$11,436,700	\$0
Licenses & Permits	\$2,064,974	\$2,104,974	\$40,000
Fines & Penalties	\$22,650,000	\$21,231,083	(\$1,418,917)
Interest Income	\$740,482	\$1,210,069	\$469,587
Service Charges	\$61,178,431	\$62,083,803	\$905,372
Grants & Subsidies	\$119,435	\$119,435	\$0
Miscellaneous Revenue	\$5,487,531	\$5,487,531	\$0
Interfund Transfers	\$4,774,207	\$4,768,924	(\$5,283)
Transfers from Fund Balance	\$0	\$1,179,877	\$1,179,877
Grand Total	\$590,054,802	\$602,452,607	\$12,397,805

GPF Expenditures

The FY 2018-19 Proposed Midcycle Budget also includes items that require additional GPF appropriations to meet Council approved spending, immediate operational needs of the City, and funding for priority items. Detailed expenditure adjustments by department are provided in **Exhibit 2** to the Resolution. For the Midcycle, a total of \$12.41 million in additional appropriations is recommended. These appropriations fall broadly into the following two categories: 1) required & technical expenditure adjustments, and 2) service enhancements.

The required and technical adjustments include negotiated wage and other employee compensation increases (cost-of-living adjustments and equity increases) and adjustments to fringe benefit rate calculations. In turn, these wage increase require adjustments to Internal Service Fund charges and Central Service Overhead recoveries. Required adjustments also include mandatory appropriations resulting from legal requirements, such as the KidsFirst set-aside. In total, technical expenditure adjustments account for approximately \$7.70 million in net new expenditures in the GPF.

In addition to the required and technical expenditure adjustments, the proposed Midcycle Budget expands upon the services approved in the FY 2018-19 Adopted Budget in key service

areas such as homelessness, illegal dumping, animal care services, and job training. In total, service enhancements account for approximately \$4.69 million in net new expenditures in the GPF.

Employee Compensation

The FY 2017-19 Adopted Policy Budget did not include ongoing funding for employee compensation, only one-time funding. Personnel costs account for a majority of the required increased expenditures in the FY 2018-19 Proposed Midcycle Budget because of new labor agreements reached during FY 2017-18 with the City's four civilian bargaining units: (1) Service Employees International Union (SEIU), Local 1021, (2) International Federation of Professional & Technical Employees (IFPTE), Local 21, (3) International Brotherhood of Electrical Workers (IBEW), Local 1245, and (4) Confidential & Management Employees Association (CMEA).

These two-year agreements – covering July 1, 2017 through June 30, 2019 – provided the following high-level compensation enhancements that are captured in the FY 2018-19 Proposed Midcycle Budget:

- 4.0% wage increase effective July 1, 2017;
- 1.0% effective January 1, 2019 (Employees may receive an additional 1.0% effective January 1, 2019, if certain revenue growth is achieved that is not included in the Proposed Midcycle Budget);
- Equity adjustments for various job classifications; and,
- Other compensation improvements, such as increases to Health & Welfare benefits for part-time workers.

Contract negotiations between the City and the International Associations of Fire Fighters (IAFF), Local 55, which represents sworn fire classifications are ongoing. The City's most recent offer to Local 55 is similar to that negotiated by the civilian bargaining units. As such, the FY 2018-19 Proposed Midcycle Budget assumes salary growth of 5.0% for Local 55 represented employees (4.0% effective 7/1/17 + 1.0% effective 1/1/2019). **Any agreement or award that exceeds the budgeted threshold will require mid-year budget rebalancing and/or require the City to dip into reserves.**

Other (Non-GPF) Funds

Exhibits 3 and 4 to the Resolution reflect the revised appropriations and other significant changes to all other funds (non-GPF). All funds were impacted by the negotiated wage increases and have been rebalanced. Below are highlights of the changes; please refer to **Exhibit 4** for additional details.

Oakland Redevelopment Success Agency (ORSA) Reimbursement Fund (1610): To balance reductions in redevelopment related revenues from the Recognized Obligation Payment Schedule (ROPS) including administrative allowances and project staffing costs, the Midcycle Budget reallocates project staffing in both Economic & Workforce Development (\$433,373) and Housing & Community Development (\$564,822) to other eligible funding sources.

Comprehensive Cleanup (1710 & 1720): The Midcycle adds \$50,000 in one-time funding for an educational campaign on recycling, illegal dumping, and waste aversion. As mentioned previously, the Midcycle also continues to fund 3.0 FTE Litter/Nuisance Enforcement Officers to help reduce illegal dumping and promote sustainable, healthy communities.

Self Sustaining Fund (1820): The Midcycle transfers 1.0 FTE Administrative Services Manager I from Fund 1820 to Fund 1010.

Affordable Housing Trust Fund (1870): This Fund receives revenue associated with City Council adopted policy to divert 25 percent of the City's residual RPTTF ("boomerang") funds to affordable housing. The Midcycle appropriates approximately \$2.25 million in one-time proceeds received in FY 2017-18 toward affordable housing projects. The Midcycle transfers \$300,000 in one-time funding approved in the Adopted Budget for the New Rapid Rehousing Center from Fund 1010 to Fund 1870 and adds an additional \$500,000 in one-time appropriations for the New Rapid Rehousing Center and expansion of winter shelters.

2011A-T Subordinated Housing (1885): The Midcycle appropriates Fund Balance in the amount of approximately \$16.7 million for affordable housing development projects at Brooklyn Basin.

Workforce Investment Grant Fund (2195): As mentioned previously, the Midcycle adds an additional \$275,000 in one-time funding to Fund 2195 for job training, job preparation, and job placement programs.

Measure B Fund (2211) and Measure BB Fund (2216): The Midcycle Budget adds approximately \$1.7 million in revenues received in FY 2017-18 in Fund 2211 and Fund 2216 combined. The Midcycle adds an appropriation of \$700,000 for Emergency Roadway Repair projects. The Midcycle Budget reallocates approximately \$7.0 million in Measure B funding to eligible transportation projects at the Oakland Army Base, and transfers those Measure B projects to Measure KK. The Midcycle Budget also adds the position of Spatial Analyst III by deleting a vacant Engineer Assistant II in DOT and adds 1.53 FTE in the Human Services Department to support Paratransit Services.

Development Services Fund (2415): The Midcycle for Fund 2415 adds 6.0 FTE in the City's Planning & Building Department (1.0 Permit Technician II; 1.0 Planner IV; 1.0 Principal Inspection Supervisor; 1.0 Inspection Services Manager; 2.0 Specialty Combination Inspectors) to add additional capacity in strategic planning, permitting, and code enforcement & inspections at a cost of \$1.12 million. The Midcycle Budget also includes funding for a Principal Human Resources Analyst in HRMD to work specifically on filling critical positions in the Planning & Building Department.

Measure C Fund (2419): Measure C is an additional Transient Occupancy Tax (TOT) utilized to support cultural programs and institution within the City. TOT is projected to increase next fiscal year, which is projected to bring nearly \$307,000 in additional funds to Measure C. The funds are allocated per the approved measure formula to the Oakland Convention & Visitor's Bureau, Oakland Zoo, Chabot Space & Science Center, Oakland Museum and City programs includes Cultural Funding grants, Art & Soul and Fairs and Street Festivals.

Sewer Fund (3100): The Midcycle Budget adds appropriation of revenues received in FY 2017-18 of \$2.5 million to maintain and upgrade sewer mains and prevent overflows due to increased volume associated with new developments.

Measure KK: Affordable Housing (5331): The Midcycle Budget adds affordable housing project staffing of 1.0 FTE Housing Development Coordinator III to work specifically on Measure KK related projects.

New Library Parcel Tax Measure (Measure D)

Oakland voters will be asked to consider a new Library Parcel Tax measure (Measure D) on the June 5th ballot to help address the Oakland Public Library's structural budget challenges. If approved this measure will bring in approximately \$10 million in new dedicated revenues to the City's libraries. Because of the uncertainty regarding the measure, the City is recommending that the City Council approve two alternative budgets: one assuming Measure D does not pass and another assuming Measure D passes.

If Measure D does not pass, the Library Department is proposing to freeze vacant and other temporary part-time positions to generate savings of approximately \$1.88 million (approximately 23.38 FTE). Without the new tax measure, this savings is necessary to achieve a structural budget balance in the Library Department, and will require substantial service-level reductions. These reductions could include the following:

- Closing the Main Library on Sundays and closing 4 small branches;
- Closing 1 medium branch and 3 small branches;
- Closing the Main Library two days per week and closing 3 small branches; or
- Reducing 16 branches by one day per week.

If Measure D passes, the Oakland Public Libraries will be able to restore these proposed cuts and expand services by adding more full-time staff, increasing hours of operation, and enhance programs and services. Additional detail is provided in **Exhibit 5** to the Resolution.

FISCAL IMPACT

See above Analysis section.

PUBLIC OUTREACH / INTEREST

During the two-year budget, extensive public outreach was completed including a scientific poll, informal survey, and community outreach forums. This Midcycle amendment did not require any additional public outreach.

COORDINATION

This report was prepared by the Finance Department in coordination with various City Departments.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending The City Of Oakland's Fiscal Year 2017-19 Biennial Budget, Which Was Adopted Pursuant To Resolution No. 86821 C.M.S., To Make Adjustments: (1) Changing The Fiscal Year 2018-19 Revenue Projection In The General Purpose Fund (GPF); (2) Changing Fiscal Year 2018-19 GPF Expenditure Appropriations; And (3) Changing Fiscal Year 2018-19 Revenues And Expenditure Appropriations In Other Non-GPF Funds.

For questions regarding this report, please contact Adam Benson, Budget Administrator at 510-238-2026.

Respectfully submitted,



KATANO KASAINE
Finance Director

Prepared By:
Adam Benson, Budget Administrator

Attachments (1):

- 1) Resolution to Adopt the FY 2018-19 Midcycle Budget Amendments
 - Exhibit 1: GPF Revenue Details
 - Exhibit 2: GPF Midcycle Adjustments
 - Exhibit 3: Other (Non-GPF) Fund Midcycle Total Appropriations
 - Exhibit 4: Summary of Other (Non-GPF) Adjustments
 - Exhibit 5: Alternative Budget for Oakland Public Library (Pending Measure D)

Item: _____
City Council
May 29, 2018



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 MAY 24 PM 2: 24 **AGENDA REPORT**

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: FY 2018-19 Midcycle Budget
Amendments

DATE: May 24, 2018

City Administrator Approval

Date:

5/29/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending The City Of Oakland's Fiscal Year 2017-19 Biennial Budget, Which Was Adopted Pursuant To Resolution No. 86821 C.M.S., To Make Adjustments: (1) Changing The Fiscal Year 2018-19 Revenue Projection In The General Purpose Fund (GPF); (2) Changing Fiscal Year 2018-19 GPF Expenditure Appropriations; And (3) Changing Fiscal Year 2018-19 Revenues And Expenditure Appropriations In Other Non-GPF Funds.

REASON FOR SUPPLEMENTAL

This supplemental report includes additional proposed amendments to the General Purpose Fund (GPF) and other funds (Non-GPF) due to reductions in project staffing reimbursements in the approved Fiscal Year (FY) 2018-19 Recognized Obligation Payment Schedule (ROPS) and to capture additional appropriations in the GPF for the conversion of Temporary Part-Time (TPT) positions to full-time positions.

EXECUTIVE SUMMARY

The FY 2018-19 Proposed Midcycle Budget was initially published on May 17, 2018. Following the release of the proposed budget, the City received notification from the California Department of Finance (DOF) that \$639,596 in proposed expenditures were denied on the ROPS in the Housing & Community Development Department. As a result of this unanticipated reduction in funding, expenditures that were originally budgeted in Fund 1610 were moved to other eligible funding sources. These changes are captured in the revised Exhibits attached and incorporated into the resolution (**Exhibits 3 and 4**).

This supplemental also provides General Purpose Fund appropriations in the amount of \$500,000 for the conversion of Temporary Part-Time positions to full-time, consistent with the recently approved agreement with Service Employees' International Union, Local 1021 (SEIU). As a result of this change, the City's budgeted use of Fund Balance in the GPF increased to

Item: _____
Special City Council
May 29, 2018

\$1,679,877, up from \$1,179,877. This change is captured in the revised Exhibits attached and incorporated into the resolution (**Exhibit 1 and 2**).

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending The City Of Oakland's Fiscal Year 2017-19 Biennial Budget, Which Was Adopted Pursuant To Resolution No. 86821 C.M.S., To Make Adjustments: (1) Changing The Fiscal Year 2018-19 Revenue Projection In The General Purpose Fund (GPF); (2) Changing Fiscal Year 2018-19 GPF Expenditure Appropriations; And (3) Changing Fiscal Year 2018-19 Revenues And Expenditure Appropriations In Other Non-GPF Funds.

For questions regarding this report, please contact Adam Benson, Budget Administrator at 510-238-2026.

Respectfully submitted,



KATANO KASAINÉ
Finance Director

Prepared By:
Adam Benson, Budget Administrator

- 1) Resolution to Adopt the FY 2018-19 Midcycle Budget Amendments
 - Exhibit 1: GPF Revenue Details
 - Exhibit 2: GPF Midcycle Adjustments
 - Exhibit 3: Other (Non-GPF) Fund Midcycle Total Appropriations
 - Exhibit 4: Summary of Other (Non-GPF) Adjustments
 - Exhibit 5: Alternative Budget for Oakland Public Library (Pending Measure D)

2018 MAY 18 AM 10:18


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AMENDING THE CITY OF OAKLAND'S FISCAL YEAR 2017-19 BIENNIAL BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 86821 C.M.S., TO MAKE ADJUSTMENTS: (1) CHANGING THE FISCAL YEAR 2018-19 REVENUE PROJECTION IN THE GENERAL PURPOSE FUND (GPF); (2) CHANGING FISCAL YEAR 2018-19 GPF EXPENDITURE APPROPRIATIONS; AND (3) CHANGING FISCAL YEAR 2018-19 REVENUES AND EXPENDITURE APPROPRIATIONS IN OTHER NON-GPF FUNDS.

WHEREAS, the City Council adopted Resolution No. 86821 C.M.S. on June 29, 2017 adopting the FY 2017-19 biennial budget, and appropriating certain funds to provide for the expenditures proposed by the said budget; and

WHEREAS, the City Council has reviewed proposed variances in FY 2018-19 revenues and expenditures as part of the midcycle budget review; and

WHEREAS, *Exhibit 1* to this Resolution sets forth General Purpose Fund revenue amendments to the FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 2* to this Resolution sets forth the General Purpose Fund expenditure amendments to the FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 3* to this Resolution sets forth the total revenues and expenditures for Non-General Purpose Funds in FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 4* to this Resolution sets forth the Non-General Purpose Fund revenue and expenditure amendments to the FY 2017-19 Policy Budget for FY 2018-19; and

WHEREAS, *Exhibit 5* to this Resolution sets forth revenue and expenditure amendments to the FY 2017-19 Policy Budget for FY 2018-19, which will be enacted if Measure D – The 2018 Oakland Public Library Preservation Act, is approved by the voters in the June 2018 Statewide Direct Primary Election; now, therefore be it

RESOLVED: That the City's FY 2018-19 Midcycle Policy Budget is hereby amended to include adjustments for the GPF as set forth in *Exhibits 1 and 2* attached to and incorporated into this Resolution; and be it

FURTHER RESOLVED: That the City's FY 2018-19 Midcycle Policy Budget is hereby further amended to include total revenues and expenditures as set forth in **Exhibit 3** and adjustments for the non-GPF funds as set forth in **Exhibit 4**, attached to and incorporated into this Resolution; and be it

FURTHER RESOLVED: That the City's FY 2018-19 Midcycle Policy Budget is hereby further amended to include adjustments for to the GPF and non-GPF funds as set forth in **Exhibit 5** attached to and incorporated into this Resolution if Measure D – The 2018 Oakland Public Library Preservation Act, is approved; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to periodically transfer funds between Departments and completed Projects as needed in order to clean-up negative budget balances within the same Fund; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to transfer funds between Funds, Departments, and Projects as needed in order to clean-up and consolidate City's Gas Tax Funds as recommended by the State Controller; and be it

FURTHER RESOLVED: That the City Administrator is hereby instructed to return to the City Council by January 2019 with a holistic strategy to address the City's Other Post Employment Benefit liabilities; and be it

FURTHER RESOLVED: That should voters approve a repeal of the Statewide Gasoline Tax during the November 2018 General election, the City Administrator is hereby authorized to suspend expenditures, the hiring of staff positions, and projects in the Gas Tax Fund and related funds until a revised Transportation funding plan can be approved by the City Council; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized and directed to calculate all required set-asides and make appropriate adjustments, based on the final adopted budget amendments, as legally required, such as Kid's First! and the 7.5 percent Emergency Reserve; and be it

FURTHER RESOLVED: That all other provisions of Resolutions No. 86821 C.M.S., which adopted the FY 2017-19 biennial budget on June 29, 2017, shall remain in effect for FY 2018-19.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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

EXHIBIT 1 - MIDCYCLE REVENUE ADJUSTMENTS TO FY 2018-19 BUDGET
General Purpose Fund (GPF) 1010

	FY 2016-17 Actual	FY 2017-18 Adopted Budget	FY 2017-18 Q3 Forecast	FY 2018-19 Adopted Budget	FY 2018-19 Midcycle Proposed	FY 2018-19 Midcycle v. Adopted
Property Tax	\$ 171,475,372	\$ 182,707,896	\$ 184,440,777	\$ 190,093,739	\$ 196,467,669	\$ 6,373,930
Sales Tax	53,701,770	55,998,537	58,684,000	57,678,493	57,678,493	-
Vehicle License Fee	189,433	-	224,279	-	-	-
Business License Tax	75,840,294	79,580,950	80,962,300	81,834,879	86,622,000	4,787,121
Utility User Tax	52,618,316	50,700,000	53,144,500	50,700,000	54,207,390	3,507,390
Real Estate Transfer Tax	79,069,794	75,822,812	75,822,812	77,962,496	74,181,417	(3,781,079)
Transient Occupancy Tax	22,367,662	22,653,820	22,653,820	23,333,435	23,673,242	339,807
Parking Tax	10,636,779	11,130,600	11,130,600	11,436,700	11,436,700	-
Licenses & Permits	1,801,800	2,060,303	2,060,303	2,064,974	2,104,974	40,000
Fines & Penalties	21,687,280	22,428,254	20,968,000	22,650,000	21,231,083	(1,418,917)
Interest Income	1,207,280	740,482	1,207,280	740,482	1,210,069	469,587
Service Charges	54,612,720	59,246,455	59,246,455	61,178,431	62,083,803	905,372
Grants & Subsidies	1,520,828	119,435	953,587	119,435	119,435	-
Miscellaneous Revenue	6,525,455	2,338,857	4,863,903	5,487,531	5,487,531	-
Interfund Transfers	2,274,207	3,964,207	3,964,207	4,774,207	4,768,924	(5,283)
Sub-Total	555,528,990	569,492,608	580,326,823	590,054,802	601,272,730	11,217,928
<i>Transfers from Fund Balance</i>	<i>30,022,178</i>	<i>8,679,441</i>	<i>8,679,442</i>	<i>-</i>	<i>1,679,877</i>	<i>1,679,877</i>
Grand Total	\$ 585,551,168	\$ 578,172,049	\$ 589,006,265	\$ 590,054,802	\$ 602,952,607	\$ 12,897,805

**EXHIBIT 2 - MIDCYCLE ADJUSTMENTS TO FY2018-19 BUDGET
General Purpose Fund (GPF) 1010**

Item	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
FY2017-19 ADOPTED BUDGET									
A1	FY 2018-19 Adopted Budget (Includes SSBT)		\$ 581,010,090	\$ 14,944,712	\$ 595,954,802	2,434.20	\$ 582,797,395	\$ 13,157,407	\$ 595,954,802
REVENUE ADJUSTMENTS									
B1	Projected increase in Property Tax		\$ -	\$ -	\$ -	-	\$ 4,666,486	\$ -	\$ 4,666,486
B2	Projected increase in RPTTF (Property Tax)		\$ -	\$ -	\$ -	-	\$ 1,707,444	\$ -	\$ 1,707,444
B3	Projected increase in Business License Tax		\$ -	\$ -	\$ -	-	\$ 3,387,121	\$ 500,000	\$ 3,887,121
B4	Projected increase in Utility Consumption Tax		\$ -	\$ -	\$ -	-	\$ 3,507,390	\$ -	\$ 3,507,390
B5	Projected decrease in Real Estate Transfer Tax		\$ -	\$ -	\$ -	-	\$ 4,944,374	\$ (8,725,453)	\$ (3,781,079)
B6	Projected Increase in Transient Occupancy Tax		\$ -	\$ -	\$ -	-	\$ 339,807	\$ -	\$ 339,807
B7	Transfer SSBT revenues from Fund 1010 to Fund 1030 (Measure HH)		\$ -	\$ -	\$ -	-	\$ (5,900,000)	\$ -	\$ (5,900,000)
B8	Projected decrease in Fines & Penalties from parking citation reductions		\$ -	\$ -	\$ -	-	\$ (1,800,000)	\$ -	\$ (1,800,000)
B10	Projected increase in Miscellaneous Income (Interest) & Reduce Interfund Transfers		\$ -	\$ -	\$ -	-	\$ 464,304	\$ -	\$ 464,304
Sub-Total of Revenue Adjustments			\$ -	\$ -	\$ -	-	\$ 11,316,926	\$ (8,225,453)	\$ 3,091,473
EXPENDITURE ADJUSTMENTS									
C1	Personnel adjustments including COLA, equity, fringe rate adjustments, and CSO recoveries; ISF rebalancing due to personnel and O&M increases; Remove FY18-19 transfer to fund balance; Decrease VSSF contribution based on revenue adjustments and CFP	Citywide	\$ 9,745,878	\$ (3,274,102)	\$ 6,471,776	-	\$ -	\$ -	\$ -
C2	Technical adjustment to parking citation contract cost expenditures	Finance	\$ (2,662,500)	\$ -	\$ (2,662,500)	-	\$ -	\$ -	\$ -
C3	Increase and baseline in HSD CSO subsidies; Increase in HSD operating subsidies; and other one-time funding adjustments	Human Services	\$ 3,352,059	\$ (2,669,377)	\$ 682,682	-	\$ -	\$ -	\$ -
C4	KidsFirst true-up FY12-13 through FY16-17; KidsFirst FY18-19 adjustment due to revenue increase	Non-Departmental	\$ 77,515	\$ 3,135,049	\$ 3,212,564	-	\$ -	\$ -	\$ -
C5	Transfer SSBT appropriations to Fund 1030	Non-Departmental	\$ (5,900,000)	\$ -	\$ (5,900,000)	-	\$ -	\$ -	\$ -
Sub-Total of Expenditure Adjustments			\$ 4,612,952	\$ (2,808,430)	\$ 1,804,522	-	\$ -	\$ -	\$ -
FY 2018-19 ADJUSTED BASELINE BUDGET									
D1	FY 2018-19 Adjusted Baseline Budget		\$ 585,623,042	\$ 12,136,282	\$ 597,759,324	2,434.20	\$ 594,114,321	\$ 4,931,954	\$ 599,046,275
DEPARTMENTAL REQUESTS									
E1	Transfer 0.56 FTE of SAM III from Fund 1010 to Fund 2415	Mayor	\$ (181,979)	\$ -	\$ (181,979)	(0.56)	\$ -	\$ -	\$ -
E2	Add 0.60 FTE Receptionist, PPT	CAO	\$ 45,045	\$ -	\$ 45,045	0.60	\$ -	\$ -	\$ -
E3	Increase Fines & Penalties and Service Charges in Contract Compliance	CAO	\$ -	\$ -	\$ -	-	\$ 50,455	\$ -	\$ 50,455
E4	Add 1.0 FTE Animal Care Attendant in Animal Services	CAO	\$ 77,709	\$ -	\$ 77,709	1.00	\$ -	\$ -	\$ -
E5	Add 1.0 FTE Public Service Representative in Animal Services	CAO	\$ 89,787	\$ -	\$ 89,787	1.00	\$ -	\$ -	\$ -
E6	Transfer 0.33 FTE Management Assistant from Fund 1010 to Fund 1760	City Clerk	\$ (60,939)	\$ -	\$ (60,939)	(0.33)	\$ -	\$ -	\$ -
E7	Increase O&M to cover elections in FY18-19	City Clerk	\$ 250,000	\$ -	\$ 250,000	-	\$ -	\$ -	\$ -
E8	O&M for additional required public meetings and mandatory training; and contract services to facilitate requirements with the NSA	Police Commission	\$ 126,000	\$ -	\$ 126,000	-	\$ -	\$ -	\$ -
E9	Transfer Business Analyst IV to Budget Bureau; Delete City Administrator Analyst; Unfreeze Accounting Supervisor	Finance	\$ 3,012	\$ -	\$ 3,012	-	\$ -	\$ -	\$ -
E10	Purchase, implementation and maintenance of CAFR software.	Finance	\$ 30,000	\$ 50,000	\$ 80,000	-	\$ -	\$ -	\$ -
E11	Add 1.0 FTE Tax Auditor II position in the Revenue Bureau for cannabis audits (costing at 1/2 year)	Finance	\$ 65,588	\$ -	\$ 65,588	1.00	\$ 300,000	\$ -	\$ 300,000
E12	Funding for independent study of OPEB liability, benchmarking, and funding strategies/recommendations	Finance	\$ -	\$ 150,000	\$ 150,000	-	\$ -	\$ -	\$ -
E13	Add 2.0 FTE Account Clerk II to process tax assessment refunds (costing at 1/2 year) and increase audit revenues	Finance	\$ 83,582	\$ -	\$ 83,582	2.00	\$ 600,000	\$ -	\$ 600,000
E14	Increase revenue per MFS for recordation and technology fee and special event permit fees	Finance	\$ -	\$ -	\$ -	-	\$ 70,000	\$ -	\$ 70,000
E15	Transfer 0.50 FTE Executive Assistant from Fund 1010 to Fund 4200	DIT	\$ (57,707)	\$ -	\$ (57,707)	(0.50)	\$ -	\$ -	\$ -
E16	Transfer 0.75 FTE Telecom Systems from Fund 1010 to Fund 4200	DIT	\$ (134,981)	\$ -	\$ (134,981)	(0.75)	\$ -	\$ -	\$ -
E17	Add 1.0 FTE Application Developer III [Filled Position]	DIT	\$ 188,988	\$ -	\$ 188,988	1.00	\$ -	\$ -	\$ -
E18	Add 0.5 FTE Business Analyst IV/Add 0.5 FTE Project Manager II funded 50% Fund 1010 and 50% Fund 4600 (Civilianization)	DIT	\$ 242,099	\$ -	\$ 242,099	1.00	\$ -	\$ -	\$ -
E19	Add 1.0 FTE Administrative Assistant II	Race & Equity	\$ 103,229	\$ -	\$ 103,229	1.00	\$ -	\$ -	\$ -

**EXHIBIT 2 - MIDCYCLE ADJUSTMENTS TO FY2018-19 BUDGET
General Purpose Fund (GPF) 1010**

Item	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
E20	Add 1.0 FTE Administrative Assistant II (CONF) for Training	HRM	\$ 104,228	\$ -	\$ 104,228	1.00	\$ -	\$ -	\$ -
E21	Add 1.0 FTE Senior HR Analyst for Recruitment	HRM	\$ 155,451	\$ -	\$ 155,451	1.00	\$ -	\$ -	\$ -
E22	Increase O&M to purchase furniture and technology for HR training rooms	HRM	\$ -	\$ 13,500	\$ 13,500	-	\$ -	\$ -	\$ -
E23	Increase fee revenue in proportion to personnel cost increases	Police Department	\$ -	\$ -	\$ -	-	\$ 800,000	\$ -	\$ 800,000
E24	Add Cannabis Permit O&M	Police Department	\$ 50,000	\$ -	\$ 50,000	-	\$ -	\$ -	\$ -
E25	Add Fire Academy	Fire Department	\$ 1,125,000	\$ -	\$ 1,125,000	-	\$ -	\$ -	\$ -
E26	Add 1.0 FTE Budget & Grants Administrator	Fire Department	\$ 171,414	\$ -	\$ 171,414	1.00	\$ -	\$ -	\$ -
E27	Delete 1.0 FTE Assistant to the Director/Transfer 1.0 FTE Administrative Services Manager I from Fund 1820	Parks and Recreation	\$ (57,625)	\$ -	\$ (57,625)	-	\$ -	\$ -	\$ -
E28	Funding for sanitation services for the homeless	Human Services	\$ -	\$ 300,000	\$ 300,000	-	\$ -	\$ -	\$ -
E29	Add 1.00 FTE Health and Human Services Planner to Community Housing Division for homelessness services	Human Services	\$ 163,433	\$ -	\$ 163,433	1.00	\$ -	\$ -	\$ -
E30	Funding for Everyone Home Dues and Biennial Homeless Count for Oakland	Human Services	\$ 60,000	\$ -	\$ 60,000	-	\$ -	\$ -	\$ -
E31	Transfer one-time funding for New Rapid Rehousing Center from Fund 1010 to Fund 1870 and transfer to HSD	Human Services	\$ -	\$ (300,000)	\$ (300,000)	-	\$ -	\$ -	\$ -
E32	Transfer 1.00 FTE Director of Human Services from Fund 7760; Transfer 1.00 FTE Administrative Assistant I, 0.93 FTE Accountant II, 0.55 FTE Administrative Services Manager II to Fund 7760 and reduce O&M by \$3,786	Human Services	\$ -	\$ -	\$ -	(1.48)	\$ -	\$ -	\$ -
E33	Transfer CSEC funding from Fund 1010 to Fund 2252 (Measure Z)	Human Services	\$ -	\$ (110,000)	\$ (110,000)	-	\$ -	\$ -	\$ -
E34	Transfer Brown Bag program funding from Fund 1010 to Fund 1030 (Measure HH)	Human Services	\$ -	\$ (100,000)	\$ (100,000)	-	\$ -	\$ -	\$ -
E35	Freeze vacant 0.70 FTE Graphic Design Specialist	EWD	\$ (89,532)	\$ -	\$ (89,532)	(0.70)	\$ -	\$ -	\$ -
E36	Transfer to Fund 2195 to maintain and stabilize job training, job-preparation, and placement services and related programs	EWD	\$ -	\$ 275,000	\$ 275,000	-	\$ -	\$ -	\$ -
E37	Add 1.0 FTE Program Analyst III to Fund 1010; Transfer 1.0 FTE Program Analyst II from Fund 1010 to Fund 2195; Remaining Balance Offset by 1010 Carryforward	EWD	\$ 29,352	\$ (82,143)	\$ (52,791)	-	\$ -	\$ -	\$ -
E38	Delete 0.5 FTE Student Trainee, PT and reduce O&M	EWD	\$ (39,241)	\$ -	\$ (39,241)	(0.50)	\$ -	\$ -	\$ -
E39	Reduction to O&M	Planning and Building	\$ (350)	\$ -	\$ (350)	-	\$ -	\$ -	\$ -
E40	Transfer 0.27 FTE Mayor's PSE 14 to from Fund 1010 to Fund 7760 Overhead	OPW	\$ (43,786)	\$ -	\$ (43,786)	(0.27)	\$ -	\$ -	\$ -
E41	Subsidy to cover COLA and other rate increases in Fund 2310 (LLAD)	OPW	\$ 383,171	\$ -	\$ 383,171	-	\$ -	\$ -	\$ -
E42	Add 1.0 FTE Street Maintenance Leader and 2.0 FTE PW Maintenance Worker for illegal dumping (costing at 1/2 year)	OPW	\$ 172,381	\$ -	\$ 172,381	3.00	\$ -	\$ -	\$ -
E43	Add O&M for illegal dumping crew; Equipment purchase from existing appropriation in Fund 4100	OPW	\$ 57,000	\$ -	\$ 57,000	-	\$ -	\$ -	\$ -
E44	Increase Revenue for Parking Citation from Automated License Plate Recognition (ALPR) and one time purchase of equipment installation (5 year cost) and ongoing maintenance	DOT	\$ 28,000	\$ 338,000	\$ 366,000	-	\$ 366,000	\$ -	\$ 366,000
E45	Change MFS to reflect full cost to DOT for administering the Residential Parking Program	DOT	\$ -	\$ -	\$ -	-	\$ 40,000	\$ -	\$ 40,000
E46	ISF adjustment for estimated City Hall security costs	Non-Departmental	\$ 670,000	\$ -	\$ 670,000	-	\$ -	\$ -	\$ -
E47	Additional funding for FY18-19 BID assessments	Non-Departmental	\$ 75,597	\$ -	\$ 75,597	-	\$ -	\$ -	\$ -
E49	Loans for lower-income, under-served persons or entities opening and operating medical marijuana and related businesses	Non-Departmental	\$ -	\$ 275,000	\$ 275,000	-	\$ -	\$ -	\$ -
E50	Set aside for conversion of Temporary Part-Time workers to Full-Time	Non-Departmental	\$ 500,000	\$ -	\$ 500,000	-	\$ -	\$ -	\$ -
E50	Transfer from Fund Balance	Non-Departmental	\$ -	\$ -	\$ -	-	\$ -	\$ 1,679,877	\$ 1,679,877
Subtotal			\$ 4,383,926	\$ 809,357	\$ 5,193,283	10.51	\$ 2,226,455	\$ 1,679,877	\$ 3,906,332
FY 2018-19 Adjusted Budget Total			\$ 590,006,968	\$ 12,945,639	\$ 602,952,607	2,444.71	\$ 596,340,776	\$ 6,611,831	\$ 602,952,607

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
1020 - Vital Services Stabilization Fund	2,027,733	-	(2,027,733)
1030 - Measure HH (SSBDT)	-	10,626,000	10,626,000
1100 - Self Insurance Liability	22,741,409	22,741,409	-
1200 - Pension Override Tax Revenue	109,186,052	109,186,052	-
1610 - Successor Redevelopment Agency Reimbursement Fund	5,539,556	4,173,794	(1,365,762)
1700 - Mandatory Refuse Program	2,740,000	2,740,000	-
1710 - Recycling Program	4,775,447	4,981,443	205,996
1720 - Comprehensive Clean-up	22,550,012	23,794,300	1,244,288
1750 - Multipurpose Reserve	9,481,868	9,951,868	470,000
1760 - Telecommunications Reserve	1,962,762	2,130,771	168,009
1770 - Telecommunications Land Use	692,817	635,000	(57,817)
1780 - Kid's First Oakland Children's Fund	16,715,050	19,927,614	3,212,564
1820 - OPRCA Self Sustaining Revolving Fund	7,723,104	8,002,650	279,546
1870 - Affordable Housing Trust Fund	4,099,907	6,896,035	2,796,128
1885 - 2011A-T Subordinated Housing	750,000	17,420,000	16,670,000
2102 - Department of Agriculture	1,135,682	1,021,302	(114,380)
2103 - HUD-ESG/SHP/HOPWA	8,381,545	9,337,708	956,163
2108 - HUD-CDBG	8,061,926	8,646,171	584,245
2109 - HUD-Home	2,107,060	3,042,249	935,189
2113 - Department of Justice - COPS Hiring	1,461,064	1,461,064	-
2116 - Department of Transportation	344,726	344,726	-
2120 - Federal Action Agency	405,448	410,533	5,085
2124 - Federal Emergency Management Agency (FEMA)	944,958	-	(944,958)
2128 - Department of Health and Human Services	24,096,952	25,390,921	1,293,969
2138 - California Department of Education	1,078,421	1,446,290	367,869
2148 - California Library Services	77,330	77,330	-
2152 - California Board of Corrections	550,000	3,286,720	2,736,720
2159 - State of California Other	327,178	334,422	7,244
2160 - County of Alameda: Grants	2,558,925	4,555,105	1,996,180
2163 - Metro Transportation Com: Program Grant	72,719	72,719	-
2172 - Alameda County: Vehicle Abatement Authority	537,000	537,000	-
2190 - Private Grants	25,000	25,000	-
2195 - Workforce Investment Act	4,016,853	3,715,981	(300,872)

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
2211 - Measure B: Local Streets & Roads	11,280,621	17,687,891	6,407,270
2212 - Measure B: Bicycle/Pedestrian Pass-Thru Funds	1,386,398	1,413,196	26,798
2213 - Measure B: Paratransit - ACTIA	1,308,709	1,321,748	13,039
2215 - Measure F - Vehicle Registration Fee	1,813,031	2,546,283	733,252
2216 - Measure BB - Alameda County Transportation Commission Sales Tax	14,045,182	16,172,336	2,127,154
2217 - Measure BB - OAB Roadway Infrastructure Improvement	-	4,125,000	4,125,000
2230 - State Gas Tax	14,608,140	9,269,732	(5,338,408)
2231 - State Gas Tax-Prop 42 Replacement Funds	1,698,506	1,698,506	-
2232 - Gas Tax RMRA	-	7,167,109	7,167,109
2241 - Measure Q-Library Services Retention & Enhancement	18,033,676	16,658,260	(1,375,416)
2242 - Measure Q Reserve- Library Services Retention & Enhancement	754,121	754,329	208
2250 - Measure N: Fund	1,714,525	1,714,525	-
2252 - Measure Z - Violence Prevention and Public Safety Act of 2014	27,514,763	27,447,807	(66,956)
2310 - Lighting and Landscape Assessment District	19,939,153	20,484,388	545,235
2330 - Werner Court Vegetation Mgmt District	3,200	3,200	-
2331 - Wood Street Community Facilities District	-	61,225	61,225
2332 - OAB CFD No.2015-1- Gateway industrial Park	-	2,048,542	2,048,542
2411 - False Alarm Reduction Program	1,655,370	1,637,738	(17,632)
2412 - Alameda County: Emergency Dispatch Service Supplemental Assessments	2,345,028	2,430,234	85,206
2413 - Rent Adjustment Program Fund	4,844,848	6,795,728	1,950,880
2415 - Development Service Fund	46,571,462	49,918,236	3,346,774
2416 - Traffic Safety Fund	1,460,443	1,488,731	28,288
2417 - Excess Litter Fee Fund	416,440	416,440	-
2419 - Measure C: Transient Occupancy Tax (TOT) Surcharge	6,363,663	6,821,018	457,355
2420 - Transportation Impact Fee	-	3,193,961	3,193,961
2421 - Capital Improvements Impact Fee Fund	-	2,040,000	2,040,000
2826 - Mortgage Revenue	89,492	89,492	-
2912 - Federal Asset Forfeiture: City Share	110,000	110,000	-
2914 - State Asset Forfeiture	90,000	90,000	-
2990 - Public Works Grants	280,000	280,000	-
2995 - Police Grants	10,000	10,000	-
2996 - Parks and Recreation Grants 2001	16,847	16,847	-
2999 - Miscellaneous Grants	124,854	125,374	520

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
3100 - Sewer Service Fund	63,527,514	66,834,716	3,307,202
3150 - Sewer Rate Stabilization Fund	500,000	500,000	-
3200 - Golf Course	862,910	862,910	-
4100 - Equipment	27,945,295	28,612,869	667,574
4200 - Radio / Telecommunications	8,747,658	8,859,354	111,696
4210 - Telephone Equipment and Software	607,850	607,850	-
4300 - Reproduction	1,278,011	1,289,025	11,014
4400 - City Facilities	38,392,258	39,141,077	748,819
4450 - City Facilities Energy Conservation Projects	185,000	300,000	115,000
4500 - Central Stores	350,210	437,990	87,780
4550 - Purchasing	1,384,625	1,420,286	35,661
4600 - Information Technology	10,344,609	10,366,810	22,201
5130 - Rockridge: Library Assessment District	135,000	135,000	-
5330 - Measure KK: Infrastructure and Affordable Housing	34,605,000	34,605,000	-
5610 - Central District Projects	200,000	200,000	-
5614 - Central District: TA Bonds Series 2006T	1,270,000	1,270,000	-
5643 - Central City East TA Bonds Series 2006A-T (Taxable)	120,000	120,000	-
5650 - Coliseum Projects	100,000	100,000	-
5671 - OBRA: Leasing & Utility	2,317,623	2,250,755	(66,868)
6013 - 2013 LED Streetlight Acquisition Lease Financing	1,634,139	1,634,139	-
6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS	18,418,959	18,418,959	-
6032 - Taxable Pension Obligation: Series 2001	47,300,501	47,300,501	-
6036 - JPFA Refunding Revenue Bonds: 2008 Series A-1 (Tax-Exempt Bonds)	1,281,277	1,281,277	-
6064 - GO Refunding Bonds, Series 2015A	14,786,425	14,786,425	-
6312 - GOB Series 2012-Refunding Bonds	6,670,725	6,670,725	-
6322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for	1,453,732	1,453,732	-
6330 - Measure KK: 2017A-1 (TE) Infrastructure and Affordable Housing	-	2,246,557	2,246,557
6331 - Measure KK: 2017A-2 (Taxable) Infrastructure and Affordable Housing	-	4,137,206	4,137,206
6540 - Skyline Sewer District - Redemption	28,720	-	(28,720)
6555 - Piedmont Pines 2010 Utility Underground Phase I - Debt Service	235,168	239,818	4,650
6570 - JPFA Pooled Assessment: 1996 Revenue Bonds - Assessment	24,800	-	(24,800)
6587 - 2012 Refunding Reassessment Bonds-Debt Service	447,788	467,259	19,471
6612 - JPFA Lease Revenue Refunding Bonds (Admin Building): 2008 Series	9,065,663	9,065,663	-

EXHIBIT 3 - FY 2018-19 MIDCYCLE EXPENDITURES
Other (Non-General Purpose) Fund Tables

FUND & DESCRIPTION	Adopted	Midcycle	Variance
6999 - Miscellaneous Debt Service	25,000,000	25,000,000	-
7100 - Police and Fire Retirement System	3,338,797	3,322,600	(16,197)
7130 - Employee Deferred Compensation	242,212	142,701	(99,511)
7320 - Police and Fire Retirement System Refinancing Annuity Trust	6,306,055	6,306,055	-
7540 - Oakland Public Library Trust	103,399	103,399	-
7760 - Grant Clearing	-	-	-
7999 - Miscellaneous Trusts	368,101	407,349	39,248
	775,227,000	853,848,060	78,621,060

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
1020 - Vital Services Stabilization Fund									
1	Reduce VSSF contribution from GPF and reduce transfers to fund balance accordingly	Non-Departmental	\$ -	\$ (2,027,733)	\$ (2,027,733)	-	\$ -	\$ (2,027,733)	\$ (2,027,733)
FUND 1020 SUB-TOTAL			\$ -	\$ (2,027,733)	\$ (2,027,733)	-	\$ -	\$ (2,027,733)	\$ (2,027,733)
1030 - Sugar Sweetened Beverage Tax									
1	Funding for the administration of the SSBT for outreach, communication and management services	Finance	\$ 70,000	\$ -	\$ 70,000	-	\$ -	\$ -	\$ -
2	Transfer Brown Bag program funding from Fund 1010 to Fund 1030	Human Services	\$ 100,000	\$ -	\$ 100,000	-	\$ -	\$ -	\$ -
3	Increase contract contingencies consistent with increases in revenues	Non-Departmental	\$ 4,556,000	\$ -	\$ 4,556,000	-	\$ 4,726,000	\$ -	\$ 4,726,000
FUND 1030 SUB-TOTAL			\$ 4,726,000	\$ -	\$ 4,726,000	-	\$ 4,726,000	\$ -	\$ 4,726,000
1200 - Police & Fire Retirement System									
1	Decrease PFRS transfer out based on current actuarial valuation	Non-Departmental	\$ (1,600,000)	\$ -	\$ (1,600,000)	-	\$ -	\$ -	\$ -
2	Transfer to Fund 1200 Fund Balance	Non-Departmental	\$ 1,600,000	\$ -	\$ 1,600,000	-	\$ -	\$ -	\$ -
FUND 1200 SUB-TOTAL			\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
1610 - Successor Redevelopment Agency Reimbursement Fund									
1	Reduce ROPS approved administrative allowance & miscellaneous personnel budgets	Citywide	\$ (21,263)	\$ -	\$ (21,263)	-	\$ (8,210)	\$ -	\$ (8,210)
2	Reduction in ROPS project staffing costs/Transfer 0.80 FTE Development Program Manager/Transfer 0.80 FTE Urban Economic Analyst II/Transfer 0.32 FTE Urban Economic Coordinator to other eligible funds due to	EWD	\$ (433,373)	\$ -	\$ (433,373)	(1.92)	\$ (564,822)	\$ -	\$ (564,822)
3	Reduction in ROPS project staffing costs/Transfer 0.30 FTE Rehabilitation Advisor III, 0.54 FTE Housing Development Coordinator I & 0.15 Housing Development Coordinator IV to Fund 5331 due to ROPS reduction	Housing	\$ (166,261)	\$ -	\$ (166,261)	(0.99)	\$ (153,134)	\$ -	\$ (153,134)
4	Reduce ROPS approved administrative allowance & miscellaneous personnel budgets	Citywide	\$ (20,640)	\$ -	\$ (20,640)	-	\$ (8,210)	\$ -	\$ (8,210)
5	Reduction in ROPS project staffing costs/Transfer 0.80 FTE Development Program Manager/Transfer 0.80 FTE Urban Economic Analyst II/Transfer 0.32 FTE Urban Economic Coordinator to other eligible funds due to	EWD	\$ (433,373)	\$ -	\$ (433,373)	(1.92)	\$ (564,822)	\$ -	\$ (564,822)
6	Due to DOF's denial of Housings portion of ROPS, transferred all staffing cost and ISF's to Funds 1870, 1885, 2108, 2109, 2413 & 5331	Housing	\$ (805,857)	\$ -	\$ (805,857)	(4.42)	\$ (792,730)	\$ -	\$ (792,730)
FUND 1610 SUB-TOTAL			\$ (1,880,767)	\$ -	\$ (1,880,767)	(9.25)	\$ (2,091,928)	\$ -	\$ (2,091,928)
1710 - Comprehensive Cleanup									
1	Freeze 0.10 FTE Graphic Design Specialist	EWD	\$ (15,289)	\$ -	\$ (15,289)	(0.10)	\$ -	\$ -	\$ -
2	Add Revenues and Expenditures from construction and demolition plan review	OPW	\$ 20,161	\$ -	\$ 20,161	-	\$ 20,161	\$ -	\$ 20,161
3	Add educational campaign on recycling, illegal dumping, and waste aversion	OPW	\$ -	\$ 50,000	\$ 50,000	-	\$ -	\$ -	\$ -
4	Transfer from Fund 1710 Fund Balance	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 185,835	\$ 185,835
FUND 1710 SUB-TOTAL			\$ 4,872	\$ 50,000	\$ 54,872	(0.10)	\$ 20,161	\$ 185,835	\$ 205,996

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
1720 - Comprehensive Cleanup									
1	Freeze 0.10 FTE Graphic Design Specialist	EWD	\$ (15,289)	\$ -	\$ (15,289)	(0.10)	\$ -	\$ -	\$ -
2	Add 3.0 FTE Litter/Nuisance Enforcement Officers	OPW	\$ 452,415	\$ -	\$ 452,415	3.00	\$ -	\$ -	\$ -
3	Transfer from Fund Balance	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 1,350,772	\$ 1,350,772
4	Bus shelter street furniture grant revenue reduction	DOT	\$ -	\$ -	\$ -	-	\$ (106,484)	\$ -	\$ (106,484)
FUND 1720 SUB-TOTAL			\$ 437,126	\$ -	\$ 437,126	2.90	\$ (106,484)	\$ 1,350,772	\$ 1,244,288
1750 - Multipurpose Reserve									
1	Appropriate Revenues for Curb Color Program	DOT	\$ -	\$ -	\$ -	-	\$ 25,000	\$ -	\$ 25,000
2	Appropriate Estimated FY18-19 Car Share revenues	DOT	\$ -	\$ -	\$ -	-	\$ 420,000	\$ -	\$ 420,000
3	Estimated revenues from dedicated-space car share permits	DOT	\$ -	\$ -	\$ -	-	\$ 25,000	\$ -	\$ 25,000
4	Add personnel allocation for Car Share Program Limited Duration Employees	DOT	\$ 345,362	\$ -	\$ 345,362	-	\$ -	\$ -	\$ -
5	Transfer 0.25 FTE Program Analyst III for Car Share from Fund 1750 out from Admin Project to Car Share Project	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
6	Add O&M for mobility programs and add O&M for Car Share Program	DOT	\$ 38,848	\$ -	\$ 38,848	-	\$ -	\$ -	\$ -
7	Add O&M for Car Share Program	DOT	\$ 13,848	\$ -	\$ 13,848	-	\$ -	\$ -	\$ -
8	Transfer to Fund 1750 Fund Balance	DOT	\$ -	\$ 73,878	\$ 73,878	-	\$ -	\$ -	\$ -
FUND 1750 SUB-TOTAL			\$ 398,058	\$ 73,878	\$ 471,936	-	\$ 470,000	\$ -	\$ 470,000
1760 - Telecommunications Reserve									
1	Transfer 0.33 FTE Management Assistant to Fund 1760	Clerk	\$ 60,938	\$ -	\$ 60,938	0.33	\$ -	\$ -	\$ -
2	Transfer from Fund Balance	Clerk	\$ -	\$ -	\$ -	-	\$ -	\$ 168,009	\$ 168,009
FUND 1760 SUB-TOTAL			\$ 60,938	\$ -	\$ 60,938	0.33	\$ -	\$ 168,009	\$ 168,009
1770 - Telecommunications Land Use									
1	Transfer Real Estate Services Manager 0.29 FTE to Fund 5610 and 0.29 FTE to 5650 from Fund 1770	EWD	\$ (201,519)	\$ -	\$ (201,519)	(0.58)	\$ -	\$ -	\$ -
2	Remove transfer from Fund 1770 Fund Balance	EWD	\$ -	\$ -	\$ -	-	\$ -	\$ (57,817)	\$ (57,817)
3	Transfer to Fund Balance	EWD	\$ -	\$ 132,436	\$ 132,436	-	\$ -	\$ -	\$ -
FUND 1770 SUB-TOTAL			\$ (201,519)	\$ 132,436	\$ (69,083)	(0.58)	\$ -	\$ (57,817)	\$ (57,817)
1780 - Kid's First Oakland Children's Fund									
1	Increase service contracts	Human Services	\$ 17,984	\$ 3,135,049	\$ 3,153,033	-	\$ -	\$ -	\$ -
FUND 1780 SUB-TOTAL			\$ 17,984	\$ 3,135,049	\$ 3,153,033	-	\$ -	\$ -	\$ -
1820 - Self-Sustaining Fund									
1	Freeze 0.10 FTE Graphic Design Specialist	EWD	\$ (12,790)	\$ -	\$ (12,790)	-	\$ -	\$ -	\$ -
2	Delete 1.0 FTE Assistant to the Director/Transfer 1.0 FTE Administrative Services Manager I from Fund 1820 to Fund 1010	OPR	\$ (188,988)	\$ -	\$ (188,988)	(1.00)	\$ -	\$ -	\$ -
3	Transfer from Fund Balance	OPR	\$ -	\$ -	\$ -	-	\$ -	\$ 279,546	\$ 279,546
FUND 1820 SUB-TOTAL			\$ (201,778)	\$ -	\$ (201,778)	(1.00)	\$ -	\$ 279,546	\$ 279,546

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
1870 - Affordable Housing Trust Fund									
1	Transfer New Rapid Rehousing Center funding from Fund 1010 to Fund 1870 / Additional one-time funding for New Rapid Rehousing Center or winter shelters	Human Services	\$ -	\$ 800,000	\$ 800,000	-	\$ -	\$ -	\$ -
2	Job/Housing Impact Fee	PBD	\$ 23,710	\$ -	\$ 23,710	-	\$ 23,710	\$ -	\$ 23,710
3	Affordable Housing Impact Fee	PBD	\$ 40,944	\$ -	\$ 40,944	-	\$ 40,944	\$ -	\$ 40,944
4	Land sale proceeds from FY 2017-18	Housing	\$ -	\$ -	\$ -	-	\$ -	\$ 2,250,673	\$ 2,250,673
5	Appropriation for Affordable Housing	Housing	\$ -	\$ 1,800,000	\$ 1,800,000	-	\$ -	\$ -	\$ -
6	Add 0.49 FTE Loan Servicing Administrator	Housing	\$ 102,805	\$ -	\$ 102,805	0.49	\$ -	\$ -	\$ -
7	Transfer 0.50 FTE Administrative Analyst I and ISF's from Fund 2105	Housing	\$ 87,743	\$ -	\$ 87,743	0.50	\$ -	\$ -	\$ -
8	Transfer 0.10 FTE Housing Development Coordinator IV from Fund 1885	Housing	\$ 24,543	\$ -	\$ 24,543	0.10	\$ -	\$ -	\$ -
9	Transfer from Fund Balance	Housing	\$ -	\$ -	\$ -	-	\$ -	\$ 94,433	\$ 94,433
10	Transfer New Rapid Rehousing Center funding from Fund 1010 to Fund 1870 / Additional one-time funding for New Rapid Rehousing Center or winter shelters	Human Services	\$ -	\$ 800,000	\$ 800,000	-	\$ -	\$ -	\$ -
11	Job/Housing Impact Fee	PBD	\$ 23,710	\$ -	\$ 23,710	-	\$ 23,710	\$ -	\$ 23,710
12	Affordable Housing Impact Fee	PBD	\$ 40,944	\$ -	\$ 40,944	-	\$ 40,944	\$ -	\$ 40,944
13	Land sale proceeds from FY 2017-18	Housing	\$ -	\$ -	\$ -	-	\$ -	\$ 2,250,673	\$ 2,250,673
14	Appropriation for Affordable Housing	Housing	\$ -	\$ 1,800,000	\$ 1,800,000	-	\$ -	\$ -	\$ -
15	Add 0.49 FTE Loan Servicing Administrator	Housing	\$ 102,805	\$ -	\$ 102,805	0.49	\$ -	\$ -	\$ -
16	Transfer 0.50 FTE Administrative Analyst I and ISF's from Fund 2105	Housing	\$ 87,743	\$ -	\$ 87,743	0.50	\$ -	\$ -	\$ -
17	Transfer 0.10 FTE Housing Development Coordinator IV from Fund 1885	Housing	\$ 24,543	\$ -	\$ 24,543	0.10	\$ -	\$ -	\$ -
18	Due to DOF's denial of Housings portion of ROPS, transferred 0.20 FTE Exec Asst to the Director & 0.65 FTE Housing Development Coord I and ISF's from Fund 1610	Housing	\$ 137,889	\$ -	\$ 137,889	0.85	\$ -	\$ -	\$ -
19	Transfer from 1610 offset by O&M reduction	Housing	\$ (137,889)	\$ -	\$ (137,889)	-	\$ -	\$ -	\$ -
20	Additional Transfer from Fund Balance	Housing	\$ -	\$ -	\$ -	-	\$ -	\$ 94,433	\$ 94,433
FUND 1870 SUB-TOTAL			\$ 559,490	\$ 5,200,000	\$ 5,759,490	3.03	\$ 129,308	\$ 4,690,212	\$ 4,819,520
1885 - 2011A-T Subordinated Housing									
1	Appropriations for Affordable Housing Projects (Brooklyn Basin)	Housing	\$ 16,676,958	\$ -	\$ 16,676,958	-	\$ 16,670,000	\$ -	\$ 16,670,000
2	Transfer 0.10 FTE Housing Development Coordinator IV to Fund 1870	Housing	\$ (24,543)	\$ -	\$ (24,543)	0.10	\$ -	\$ -	\$ -
FUND 1885 SUB-TOTAL			\$ 16,652,415	\$ -	\$ 16,652,415	0.10	\$ 16,670,000	\$ -	\$ 16,670,000

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2102 - Department of Agriculture									
1	Decrease CCFP grant revenues based on Head Start enrollees	Human Services	\$ -	\$ -	\$ -	-	\$ (301,368)	\$ -	\$ (301,368)
2	Transfer 3.00 FTE Food Service Workers from Fund 2128 to Fund 2102	Human Services	\$ 275,823	\$ -	\$ 275,823	3.00	\$ -	\$ -	\$ -
3	Transfer CSO Subsidy from Fund 2128 to Fund 2102	Human Services	\$ -	\$ -	\$ -	-	\$ 41,675	\$ -	\$ 41,675
4	Transfer GPF Operating Subsidy from Fund 2128 to Fund 2102	Human Services	\$ -	\$ -	\$ -	-	\$ 146,621	\$ -	\$ 146,621
5	Decrease food ingredients and preparation materials to expected services levels	Human Services	\$ (388,895)	\$ -	\$ (388,895)	-	\$ -	\$ -	\$ -
6	Appropriations for Affordable Housing Projects (Brooklyn Basin)	Housing	\$ 16,676,958	\$ -	\$ 16,676,958	-	\$ 16,670,000	\$ -	\$ 16,670,000
7	Transfer 0.10 FTE Housing Development Coordinator IV to Fund 1870	Housing	\$ (24,543)	\$ -	\$ (24,543)	0.10	\$ -	\$ -	\$ -
8	Due to DOF's denial of Housings portion of ROPS, transferred 0.19 FTE Director of Housing & Comm Dev, 0.06 FTE Exec Asst to the Director to Fund 5331 and transferred 0.58 FTE Administrative Assistant I from Fund 1610	Housing	\$ (30,569)	\$ -	\$ (30,569)	0.33	\$ -	\$ -	\$ -
9	Increase in O&M due to rearrangement of staff	Housing	\$ 30,569	\$ -	\$ 30,569	-	\$ -	\$ -	\$ -
FUND 2102 SUB-TOTAL			\$ 16,539,343	\$ -	\$ 16,539,343	3.43	\$ 16,556,928	\$ -	\$ 16,556,928
2103 - HUD-ESG/SHP/HOPWA									
1	Increase OHA OPRI Grant Revenue	Human Services	\$ -	\$ -	\$ -	-	\$ 619,344	\$ -	\$ 619,344
2	Increase OHA OPRI subrecipient contracts	Human Services	\$ 664,488	\$ -	\$ 664,488	-	\$ -	\$ -	\$ -
3	Increase Continuum of Care - Families in Transition grant revenue based on increased award	Human Services	\$ -	\$ -	\$ -	-	\$ 5,400	\$ -	\$ 5,400
4	Increase Continuum of Care - Matilda Cleveland grant revenue based on increased award	Human Services	\$ -	\$ -	\$ -	-	\$ 4,680	\$ -	\$ 4,680
5	Transfer 0.21 FTE HHS Prgm Planner to Fund 2108 (CDBG) and reduce associated CSO subsidy	Human Services	\$ (43,374)	\$ -	\$ (43,374)	(0.21)	\$ (122)	\$ -	\$ (122)
6	Transfer ISF charges to Fund 2108 (CDBG)	Human Services	\$ (2,199)	\$ -	\$ (2,199)	-	\$ -	\$ -	\$ -
7	Decrease work order expenditures and increase supplies, service contracts & misc operating expenditures	Human Services	\$ 152	\$ -	\$ 152	-	\$ -	\$ -	\$ -
FUND 2103 SUB-TOTAL			\$ 619,067	\$ -	\$ 619,067	(0.21)	\$ 629,302	\$ -	\$ 629,302
2105 - HUD-EDI Grants									
1	Delete 0.50 FTE Account Clerk II	Housing	\$ (56,376)	\$ -	\$ (56,376)	(0.50)	\$ -	\$ -	\$ -
2	Transfer 0.50 FTE Administrative Analyst I to Fund 1870	Housing	\$ (87,743)	\$ -	\$ (87,743)	(0.50)	\$ -	\$ -	\$ -
3	Removed planned Carryforwards	Housing	\$ 144,237	\$ -	\$ 144,237	-	\$ -	\$ -	\$ -
FUND 2105 SUB-TOTAL			\$ 118	\$ -	\$ 118	(1.00)	\$ -	\$ -	\$ -

EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2108 - HUD-CDBG									
1	Transfer 0.21 FTE HHS Prgm Planner from Fund 2103	Human Services	\$ 43,373	\$ -	\$ 43,373	0.21	\$ -	\$ -	\$ -
2	Increase various supplies and work order expenditures for CHSD Admin	Human Services	\$ 56,051	\$ -	\$ 56,051	-	\$ -	\$ -	\$ -
3	Increase contracts for PATH Set-Aside	Human Services	\$ 47,391	\$ -	\$ 47,391	-	\$ -	\$ -	\$ -
4	Increase CSO Subsidy associated with transfer of 0.21 HHS Prgm Planner from Fund 2103 partially offset by reducing operating subsidy	Human Services	\$ -	\$ -	\$ -	-	\$ 6,025	\$ -	\$ 6,025
5	Increase contracts for EOCP Homeless HSG Shelter	Human Services	\$ 158,445	\$ -	\$ 158,445	-	\$ -	\$ -	\$ -
6	Transfer ISF charges from Fund 2103	Human Services	\$ 2,199	\$ -	\$ 2,199	-	\$ -	\$ -	\$ -
7	Add 0.26 FTE Loan Servicing Administrator	Housing	\$ 54,551	\$ -	\$ 54,551	0.26	\$ -	\$ -	\$ -
8	Delete 0.50 FTE Account Clerk II	Housing	\$ (56,376)	\$ -	\$ (56,376)	(0.50)	\$ -	\$ -	\$ -
9	Annual Grant Increase	Housing	\$ -	\$ -	\$ -	-	\$ 602,315	\$ -	\$ 602,315
10	Reduce transfer from fund balance	Housing	\$ -	\$ -	\$ -	-	\$ (27,990)	\$ -	\$ (27,990)
11	Transfer 0.21 FTE HHS Prgm Planner from Fund 2103	Human Services	\$ 43,373	\$ -	\$ 43,373	0.21	\$ -	\$ -	\$ -
12	Increase various supplies and work order expenditures for CHSD Admin	Human Services	\$ 56,051	\$ -	\$ 56,051	-	\$ -	\$ -	\$ -
13	Increase contracts for PATH Set-Aside	Human Services	\$ 47,391	\$ -	\$ 47,391	-	\$ -	\$ -	\$ -
14	Increase CSO Subsidy associated with transfer of 0.21 HHS Prgm Planner from Fund 2103 partially offset by reducing operating subsidy	Human Services	\$ -	\$ -	\$ -	-	\$ 6,025	\$ -	\$ 6,025
15	Increase contracts for EOCP Homeless HSG Shelter	Human Services	\$ 158,445	\$ -	\$ 158,445	-	\$ -	\$ -	\$ -
16	Transfer ISF charges from Fund 2103	Human Services	\$ 2,199	\$ -	\$ 2,199	-	\$ -	\$ -	\$ -
17	Add 0.26 FTE Loan Servicing Administrator	Housing	\$ 54,551	\$ -	\$ 54,551	0.26	\$ -	\$ -	\$ -
18	Delete 0.50 FTE Account Clerk II	Housing	\$ (56,376)	\$ -	\$ (56,376)	(0.50)	\$ -	\$ -	\$ -
19	Annual Grant Increase	Housing	\$ -	\$ -	\$ -	-	\$ 602,315	\$ -	\$ 602,315
20	Reduce transfer from fund balance	Housing	\$ -	\$ -	\$ -	-	\$ (27,990)	\$ -	\$ (27,990)
21	Due to DOF's denial of Housings portion of ROPS, transferred 0.38 FTE Office Assistant II, 0.05 FTE Director of Housing & Comm Dev, 0.05 FTE Exec Asst to the Director and transferred, 0.62 FTE Rehabilitation Advisor III and ISF's from Fund 1610	Housing	\$ 213,498	\$ -	\$ 213,498	1.10	\$ -	\$ -	\$ -
22	Transfer from 1610 offset by carryforward	Housing	\$ -	\$ (213,498)	\$ (213,498)	-	\$ -	\$ -	\$ -
FUND 2108 SUB-TOTAL			\$ 824,766	\$ (213,498)	\$ 611,268	1.04	\$ 1,160,700	\$ -	\$ 1,160,700
2109 - HUD-Home									
1	Transfer 0.50 FTE Rehab Advisor III to Fund 2124	Housing	\$ (95,627)	\$ -	\$ (95,627)	(0.50)	\$ -	\$ -	\$ -
2	Increase Contract Contingencies	Housing	\$ 1,023,424	\$ -	\$ 1,023,424	-	\$ -	\$ -	\$ -
3	Annual Grant Increase	Housing	\$ -	\$ -	\$ -	-	\$ 935,189	\$ -	\$ 935,189
4	Transfer 0.50 FTE Rehab Advisor III to Fund 2124	Housing	\$ (95,627)	\$ -	\$ (95,627)	(0.50)	\$ -	\$ -	\$ -
5	Increase Contract Contingencies	Housing	\$ 1,023,424	\$ -	\$ 1,023,424	-	\$ -	\$ -	\$ -
6	Due to DOF's denial of Housings portion of ROPS, transferred 0.05 FTE Exec Asst to the Director from Fund 1610	Housing	\$ 8,675	\$ -	\$ 8,675	0.05	\$ -	\$ -	\$ -
7	Transfer from 1610 offset by O&M	Housing	\$ (8,675)	\$ -	\$ (8,675)	-	\$ -	\$ -	\$ -
8	Annual Grant Increase	Housing	\$ -	\$ -	\$ -	-	\$ 935,189	\$ -	\$ 935,189
FUND 2109 SUB-TOTAL			\$ 1,855,594	\$ -	\$ 1,855,594	(0.95)	\$ 1,870,378	\$ -	\$ 1,870,378

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2124 - Federal Emergency Management Agency (FEMA)									
1	Add ongoing positions in Housing funded from an existing appropriation in the Seismic Retrofit Grant	Housing	\$ -	\$ -	\$ -	3.50	\$ 26,861	\$ -	\$ 26,861
2	Transfer 0.50 FTE Rehab Advisor III from Fund 2109	Housing	\$ 95,627	\$ -	\$ 95,627	0.50			
3	Remove existing budget appropriations for the Urban Search & Rescue Grant (USAR); future appropriations supporting staffing and operations & maintenance cost will be provided through separate City Council resolution and the carryforward process	OFD	\$ (944,958)	\$ -	\$ (944,958)	-	\$ (944,958)	\$ -	\$ (944,958)
FUND 2124 SUB-TOTAL			\$ (849,331)	\$ -	\$ (849,331)	4.00	\$ (918,097)	\$ -	\$ (918,097)
2128 - Department of Health and Human Services									
1	SAMHSA - Add year 3 of 5 year grant revenues	Human Services	\$ -	\$ -	\$ -	-	\$ 1,000,000	\$ -	\$ 1,000,000
2	SAMHSA - Remove CF balancer/ Add O&M for contracted mental health services	Human Services	\$ 976,676	\$ -	\$ 976,676	-	\$ -	\$ -	\$ -
3	CSBG - Reduce PEPR/CSBG - Reduce grant revenues	Human Services	\$ (11,916)	\$ -	\$ (11,916)	-	\$ (11,916)	\$ -	\$ (11,916)
4	Head Start - Increase grant revenue due to COLA increase from grantor	Human Services	\$ -	\$ -	\$ -	-	\$ 160,255	\$ -	\$ 160,255
5	Head Start - Transfer GPF Subsidies to Fund 2102 & Fund 2138	Human Services	\$ -	\$ -	\$ -	-	\$ (344,304)	\$ -	\$ (344,304)
6	Head Start - Transfer 8.50 FTE Early Childhood Center Directors to Fund 2138	Human Services	\$ (1,040,071)	\$ -	\$ (1,040,071)	(8.50)	\$ -	\$ -	\$ -
7	Head Start - Transfer 3.00 FTE Food Service Workers to Fund 2102	Human Services	\$ (275,821)	\$ -	\$ (275,821)	(3.00)	\$ -	\$ -	\$ -
8	Head Start - Add/Delete - Add 10.50 FTE Recreation Attendant I, PT (placeholders for HS/Early HS Sub Teaching Assistant, PT until classification is created) and Delete 4.00 FTE Head Start Instructors	Human Services	\$ 208,126	\$ -	\$ 208,126	6.50	\$ -	\$ -	\$ -
9	Head Start - Add/Delete - Add 1.0 FTE Accountant II and Delete 1.0 FTE Accountant I	Human Services	\$ 14,353	\$ -	\$ 14,353	-	\$ -	\$ -	\$ -
10	Head Start - Add/Delete - Add 1.00 FTE Food Service Worker, PT and Delete 1.00 FTE Food Program Driver, PT	Human Services	\$ 13,898	\$ -	\$ 13,898	-	\$ -	\$ -	\$ -
11	Head Start - Add 1.00 FTE Head Start/EHS Sub Inst, PT and Delete 1.00 FTE Food Program Driver, PT; Add/Delete - Add 1.00 FTE Head Start Coach Coordinator and Delete 1.00 FTE Head Start Nutrition Coordinator; Head Start - Add/Delete - Add 1.00 FTE Head Start Facilities Coordinator, 1.00 FTE Head Start School Readiness Coordinator, and 1.00 FTE Head Start ERSEA & Data Coordinator and Delete 3.00 FTE Headstart Program Coordinator	Human Services	\$ 1,277	\$ -	\$ 1,277	-	\$ -	\$ -	\$ -
12	Head Start - Increase 9.00 FTE Head Start Instructors to 12 months from 11 months	Human Services	\$ 77,293	\$ -	\$ 77,293	-	\$ -	\$ -	\$ -
13	Head Start - Eliminate salary offset & add funding for various O&M	Human Services	\$ 810,869	\$ -	\$ 810,869	-	\$ -	\$ -	\$ -
14	Increase CSO subsidies		\$ -	\$ -	\$ -	-	\$ 71,246	\$ -	\$ 71,246
15	Reduce operating subsidies to offset increase in CSO subsidies		\$ -	\$ -	\$ -	-	\$ (71,246)	\$ -	\$ (71,246)
FUND 2128 SUB-TOTAL			\$ 774,684	\$ -	\$ 774,684	(5.00)	\$ 804,035	\$ -	\$ 804,035

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2138 - California Department of Education									
1	Head Start CSPP - increase revenues	Human Services	\$ -	\$ -	\$ -	-	\$ 26,861	\$ -	\$ 26,861
2	Add CCTR grant revenues	Human Services	\$ -	\$ -	\$ -	-	\$ 185,000	\$ -	\$ 185,000
3	Transfer 8.50 FTE Early Childhood Center Directors from Fund 2128	Human Services	\$ 1,040,073	\$ -	\$ 1,040,073	8.50	\$ -	\$ -	\$ -
4	Transfer CSO Subsidy from Fund 2128 to CSPP grant	Human Services	\$ -	\$ -	\$ -	-	\$ 126,213	\$ -	\$ 126,213
5	Transfer CSO Subsidy from Fund 2128 to CCTR grant	Human Services	\$ -	\$ -	\$ -	-	\$ 29,795	\$ -	\$ 29,795
6	Eliminate salaries offset / reduce classroom supplies / increase rent, janitorial and special needs contracts funding	Human Services	\$ (672,204)	\$ -	\$ (672,204)	-	\$ -	\$ -	\$ -
FUND 2138 SUB-TOTAL			\$ 367,869	\$ -	\$ 367,869	8.50	\$ 367,869	\$ -	\$ 367,869
2152 - California Board of Corrections									
1	Add CDCR GSW Grant Revenue and O&M funding for subrecipient contracts	Human Services	\$ 2,736,720	\$ -	\$ 2,736,720	-	\$ 2,736,720	\$ -	\$ 2,736,720
2	Reduce CDCR GSW contract expenditures	Human Services	\$ (6,847)	\$ -	\$ (6,847)	-	\$ -	\$ -	\$ -
FUND 2152 SUB-TOTAL			\$ 2,729,873	\$ -	\$ 2,729,873	-	\$ 2,736,720	\$ -	\$ 2,736,720
2160 - County of Alameda: Grants									
1	Add grant revenue, add O&M and eliminate carryforward offset for CORE Housing Centers Grant	Human Services	\$ 4,014,935	\$ -	\$ 4,014,935	-	\$ 4,014,935	\$ -	\$ 4,014,935
2	Eliminate boomerang grant revenue & expenditures	Human Services	\$ (413,104)	\$ -	\$ (413,104)	-	\$ (413,565)	\$ -	\$ (413,565)
3	Increase grant revenue and O&M for county HFSN grant	Human Services	\$ 9,157	\$ -	\$ 9,157	-	\$ 10,675	\$ -	\$ 10,675
4	Increase grant revenue for Outreach I & A grant	Human Services	\$ -	\$ -	\$ -	-	\$ 4,846	\$ -	\$ 4,846
5	Reduce operating subsidy for Outreach I & A grant	Human Services	\$ -	\$ -	\$ -	-	\$ (5,903)	\$ -	\$ (5,903)
6	Remove First Responder Advanced Life Support (FRALS) appropriation. Services will be provided for using carryforward until available appropriation is exhausted	OFD	\$ (1,643,440)	\$ -	\$ (1,643,440)	-	\$ (1,643,440)	\$ -	\$ (1,643,440)
FUND 2160 SUB-TOTAL			\$ 1,967,548	\$ -	\$ 1,967,548	-	\$ 1,967,548	\$ -	\$ 1,967,548
2195 - Workforce Investment Act									
1	Transfer 0.54 FTE Program Analyst II from Fund 1010	EWD	\$ 86,696	\$ -	\$ 86,696	0.54	\$ -	\$ -	\$ -
2	Transfer 0.16 FTE Program Analyst II to Fund 7999	EWD	\$ (28,465)	\$ -	\$ (28,465)	(0.16)	\$ -	\$ -	\$ -
3	Transfer to Fund 2195 to maintain and stabilize job training, job-preparation, and placement services and related programs	EWD	\$ -	\$ -	\$ -	-	\$ -	\$ 275,000	\$ 275,000
4	Reduction of Third Party Grants	EWD	\$ (116,569)	\$ -	\$ (116,569)	-	\$ -	\$ -	\$ -
5	Carryforward offset & reduction in WIOA grant	EWD	\$ (203,674)	\$ -	\$ (203,674)	-	\$ (575,872)	\$ -	\$ (575,872)
FUND 2195 SUB-TOTAL			\$ (262,012)	\$ -	\$ (262,012)	0.38	\$ (575,872)	\$ 275,000	\$ (300,872)

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2211 - Measure B Local Streets and Roads									
1	Funding for eligible transportation projects for Oakland Army Base	EWD	\$ -	\$ 5,414,557	\$ 5,414,557	-	\$ -	\$ 5,414,557	\$ 5,414,557
2	Add revenue based on ACTC updated FY18 collections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 376,304	\$ 376,304
3	Appropriate Fund Balance for Emergency Roadway Repair	DOT	\$ -	\$ 700,000	\$ 700,000	-	\$ -	\$ 700,000	\$ 700,000
4	Add/Delete Engineer Assistant II and add Public Works Sup I and transfer to fund 2230	DOT	\$ (22,872)	\$ -	\$ (22,872)	(0.10)	\$ -	\$ -	\$ -
5	Add 0.50 Student Trainee	DOT	\$ 40,421	\$ -	\$ 40,421	0.50	\$ -	\$ -	\$ -
6	Transfer 0.10 FTE Engineer Assistant II to Fund 2212 Measure B Bicycle and Pedestrian	DOT	\$ (22,872)	\$ -	\$ (22,872)	(0.10)	\$ -	\$ -	\$ -
7	Add/Delete Engineer Assistant II to Spatial Analyst III	DOT	\$ 4,725	\$ -	\$ 4,725	-	\$ -	\$ -	\$ -
8	Upgrade Drafting Tech to Engineer Assistant II	DOT	\$ 6,803	\$ -	\$ 6,803	-	\$ -	\$ -	\$ -
9	Transfer O&M from Measure BB Fund 2216 to Measure B Fund 2211	CIP	\$ 105,824	\$ -	\$ 105,824	-	\$ -	\$ -	\$ -
FUND 2211 SUB-TOTAL			\$ 112,029	\$ 6,114,557	\$ 6,226,586	0.30	\$ -	\$ 6,490,861	\$ 6,490,861
2212 - Measure B Bicycle and Pedestrian									
1	Add revenue based on ACTC updated FY18 collections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 100,029	\$ 100,029
2	Add/Delete - Delete Program Analyst III in Fund 2212 and Add Assistant to the Director (0.05 FTE 2212, 0.65 FTE 2230 and 0.30 FTE 2231)	DOT	\$ (212,950)	\$ -	\$ (212,950)	(0.95)	\$ -	\$ -	\$ -
3	Transfer 0.10 FTE Assistant Engineer II from Fund 2211 and 0.75 FTE from Fund 7760 Clearing	DOT	\$ 195,378	\$ -	\$ 195,378	0.85	\$ -	\$ -	\$ -
FUND 2212 SUB-TOTAL			\$ (17,572)	\$ -	\$ (17,572)	(0.10)	\$ -	\$ 100,029	\$ 100,029
2213 - Measure B: Paratransit - ACTIA									
1	Add/Delete - Add 1.09 FTE Office Assistant I, PT and Delete 1.09 FTE Senior Aide, PT	Human Services	\$ 27,959	\$ -	\$ 27,959	-	\$ -	\$ -	\$ -
2	Reduce contracts	Human Services	\$ (27,959)	\$ -	\$ (27,959)	-	\$ -	\$ -	\$ -
FUND 2213 SUB-TOTAL			\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
2215 - Measure F Vehicle Registration Fees									
1	Purchase 2 trucks for Complete Streets Mnt. Services.	DOT	\$ -	\$ 135,000	\$ 135,000	-	\$ -	\$ -	\$ -
2	Replace various lighting with LED fixtures and may include underpass lighting, metal halide streetlighting and pedestrian overpass lighting in illegal dumping hotspots	DOT	\$ -	\$ 250,000	\$ 250,000	-	\$ -	\$ -	\$ -
3	Materials for street signs and markings	DOT	\$ -	\$ 100,000	\$ 100,000	-	\$ -	\$ -	\$ -
4	Add O&M for utility trench work	DOT	\$ -	\$ 100,000	\$ 100,000	-	\$ -	\$ -	\$ -
5	Increase asphalt budget	DOT	\$ -	\$ 150,000	\$ 150,000	-	\$ -	\$ -	\$ -
6	Transfer from Fund Balance	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 733,252	\$ 733,252
FUND 2215 SUB-TOTAL			\$ -	\$ 735,000	\$ 735,000	-	\$ -	\$ 733,252	\$ 733,252

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2216 - Measure BB									
1	Add 6.00 FTE Crossing Guards, PT (Resolution 87124)	OPD	\$ 314,897	\$ -	\$ 314,897	6.00	\$ -	\$ -	\$ -
2	Add 1.00 FTE Administrative Assistant I	Human Services	\$ 111,199	\$ -	\$ 111,199	1.00	\$ -	\$ -	\$ -
3	Add 0.53 FTE Office Assistant I, PT	Human Services	\$ 33,873	\$ -	\$ 33,873	0.53	\$ -	\$ -	\$ -
4	Reduce Contracts	Human Services	\$ (156,217)	\$ -	\$ (156,217)	-	\$ -	\$ -	\$ -
5	Funding for eligible transpiration projects for Oakland Army Base	EWD	\$ -	\$ 1,585,443	\$ 1,585,443	-	\$ -	\$ 1,585,443	\$ 1,585,443
6	Add revenue based on ACTC updated FY18 collections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 731,469	\$ 731,469
7	Transfer O&M from Measure BB Fund 2216 to Measure B Fund 2211	CIP	\$ (105,824)	\$ -	\$ (105,824)	-	\$ -	\$ -	\$ -
FUND 2216 SUB-TOTAL			\$ 197,928	\$ 1,585,443	\$ 1,783,371	7.53	\$ -	\$ 2,316,912	\$ 2,316,912
2230 - State Gas Tax									
1	Transfer 1.0 FTE Public Works Supervisor II from fund 2230 to fund 3100	OPW	\$ (234,821)	\$ -	\$ (234,821)	(1.00)	\$ -	\$ -	\$ -
2	Add/Delete - Delete Program Analyst III in Fund 2212 and Add Asst to the Director (0.05 FTE 2212, 0.65 FTE 2230 and 0.30 FTE 2231)	DOT	\$ 182,363	\$ -	\$ 182,363	0.65	\$ -	\$ -	\$ -
3	Add/Delete Engineer Assistant II and Add Public Works Sup I and move to Fund 2230	DOT	\$ 209,945	\$ -	\$ 209,945	1.00	\$ -	\$ -	\$ -
4	Transfer 20.00 FTE Paving Crew and associated O&M out of 2230 to the new RMA fund 2232	DOT	\$ (5,902,025)	\$ -	\$ (5,902,025)	(20.00)	\$ -	\$ -	\$ -
5	Add allowances and premiums for entitled MOU positions	DOT	\$ 9,950	\$ -	\$ 9,950	-	\$ -	\$ -	\$ -
6	Transfer 1.60 FTE Sign Mnt. Worker, Traffic Sign Maker, Traffic Painter and Public Works Mnt. Worker from Fund 2230 to Fund 7760 project clearing	DOT	\$ (266,115)	\$ -	\$ (266,115)	(1.60)	\$ -	\$ -	\$ -
7	Transfer 0.90 FTE Spatial Analyst III to Fund 2230	DOT	\$ 224,116	\$ -	\$ 224,116	0.90	\$ -	\$ -	\$ -
8	Reduce Revenue	DOT	\$ -	\$ -	\$ -	-	\$ (1,592,440)	\$ -	\$ (1,592,440)
FUND 2230 SUB-TOTAL			\$ (5,776,587)	\$ -	\$ (5,776,587)	(20.05)	\$ (1,592,440)	\$ -	\$ (1,592,440)
2231 - State Gas Tax Prop 42									
1	Add/Delete - Delete Program Analyst III in Fund 2212 and Add Assistant to the Director (0.05 FTE 2212, 0.65 FTE 2230 and 0.30 FTE 2231)	DOT	\$ 84,167	\$ -	\$ 84,167	0.30	\$ -	\$ -	\$ -
2	Transfer O&M to Fund 2232	DOT	\$ (120,950)	\$ -	\$ (120,950)	-	\$ -	\$ -	\$ -
FUND 2231 SUB-TOTAL			\$ (36,783)	\$ -	\$ (36,783)	0.30	\$ -	\$ -	\$ -
2232 - Gas Tax RMRA									
1	Transfer 20.00 FTE Paving Crew and associated O&M out of 2230 to the new RMA fund 2232	DOT	\$ 5,902,025	\$ -	\$ 5,902,025	20.00	\$ -	\$ -	\$ -
2	Increase revenue projections	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 91,709	\$ 91,709
3	Add Program Analyst II	DOT	\$ 196,102	\$ -	\$ 196,102	1.00	\$ -	\$ -	\$ -
4	Add O&M	DOT	\$ 43,901	\$ 100,000	\$ 143,901	-	\$ -	\$ -	\$ -
5	Increase asphalt budget	DOT	\$ -	\$ 300,000	\$ 300,000	-	\$ -	\$ -	\$ -
6	Transfer 1.0 FTE Public Works Supervisor II from fund 3100 to fund 2232	DOT	\$ 284,131	\$ -	\$ 284,131	1.00	\$ -	\$ -	\$ -
7	Add Additional funding for MOU Mandated Premiums	DOT	\$ 20,000	\$ -	\$ 20,000	-	\$ -	\$ -	\$ -
8	Transfer O&M from Fund 2231 to 2232	DOT	\$ 120,950	\$ -	\$ 120,950	-	\$ -	\$ -	\$ -
9	Add O&M for Curb Ramp	CIP	\$ 200,000	\$ -	\$ 200,000	-	\$ -	\$ -	\$ -
FUND 2232 SUB-TOTAL			\$ 6,767,109	\$ 400,000	\$ 7,167,109	22.00	\$ -	\$ 91,709	\$ 91,709

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2241 - Measure Q									
1	Freeze vacant and temp part-time positions 23.38 FTE (if Measure D does not pass)	Library	\$ (1,881,683)	\$ -	\$ (1,881,683)	(23.38)	\$ -	\$ -	\$ -
FUND 2241 SUB-TOTAL			\$ (1,881,683)	\$ -	\$ (1,881,683)	(23.38)	\$ -	\$ -	\$ -
2252 - Measure Z - Violence Prevention and Public Safety Act of 2014									
1	Increase available resources per Measure Z formula	OPD	\$ 27,828	\$ -	\$ 27,828	-	\$ -	\$ -	\$ -
2	Add 1.00 FTE Health & Human Svcs Prgm Planner (end-date 6/30/19)	Human Services	\$ -	\$ 155,451	\$ 155,451	1.00	\$ -	\$ -	\$ -
3	Add 0.99 FTE Program Analyst II, PPT (end-date 6/30/19)	Human Services	\$ -	\$ 132,963	\$ 132,963	0.99	\$ -	\$ -	\$ -
4	Transfer CSEC funding from Fund 1010 to Fund 2252 (Measure Z)	Human Services	\$ -	\$ 110,000	\$ 110,000	-	\$ -	\$ -	\$ -
5	Use carryforward to fund end-dated positions & CSEC	Human Services	\$ -	\$ (398,414)	\$ (398,414)	-	\$ -	\$ -	\$ -
6	Reduce O&M	Human Services	\$ (68,560)	\$ -	\$ (68,560)	-	\$ -	\$ -	\$ -
7	Add 1.00 FTE Case Manager I	Human Services	\$ 110,491	\$ -	\$ 110,491	1.00	\$ -	\$ -	\$ -
8	Eliminate Budgeted Use of Fund Balance	DVP	\$ -	\$ -	\$ -	-	\$ -	\$ (66,956)	\$ (66,956)
FUND 2252 SUB-TOTAL			\$ 69,759	\$ -	\$ 69,759	2.99	\$ -	\$ (66,956)	\$ (66,956)
2310 - Lighting and Landscape Assessment District									
1	Appropriate revenues from PG&E to be received for tree work	OPW	\$ -	\$ 150,000	\$ 150,000	-	\$ -	\$ 150,000	\$ 150,000
2	Subsidy to cover COLA and other rate increases in Fund 2310 (LLAD) from GPF	OPW	\$ -	\$ -	\$ -	-	\$ 395,235	\$ -	\$ 395,235
FUND 2310 SUB-TOTAL			\$ -	\$ 150,000	\$ 150,000	-	\$ 395,235	\$ 150,000	\$ 545,235
2331 - Wood street CFD									
1	CFD Assessment Revenue	OPW	\$ -	\$ -	\$ -	-	\$ 61,226	\$ -	\$ 61,226
2	Add 0.20 FTE Management Assistant	OPW	\$ 41,226	\$ -	\$ 41,226	0.20	\$ -	\$ -	\$ -
3	Add O&M	OPW	\$ 20,000	\$ -	\$ 20,000	-	\$ -	\$ -	\$ -
FUND 2331 SUB-TOTAL			\$ 61,226	\$ -	\$ 61,226	0.20	\$ 61,226	\$ -	\$ 61,226
2332 - OAB CFD Gateway Industrial Park									
1	Add CFD Assessment Revenue	OPW	\$ -	\$ -	\$ -	-	\$ 1,316,228	\$ -	\$ 1,316,228
2	Add 0.80 Management Assistant	OPW	\$ 164,906	\$ -	\$ 164,906	0.80	\$ -	\$ -	\$ -
3	Add O&M and County Admin Fee and Capital Reserve	OPW/CIP	\$ 1,151,322	\$ -	\$ 1,151,322	-	\$ -	\$ -	\$ -
4	Add CFD Assessment Revenue	DOT	\$ -	\$ -	\$ -	-	\$ 732,313	\$ -	\$ 732,313
5	Add O&M and Capital Reserve	DOT	\$ 732,313	\$ -	\$ 732,313	-	\$ -	\$ -	\$ -
FUND 2332 SUB-TOTAL			\$ 2,048,541	\$ -	\$ 2,048,541	0.80	\$ 2,048,541	\$ -	\$ 2,048,541

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2413 - Rent Adjustment Program									
1	Add 0.25 FTE Loan Servicing Administrator	Housing	\$ 52,449	\$ -	\$ 52,449	0.25	\$ -	\$ -	\$ -
2	Add revenues from increasing RAP fee	Housing	\$ -	\$ -	\$ -	-	\$ 1,950,880	\$ -	\$ 1,950,880
3	Add 3.00 FTE Hearing Officers, 1.00 FTE Program Analyst III and 1.00 FTE Accountant I	Housing	\$ 1,057,829	\$ -	\$ 1,057,829	5.00	\$ -	\$ -	\$ -
4	Add 1.00 FTE Specialty Combination Inspector	PBD	\$ 143,012	\$ -	\$ 143,012	1.00	\$ -	\$ -	\$ -
5	Add 1.00 FTE Deputy City Attorney II	City Attorney	\$ 224,413	\$ -	\$ 224,413	1.00	\$ -	\$ -	\$ -
6	Carryforward Offset to balance	Housing	\$ (16,508)	\$ -	\$ (16,508)	-	\$ -	\$ -	\$ -
7	Add 0.25 FTE Loan Servicing Administrator	Housing	\$ 52,449	\$ -	\$ 52,449	0.25	\$ -	\$ -	\$ -
8	Add revenues from increasing RAP fee	Housing	\$ -	\$ -	\$ -	-	\$ 1,950,880	\$ -	\$ 1,950,880
9	Add 3.00 FTE Hearing Officers, 1.00 FTE Program Analyst III and 1.00 FTE Accountant I	Housing	\$ 1,057,829	\$ -	\$ 1,057,829	5.00	\$ -	\$ -	\$ -
10	Add 1.00 FTE Specialty Combination Inspector	PBD	\$ 143,012	\$ -	\$ 143,012	1.00	\$ -	\$ -	\$ -
11	Add 1.00 FTE Deputy City Attorney II	City Attorney	\$ 224,413	\$ -	\$ 224,413	1.00	\$ -	\$ -	\$ -
12	Due to DOF's denial of Housings portion of ROPS, transferred 0.10 FTE Director of Housing & Comm Dev and 0.15 FTE Exec Asst to the Director from Fund 1610	Housing	\$ 70,174	\$ -	\$ 70,174	0.25	\$ -	\$ -	\$ -
13	Transfer from 1610 offset by O&M	Housing	\$ (70,174)	\$ -	\$ (70,174)	-	\$ -	\$ -	\$ -
14	Carryforward Offset to balance	Housing	\$ (16,508)	\$ -	\$ (16,508)	-	\$ -	\$ -	\$ -
FUND 2413 SUB-TOTAL			\$ 2,922,390	\$ -	\$ 2,922,390	14.75	\$ 3,901,760	\$ -	\$ 3,901,760
2415 - Development Service Fund									
1	Transfer 0.56 FTE of SAM III from Fund 1010	Mayor	\$ 181,979	\$ -	\$ 181,979	0.56	\$ -	\$ -	\$ -
2	Add 1.0 FTE Principal HR Analyst	DHRM	\$ 198,493	\$ -	\$ 198,493	1.00	\$ -	\$ -	\$ -
3	Downgrade 1.00 FTE Urban Economic Analyst III to Urban Economic Analyst II and transfer remaining funds to DOT for Broadway Shuttle job duties.	EWD	\$ (43,246)	\$ -	\$ (43,246)	-	\$ -	\$ -	\$ -
4	Reduce Contingency Reserve Budget for Asst Director position	PBD	\$ (161,056)	\$ -	\$ (161,056)	-	\$ -	\$ -	\$ -
5	Add 1.0 FTE Permit Tech II	PBD	\$ 122,777	\$ -	\$ 122,777	1.00	\$ -	\$ -	\$ -
6	Add 1.0 FTE Planner IV	PBD	\$ 199,350	\$ -	\$ 199,350	1.00	\$ -	\$ -	\$ -
7	Add 1.0 FTE Principal Inspection Supervisor	PBD	\$ 209,225	\$ -	\$ 209,225	1.00	\$ -	\$ -	\$ -
8	Add 1.0 FTE Inspection Services Manager	PBD	\$ 274,057	\$ -	\$ 274,057	1.00	\$ -	\$ -	\$ -
9	Add 2.0 FTE Specialty Combination Inspectors	PBD	\$ 316,816	\$ -	\$ 316,816	2.00	\$ -	\$ -	\$ -
10	Foreclosed registration reduction	PBD	\$ (4,392)	\$ -	\$ (4,392)	-	\$ -	\$ -	\$ -
11	Blight abatement reduction	PBD	\$ (7,943)	\$ -	\$ (7,943)	-	\$ -	\$ -	\$ -
12	General plan	PBD	\$ -	\$ -	\$ -	-	\$ 280,971	\$ -	\$ 280,971
13	Records Management and Technology	PBD	\$ -	\$ -	\$ -	-	\$ 18,537	\$ -	\$ 18,537
14	Departmental Adm Project	PBD	\$ -	\$ -	\$ -	-	\$ 1,578,646	\$ -	\$ 1,578,646
16	Reduce fund balance	PBD	\$ (1,139,224)	\$ -	\$ (1,139,224)	-	\$ -	\$ -	\$ -
17	Add/Delete 1.0 FTE Construction Inspector Supervisor I and Add 1.0 FTE Construction Inspector	OPW	\$ (61,493)	\$ -	\$ (61,493)	-	\$ -	\$ -	\$ -
18	Add 0.21 FTE Project Manager I	OPW	\$ 61,267	\$ -	\$ 61,267	0.21	\$ -	\$ -	\$ -
19	Increase O&M	OPW	\$ 250,000	\$ -	\$ 250,000	-	\$ -	\$ -	\$ -
20	Use of Rec & Tech Allocation for O&M	OPW	\$ 339,498	\$ -	\$ 339,498	-	\$ -	\$ -	\$ -
21	Appropriate Rec and Tech Revenues	DOT	\$ -	\$ -	\$ -	-	\$ -	\$ 1,468,620	\$ 1,468,620
22	One time refund permits, CAD licensing fees and other upgrades	DOT	\$ -	\$ 1,000,000	\$ 1,000,000	-	\$ -	\$ -	\$ -
23	Credit Card Fees and Acella Maintenance	DOT	\$ 90,550	\$ -	\$ 90,550	-	\$ -	\$ -	\$ -
23	Add funds transferred from EWD for Broadway Shuttle job duties.	DOT	\$ 43,246	\$ -	\$ 43,246	-	\$ -	\$ -	\$ -
FUND 2415 SUB-TOTAL			\$ 869,904	\$ 1,000,000	\$ 1,869,904	7.77	\$ 1,878,154	\$ 1,468,620	\$ 3,346,774

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
2420 - Impact Fees									
1	Proposed Revenues from Impact Fees	DOT	\$ -	\$ -	\$ -	-	\$ 3,151,646	\$ -	\$ 3,151,646
2	TIF Collected - Broadway Valdez and Citywide	DOT	\$ 3,151,646	\$ -	\$ 3,151,646	-	\$ -	\$ -	\$ -
3	Capital Improvement Impact Fee	PBD	\$ 42,315		\$ 42,315	-	\$ 42,315		\$ 42,315
FUND 2420 SUB-TOTAL			\$ 3,193,961	\$ -	\$ 3,193,961	-	\$ 3,193,961	\$ -	\$ 3,193,961
2421 - Capital Improvements Impact Fee									
1	Impact Fee Revenue	OPW	\$ -	\$ -	\$ -	-	\$ 2,000,000	\$ -	\$ 2,000,000
2	Add O&M for Capital Projects and 2% Admin Fee for Planning	OPW	\$ 2,000,000	\$ -	\$ 2,000,000	-	\$ -	\$ -	\$ -
3	Transportation Impact Fee	PBD	\$ 40,000		\$ 40,000	-	\$ 40,000	\$ -	\$ 40,000
FUND 2421 SUB-TOTAL			\$ 2,040,000	\$ -	\$ 2,040,000	-	\$ 2,040,000	\$ -	\$ 2,040,000
2990 - Public Works Grants									
1	Transfer 0.04 FTE Program Analyst III from 2990 to 7760 Project Clearing	OPW	\$ (8,956)	\$ -	\$ (8,956)	(0.04)	\$ -	\$ -	\$ -
2	Transfer Public, Education and Government Grant (PEG) responsibility to City Clerk's Office	Clerk	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
FUND 2990 SUB-TOTAL			\$ (8,956)	\$ -	\$ (8,956)	(0.04)	\$ -	\$ -	\$ -
3100 - Sewer Service Charge									
1	Increase Clean Lake Contract Budget	OPW	\$ 15,000	\$ -	\$ 15,000	-	\$ -	\$ -	\$ -
2	Increase O&M for Printing, Duplicating and Utilities	OPW	\$ 95,000	\$ -	\$ 95,000	-	\$ -	\$ -	\$ -
3	Increase O&M for Sewer Mitigation and Discharge Fee Revenue (one time)	OPW	\$ -	\$ 2,519,464	\$ 2,519,464	-	\$ -	\$ -	\$ -
4	Add 2.0 FTE Student Trainee and 0.79 FTE Project Manger I	OPW	\$ 368,353	\$ -	\$ 368,353	2.79	\$ -	\$ -	\$ -
5	OFD Position premium increases	OFD	\$ 33,849	\$ -	\$ 33,849	-	\$ -	\$ -	\$ -
6	Transfer 1.0 FTE Public Works Supervisor II from fund 3100 to fund 2232	DOT	\$ (284,131)	\$ -	\$ (284,131)	(1.00)	\$ -	\$ -	\$ -
7	Transfer 1.0 FTE Public Works Supervisor II from fund 2230 to fund 3100	OPW	\$ 234,821	\$ -	\$ 234,821	1.00	\$ -	\$ -	\$ -
8	Transfer from Fund Balance to be offset by FY18 Carryforward reductions	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 3,307,202	\$ 3,307,202
FUND 3100 SUB-TOTAL			\$ 462,892	\$ 2,519,464	\$ 2,982,356	2.79	\$ -	\$ 3,307,202	\$ 3,307,202
3200 - Golf Course									
1	Reduction in budget carryforward	OPR	\$ -	\$ (88,651)	\$ (88,651)	-	\$ -	\$ -	\$ -
FUND 3200 SUB-TOTAL			\$ -	\$ (88,651)	\$ (88,651)	-	\$ -	\$ -	\$ -
4100 - Equipment									
1	Appropriate FY18 vehicle rebates for the purchase of new vehicles for Litter Enforcement Officers, Police and other City Departments	OPW	\$ -	\$ 553,000	\$ 553,000	-	\$ -	\$ 553,000	\$ 553,000
FUND 4100 SUB-TOTAL			\$ -	\$ 553,000	\$ 553,000	-	\$ -	\$ 553,000	\$ 553,000

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
4200 - Radio Telecommunications									
1	Transfer 0.75 FTE Telecom Systems Engineer from Fund 1010	DIT	\$ 179,975	\$ -	\$ 179,975	0.75	\$ -	\$ -	\$ -
2	Transfer 0.50 FTE Executive Assistant to the Director from Fund 1010	DIT	\$ 57,707	\$ -	\$ 57,707	0.50	\$ -	\$ -	\$ -
3	Reduce O&M to offset salary increase	DIT	\$ (192,684)		\$ (192,684)		\$ -	\$ -	\$ -
FUND 4200 SUB-TOTAL			\$ 44,998	\$ -	\$ 44,998	1.25	\$ -	\$ -	\$ -
4450 - City Facilities Energy Conservation									
1	Transfer from Fund Balance	OPW	\$ -	\$ -	\$ -	-	\$ -	\$ 115,000	\$ 115,000
2	Increase O&M for Energy and Climate Action Plan	OPW	\$ 115,000	\$ -	\$ 115,000	-	\$ -	\$ -	\$ -
FUND 4450 SUB-TOTAL			\$ 115,000	\$ -	\$ 115,000	-	\$ -	\$ 115,000	\$ 115,000
4600 - Information Technology									
1	Add 0.5 FTE Business Analyst IV/Add 0.5 FTE Project Manager II funded 50% Fund 1010 and 50% Fund 4600	DIT	\$ 242,099	\$ -	\$ 242,099	1.00	\$ -	\$ -	\$ -
2	Reduction in budget carryforward	DIT	\$ -	\$ (242,099)	\$ (242,099)	-	\$ -	\$ -	\$ -
FUND 4600 SUB-TOTAL			\$ 242,099	\$ (242,099)	\$ -	1.00	\$ -	\$ -	\$ -
5321 - Measure DD: 2009B									
1	Transfer 1.0 FTE Accountant III, 2.0 FTE Program Analyst III and 0.80 Project Manager II & O&M from Fund 5321 to Fund 5322	OPW	\$ (978,183)	\$ -	\$ (978,183)	(3.90)	\$ -	\$ -	\$ -
2	Carryforward Offset to balance	OPW	\$ 935,491	\$ -	\$ 935,491	-	\$ -	\$ -	\$ -
FUND 5321 SUB-TOTAL			\$ (42,692)	\$ -	\$ (42,692)	(3.90)	\$ -	\$ -	\$ -
5322 - Measure DD: 2017C									
1	Transfer 1.0 FTE Accountant III, 2.0 FTE Program Analyst III and 0.80 Project Manager II & O&M from Fund 5321 to Fund 5322	OPW	\$ 978,183	\$ -	\$ 978,183	3.90	\$ -	\$ -	\$ -
2	Carryforward Offset to balance	OPW	\$ (978,183)	\$ -	\$ (978,183)	-	\$ -	\$ -	\$ -
FUND 5322 SUB-TOTAL			\$ -	\$ -	\$ -	3.90	\$ -	\$ -	\$ -

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
5331 - Measure KK: Affordable Housing									
1	Add 1.00 FTE Housing Development Coordinator III	Housing	\$ 181,208	\$ -	\$ 181,208	1.00	\$ -	\$ -	\$ -
2	Transfer 0.30 FTE Rehabilitation Advisor III, 0.54 FTE Housing Development Coordinator I & 0.15 Housing Development Coordinator IV from Fund 1610 to 5331 due to ROPS reduction	Housing	\$ 167,265	\$ -	\$ 167,265	0.99	\$ -	\$ -	\$ -
3	Carryforward offset for personnel	Housing	\$ (436,116)	\$ -	\$ (436,116)	-	\$ -	\$ -	\$ -
4	Reallocate approximately \$4,084,784 from bicycle facilities design, safe routes to school, sidewalk repair, curb ramps project etc. to the paving project.	DOT/CIP	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
5	Add 1.00 FTE Housing Development Coordinator III	Housing	\$ 181,208	\$ -	\$ 181,208	1.00	\$ -	\$ -	\$ -
6	Due to DOF's denial of Housings portion of ROPS, transferred 0.19 FTE Director of Housing & Comm Dev and 0.06 FTE Exec Asst to the Director from Fund 1885	Housing	\$ 50,149	\$ -	\$ 50,149	0.25	\$ -	\$ -	\$ -
7	Due to DOF's denial of Housings portion of ROPS, 0.01 FTE Director of Housing & Comm Dev, 0.19 FTE Exec Asst to the Director, 0.30 Administrative Assistant I, 0.22 FTE Development/Redevelopment Pgrm MGR, 0.30 FTE Rehabilitation Advisor III, 0.35 FTE Housing Development Coordinator I and 0.22 Housing Development Coordinator IV from Fund 1610	Housing	\$ 426,447	\$ -	\$ 426,447	1.84	\$ -	\$ -	\$ -
8	Carryforward offset for personnel	Housing	\$ (745,447)	\$ -	\$ (745,447)	-	\$ -	\$ -	\$ -
9	Reallocate approximately \$4,084,784 from bicycle facilities design, safe routes to school, sidewalk repair, curb ramps project etc. to the paving project.	DOT/CIP	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
FUND 5331 SUB-TOTAL			\$ (175,286)	\$ -	\$ (175,286)	5.08	\$ -	\$ -	\$ -
5671 - OBRA: Leasing & Utility									
1	Decrease Revenue	EWD	\$ -	\$ -	\$ -	-	\$ -	\$ (66,868)	\$ (66,868)
2	Reduce Fund Transfer	EWD	\$ (5,283)	\$ -	\$ (5,283)	-	\$ -	\$ -	\$ -
FUND 5671 SUB-TOTAL			\$ (5,283)	\$ -	\$ (5,283)	-	\$ -	\$ (66,868)	\$ (66,868)
7100 - Police and Fire Retirement System									
1	Decrease Transfer from Fund Balance	Finance	\$ -	\$ -	\$ -	-	\$ -	\$ (16,197)	\$ (16,197)
2	Personnel and O&M Adjustments	Finance	\$ (44,602)	\$ -	\$ (44,602)	-	\$ -	\$ -	\$ -
FUND 7100 SUB-TOTAL			\$ (44,602)	\$ -	\$ (44,602)	-	\$ -	\$ (16,197)	\$ (16,197)
7130 - Employee Deferred Compensation									
1	Reduce O&M per Board	HRM	\$ (97,505)	\$ -	\$ (97,505)	-	\$ -	\$ -	\$ -
2	Decrease fund balance	HRM	\$ -	\$ -	\$ -	-	\$ (99,511)	\$ -	\$ (99,511)
FUND 7130 SUB-TOTAL			\$ (97,505)	\$ -	\$ (97,505)	-	\$ (99,511)	\$ -	\$ (99,511)
7640 - Oakland Public Museum Trust									
1	Adjust Expenditures to include Interest & Museum deaccession	Non-Dept	\$ 18,500	\$ -	\$ 18,500	-	\$ 9,500	\$ 9,000	\$ 18,500
FUND 7640 SUB-TOTAL			\$ 18,500	\$ -	\$ 18,500	-	\$ 9,500	\$ 9,000	\$ 18,500

**EXHIBIT 4 - MIDCYCLE DEPARTMENTAL PROPOSALS FY2018-19 BUDGET
Non-General Purpose Funds**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
7760 - Grant Clearing									
1	Add/Delete Engineer Assistant II in project clearing and add Public Works Sup I - transfer to Fund 2230	DOT	\$ (205,846)	\$ -	\$ (205,846)	(0.90)	\$ -	\$ -	\$ -
2	Transfer 1.60 FTE Sign Mnt. Worker, Traffic Sign Maker, Traffic Painter and Public Works Mnt. Worker to 7760 project clearing from fund 2230	DOT	\$ 266,115	\$ -	\$ 266,115	1.60	\$ -	\$ -	\$ -
3	Add 0.50 FTE Student Trainee	DOT	\$ 40,421	\$ -	\$ 40,421	0.50	\$ -	\$ -	\$ -
4	Transfer 0.75 Engineer Assistant II in project clearing to Fund 2212	DOT	\$ (171,538)	\$ -	\$ (171,538)	(0.75)	\$ -	\$ -	\$ -
5	Add/Delete Engineer Assistant II and add Spatial Analyst III in project clearing	DOT	\$ 42,504	\$ -	\$ 42,504	-	\$ -	\$ -	\$ -
6	Transfer 0.90 FTE Spatial Analyst III in project clearing to Fund 2230	DOT	\$ (224,116)	\$ -	\$ (224,116)	(0.90)	\$ -	\$ -	\$ -
7	Upgrade Drafting Tech to Engineer Assistant II in project clearing	DOT	\$ 61,213	\$ -	\$ 61,213	-	\$ -	\$ -	\$ -
8	Add 2.00 FTE CIP Coordinator in project clearing	OPW	\$ 515,892	\$ -	\$ 515,892	2.00	\$ -	\$ -	\$ -
9	Transfer 0.04 FTE Program Analyst III from Fund 2990 to fund 7760 project clearing	OPW	\$ 8,956	\$ -	\$ 8,956	0.04	\$ -	\$ -	\$ -
10	Add/Delete Public Service Rep and Add Snr Public Service Rep (0.5 FTE in OPW overhead and 0.5 FTE in DOT overhead)	OPW	\$ 17,818	\$ -	\$ 17,818	-	\$ -	\$ -	\$ -
11	Increase O&M - FA licensing and fleet management software (50% in OPW overhead and 50% in DOT overhead)	OPW/DOT	\$ 20,000	\$ -	\$ 20,000	-	\$ -	\$ -	\$ -
12	Transfer 0.27 FTE Mayor's PSE 14 from GPF to overhead	OPW	\$ 43,860	\$ -	\$ 43,860	0.27	\$ -	\$ -	\$ -
13	Add 1.00 FTE Snr HR Analyst (0.5 FTE in OPW overhead and 0.5 FTE in DOT overhead)	DHRM	\$ 155,451	\$ -	\$ 155,451	1.00	\$ -	\$ -	\$ -
14	Transfer 1.00 FTE Director of Human Services to Fund 1010	Human Services	\$ (379,795)	\$ -	\$ (379,795)	(1.00)	\$ -	\$ -	\$ -
15	Transfer 1.00 FTE Administrative Assistant I from Fund 1010	Human Services	\$ 94,397	\$ -	\$ 94,397	1.00	\$ -	\$ -	\$ -
16	Transfer 0.93 Accountant I from Fund 1010	Human Services	\$ 141,440	\$ -	\$ 141,440	0.93	\$ -	\$ -	\$ -
17	Transfer 0.55 FTE Administrative Services Manager II from Fund 1010	Human Services	\$ 140,173	\$ -	\$ 140,173	0.55	\$ -	\$ -	\$ -
18	Add O&M	Human Services	\$ 3,786	\$ -	\$ 3,786	-	\$ -	\$ -	\$ -
19	Reduction in overhead recoveries	Human Services	\$ 90,292	\$ -	\$ 90,292	-	\$ -	\$ -	\$ -
FUND 7760 SUB-TOTAL			\$ 661,023	\$ -	\$ 661,023	4.34	\$ -	\$ -	\$ -

**EXHIBIT 5 - MIDCYCLE DEPARTMENTAL LIBRARY PROPOSAL B FY2018-19 BUDGET
PASSAGE OF MEASURE D**

ITEM		Department	EXPENDITURES				REVENUES		
No.	Description		Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
Measure D (New Fund)		Library							
1	Restore proposed cuts to Measure Q and library services	Library	\$ 1,881,114	\$	1,881,114	23.38	\$ -		\$ -
2	Add 1.00 FTE Program Analyst III	Library	\$ 151,127	\$	151,127	1.00			
3	Add 1.00 FTE Librarian II	Library	\$ 126,012	\$	126,012	1.00			
4	Add 1.00 FTE Adm Analyst I	Library	\$ 115,021	\$	115,021	1.00			
5	Add 1.00 FTE Account Clerk III	Library	\$ 95,467	\$	95,467	1.00			
6	Add 11.40 FTE Library Aide, PPT	Library	\$ 693,861	\$	693,861	11.40			
7	Add 15.00 FTE Library Aide	Library	\$ 912,975	\$	912,975	15.00			
8	Add 2.00 FTE Librarian 1	Library	\$ 233,722	\$	233,722	2.00			
9	Add 7.00 FTE Library Assistant	Library	\$ 685,545	\$	685,545	7.00			
10	Add 4.20 FTE Librarian I, PPT	Library	\$ 490,819	\$	490,819	4.20			
11	Add 7.20 FTE Library Asst, PPT	Library	\$ 705,120	\$	705,120	7.20			
12	Add 1.00 FTE Library Asst, Senior	Library	\$ 119,149	\$	119,149	1.00			
13	Add 2.40 FTE Library Asst, Senior PPT	Library	\$ 285,960	\$	285,960	2.40			
14	Expand materials budget for E-media, materials, databases, technology improvements & enhancements	Library	\$ 2,450,000	\$	2,450,000				
15	Appropriation for services and programs for Children	Library	\$ 150,000	\$	150,000				
16	Appropriation for Teen programs	Library	\$ 60,000	\$	60,000				
17	Appropriation for Adult literacy, education, and other programing	Library	\$ 50,000	\$	50,000				
18	Appropriation for African American Museum & Library	Library	\$ 35,000	\$	35,000				
19	Expand O&M Budget	Library	\$ 1,000,000	\$	1,000,000				
Measure D (New Fund) SUB-TOTAL			\$ 10,240,892	\$ -	\$ 10,240,892	77.58	\$ -	\$ -	\$ -
GPF Fund 1010		Library							
1	Reduce 1010 subsidy Measure Q	Library	\$ -	\$ (500,000)	\$ (500,000)	-	\$ -	\$ -	\$ -
2	Reduce Proposed Use of Fund Balance		\$ -	\$ (500,000)	\$ (500,000)	-	\$ -	\$ (500,000)	\$ (500,000)
FUND 1010 SUB-TOTAL			\$ -	\$ (500,000)	\$ (500,000)	-	\$ -	\$ (500,000)	\$ (500,000)



CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 MAY 10 PM 1:55

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: FY 2017-18 Q3 R&E Report

DATE: May 7, 2018

City Administrator Approval

Date:

5/10/18

RECOMMENDATION

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

EXECUTIVE SUMMARY

This report details the City of Oakland's (the "City") projected Third Quarter Financial Results for Fiscal Year ("FY") 2017-18 in the General Purpose Fund ("GPF") and other selected funds. The following points highlight key findings from the City's projected year-end results (discussed in more detail in the Policy and Analysis Alternatives section of this report beginning on page 4).

General Purpose Fund

- Revenue growth in the GPF is projected to exceed the FY 2017-18 Adjusted Budget by \$3.39 million; one-time revenues will increase by \$5.03 million, for a total of \$8.42 million over budget (**Table 1**); Generally, forecasted receipt of revenue in FY 2017-18 reflects modest growth in the local economy. (**Attachment A-1**).
- The projected expenditures total \$588.15 million, which exceeds the Adjusted Budget by approximately \$7.56 million, (**Table 1**). Spending by department is listed in **Attachment A-2**.
- On February 20, 2018, the City Council adopted Resolution No. 87062 C.M.S. moving revenues and expenditures for the sugar sweetened beverage distribution tax from the GPF to a sub-fund within the General Fund group.
- Citywide overtime (OT) expenditures across all funds is estimated to be \$57.01 million, exceeding the Adjusted Budget by \$36.11 million, of which \$29.64 million is in the GPF. Overtime spending by department is listed in **Attachment B**.

Item: _____
Finance and Management Committee
May 22, 2018

Table 1: Summary of GPF Budget to Projected Actual Results

(\$ in millions)

Description	FY 2017-18 Adopted Budget	FY 2017-18 Projected Actuals Q3	FY 2017-18 Over / Under Adjusted Budget
Revenue	\$580.59	\$589.01	\$8.42
Expenditures ¹	\$580.59	\$588.15	\$7.56
Estimated Contribution to Fund Balance	\$0.00	\$0.86	\$0.86

¹ The subtotal does not include estimated carryforward expenditures of \$22.94 million in FY 17-18 which are supported from prior year revenues in the GPF fund balance.

- The year-end available GPF fund balance is estimated to be a deficit \$1.88 million (**Table 2**). This balance reflects the net difference between the revenue and expenditure projections, including adjustments such as FY 2017-18 carryforward, the FY 2017-19 Adopted Budget, and reserves (shown in **Table 7**).

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

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE
Beginning Fund Balance - Audited	\$78.22	\$78.22
Revenue	\$580.59	\$589.01
Expenditures	\$580.59	\$588.15
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.86
Subtotal Fund Balance	\$78.22	\$79.08
FY 2017-19 Obligated Fund Balance	(\$35.06)	(\$35.06)
Designated / Mandated Reserves	(\$45.90)	(\$45.90)
Estimated Ending Available Fund Balance	(\$2.74)	(\$1.88)

Item: _____

Non-GPF Funds

- The seven (7) non-GPF funds analyzed for this report have historically shown negative fund, or cash, balances (**Attachments C-1 to I-2**). The FY 2017-18 projected ending fund balance/(deficit) compared to FY 2016-17 is shown in **Table 3** below.
- The negative fund balance in the LLAD Fund (2310) continues to increase, as a result of rising costs and stagnant revenues. The Multipurpose Reserve Fund (1750) ending fund balance is projected to improved due to the informal repayment plan, as well as lower than anticipated operating expenditures.
- Three Internal Service Funds (Reproduction Fund, Central Stores Fund, and Purchasing Fund) have been added to the quarterly report and will be placed on repayment plans in the FY 2019-21 biennial budget (per Resolution No. 87140 C.M.S).
- The fund balance in both the Facilities Fund (4400) and the Self-Insurance Liability Fund (1100) are projected to continue improving primarily because of the budgeted repayment plans.

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

(\$ in millions)

FUND	FY 2016-17 Audited Ending Balance	FY 2017-18 Projected Ending Balance
Self-Insurance Liability Fund	(\$10.31)	(\$6.38)
Multipurpose Reserve	(\$0.61)	\$0.31
LLAD	(\$0.66)	(\$1.38)
Reproduction Fund	(\$1.85)	(\$2.31)
Facilities Fund	(\$8.27)	(\$3.72)
Central Stores Fund	(\$4.23)	(\$4.23)
Purchasing Fund	(\$0.58)	(\$0.56)

The remainder of this report provides details on the projected fiscal year-end revenue and expenditures in the GPF and selected funds based on Third Quarter data (July 1, 2017 – March 31, 2018).

BACKGROUND / LEGISLATIVE HISTORY

On June 26, 2017, Council adopted the biennial FY 2017-19 Policy Budget of \$584.07 million (both revenues and expenditures) in the General Purpose Fund for FY 2017-18, and \$588.15 million in FY 2018-19. This budget includes a transfer of \$8.68 million from fund balance in FY 2017-18. On February 20, 2018, the City Council adopted Resolution No. 87062 C.M.S. moving revenues and expenditures for the sugar sweetened beverage distribution tax from the GPF to a sub-fund within the General Fund group.

During FY 2017-18 additional appropriations were added to the budget based on Council Resolutions as well as from authorized carryforward. The Adjusted Budget for FY 2017-18 is the cumulative total of the Adopted Policy Budget and all other authorized additions. This report contains the projected fiscal year-end results for FY 2017-18.

ANALYSIS AND POLICY ALTERNATIVES

GENERAL PURPOSE FUND

I. REVENUES

As reflected in **Attachment A-1**, the FY 2017-18 adjusted revenue budget is \$580.59 million. Fiscal Year-end revenues including use of fund balance are forecasted to be \$589.01 million, which represents a net increase of \$8.42 million over the FY 2017-18 Adjusted Budget.

As the Fiscal Year progresses and better data becomes available, revenue projections are updated and provided to the City Council at the end of the second and third quarter. As shown in **Table 4** below, the Fiscal Year 2017-18 year-end revenues are forecasted to be \$589.01 million. Revenues, when compared to the adjusted budget are forecasted to increase \$8.42 million, of which \$5.03 million is considered one-time revenue.

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

(\$ in millions)

Description	FY 2017-18 Revenue
FY 2017-18 Adjusted Revenue Budget	\$580.59
Increases/(Decreases):	
Property Tax	\$1.73
Business License Tax	\$1.38
Utility Consumption Tax	\$2.44
All Other	\$2.86
Net Projected GPF Revenue Growth	\$8.42
Total FY 2017-18 Projected Revenue	\$589.01

II. EXPENDITURES

The projected year-end expenditures are estimated at \$588.15 million, which is \$7.56 million over the net Adjusted Budget Citywide (**Attachment A-2**). The overspending is primarily attributed to sworn overtime costs in the Public Safety.

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

(\$ in millions)

Department	Adjusted Budget (Q3 less CF)	Projected Year-End Actuals	Year-End (Over) / Under Budget
FY 2016-17 Expenditures	\$580.59	\$588.15	(\$7.56)
MAYOR	\$2.88	\$2.82	\$0.07
CITY COUNCIL	\$5.17	\$4.84	\$0.33
CITY ADMINISTRATOR	\$15.34	\$15.30	\$0.04
CITY ATTORNEY	\$12.04	\$12.11	(\$0.07)
CITY AUDITOR	\$1.96	\$1.98	(\$0.01)
CITY CLERK	\$2.45	\$2.43	\$0.01
POLICE COMMISSION	\$2.46	\$2.45	\$0.00
PUBLIC ETHICS COMMISSION	\$0.95	\$1.03	(\$0.08)
FINANCE DEPARTMENT	\$26.30	\$25.99	\$0.31
INFORMATION TECHNOLOGY	\$9.71	\$10.04	(\$0.33)
RACE & EQUITY	\$0.44	\$0.47	(\$0.02)
HUMAN RESOURCES	\$5.86	\$5.68	\$0.18
DEPARTMENT OF VIOLENCE PREVENTION	\$0.26	\$0.26	\$0.00
POLICE DEPARTMENT	\$244.65	\$248.62	(\$3.97)
FIRE DEPARTMENT	\$128.94	\$134.90	(\$5.96)
OAKLAND PUBLIC LIBRARY	\$13.00	\$12.68	\$0.33
PARKS & RECREATION	\$16.53	\$15.68	\$0.85
HUMAN SERVICES	\$12.92	\$12.92	\$0.00
ECONOMIC WORKFORCE & DEVELOPMENT	\$4.06	\$3.27	\$0.78
HOUSING & COMMUNITY DEVELOPMENT	\$0.00	\$0.00	\$0.00
PLANNING & BUILDING	\$0.02	\$0.02	\$0.00
OAKLAND PUBLIC WORKS	\$2.74	\$2.47	\$0.27
TRANSPORTATION	\$11.77	\$10.56	\$1.20
NON-DEPARTMENTAL	\$59.12	\$60.61	(\$1.49)
CAPITAL IMPROVEMENT PROGRAM	\$1.03	\$1.03	\$0.00

As part of a comprehensive review of the City's financial policies and in an effort to address departmental overspending in the General Purpose Fund, staff presented recommended modifications to the Consolidated Fiscal Policy at the April 23, 2018 Finance and Management Committee. The modifications include the requirement that "departments that are projected to overspend in the GPF by more than 1.0% to develop a corrective action plan to bring their budget into balance (Section 1, Part I) in order to improve expenditure controls for personnel and non-personnel costs, including overtime". The full proposed Consolidated Fiscal Policy changes can be found on the City's website:

(<https://oakland.legistar.com/LegislationDetail.aspx?ID=3477757&GUID=AB2ED501-97F1-4D65-A283-8EDDB7FA1C4F>).

GPF overtime expenditures exceeded the overtime Adjusted Budget by \$29.64 million (**Attachment B**), which is primarily attributed to Police and Fire. **The overtime projections for OPD show a marked improvement over the Q2 forecast.** Additional details on the factors contributing to Police and Fire overtime projections and cost containment strategies were presented and filed at the Finance and Management Committee on April 24, 2018. The reports are available on the City's website:

<https://oakland.legistar.com/LegislationDetail.aspx?ID=3472622&GUID=6C9AE9F3-579F-4442-B9F7-ACC06AF0AB4D&Options=ID|Text|&Search=overtime>.

Table 6 below shows the projected GPF total Public Safety personnel costs and shows the OT expenditures are partially absorbed by other personnel savings associated with vacancies.

Table 6: FY 2017-18 Public Safety GPF Projected Personnel Expenditures
 (\$ in millions)

Department	FY 2017-18 Adjusted Budget	FY 2017-18 Projected Actuals	Year-End (Over) / Under Budget
Police Department			
Overtime (OT)	\$14.16	\$27.16	(\$13.00)
All Other Personnel (non-OT)	\$198.23	\$187.48	\$10.76
OPD Total Personnel	\$212.40	\$214.64	(\$2.24)
Fire Department			
Overtime (OT)	\$1.48	\$18.11	(\$16.63)
All Other Personnel (non-OT)	\$114.02	\$104.52	\$9.50
OFD Total Personnel	\$115.50	\$122.63	(\$7.13)

III. FUND BALANCE

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

The projected year-end available fund balance is estimated to be a deficit of \$1.88 million, after projecting for year-end revenues and expenditures, project and encumbrance carryforward, and amounts budgeted in FY 2017-19 (**Table 7**). The City's 7.5% GPF Emergency Reserve is set at \$43.54 million in FY 2017-18. Based on projected year-end results for FY 2017-18, the GPF Fund Balance will be negative \$1.88 million which would result in a reduced GPF Emergency Reserve balance of **7.3%**. If projections hold, per the City's Consolidated Fiscal Policy, the City Administrator will present a strategy to Council on how the City will achieve restoring the balance to 7.5%.

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

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$78.22	\$78.22	
Revenue	\$580.59	\$589.01	\$8.42
Expenditures	\$580.59	\$588.15	\$7.56
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.86	\$0.86
Subtotal Fund Balance	\$78.22	\$79.08	
Use of Fund Balance in FY 2017-18:			
Projects Carried Forward (CF) to FY 2017-18	(\$18.24)	(\$18.24)	
Encumbrances Carried Forward (CF) to FY 2017-18	(\$4.70)	(\$4.70)	
FY 2017-18, Adopted Policy Budget	(\$8.68)	(\$8.68)	
FY 2017-18 Adopted Council Resolutions	(\$0.88)	(\$0.88)	
25% Excess RETT for OPEB (FY16-17 True-Up)	(\$1.28)	(\$1.28)	
25% Excess RETT for Vital Services Stabilization Fund (FY16-17 True-Up)	(\$1.28)	(\$1.28)	
Subtotal Use of Fund Balance	(\$35.06)	(\$35.06)	
Designated / Mandated Reserves:			
7.5% GPF Required Reserve	(\$43.54)	(\$43.54)	
OMERS Reversion of Assets (held with Trustee; Resolution 85098)	(\$2.36)	(\$2.36)	
Subtotal Reserves	(\$45.90)	(\$45.90)	
Estimated Ending Available Fund Balance	(\$2.74)	(\$1.88)	

IV. FY 2017-18 GENERAL PURPOSE FUND CARRYFORWARD

In September 2017, all City Departments were asked to review and provide justification for more than \$35 million in previously approved, but unspent, project and encumbrance appropriations, referred to as "carryforwards," in the GPF. Given that departmental expenditures of carryforward drawdown available fund balance, fiscal prudence requires caution in approving carryforward. The carryforward requests were further examined by finance staff and the City Administrator, and changes were made to departmental carryforward requests. Of the total \$35.67 million available for carryforward, \$18.24 million of project balances and encumbrances of \$4.70 million were authorized to carryforward into FY 2017-18. The remainder of \$12.73 million was returned to fund balance.

V. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). The summary below provides the adjusted total set-asides, including any additional contributions based on the projected excess RETT in the FY 2017-18 Third Quarter results. It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups. As stated previously, the City's 7.5% GPF Emergency Reserve is set at \$43.54 million based on the FY 2017-18 Adjusted Budget.

Table 8: FY 2017-18 Projected Year-End Reserve Balances

(\$ in millions)

Description	Projected FYE 2017-18 Balances
7.5% GPF Required Reserve ¹	\$43.54
Vital Services Stabilization Fund	\$14.15
Total Reserves	\$57.69

¹ The 7.5% GPF reserve is not a cumulative balance

Total budgeted reserves and set-asides of \$57.69 million are equivalent to just over one month of FY 2017-18 operating expenditures of \$588.15 million in GPF (9.81%). **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%) which equates to \$98.19 in the GPF.**

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

REVENUE HIGHLIGHTS

The FY 2017-18 Third Quarter year-end projections are \$589.01 million. This represents a net increase of \$8.42 million over the FY 2017-18 Adjusted Budget, of which \$5.03 million is considered one-time revenue. It is important to note that on February 20, 2018, the City Council adopted Resolution No. 87062 C.M.S. moving revenues and expenditures for the sugar sweetened beverage distribution tax from the GPF to a sub-fund within the General Fund group. As a result the GPF revenue budget was adjusted down by \$5.90 million therefore projected revenues were reduced by \$10.63 million compared to Q2.

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

Property Tax: +\$1.73 million compared to FY 2017-18 Adopted Budget

Property Tax revenues are forecasted to exceed FY 2017-18 Adopted Budget by \$1.73 million due to an estimated 7.13% growth in general property tax receipts based upon new County Assessor data as well as the forecasted receipt of additional Residual Property Tax Trust Fund ("RPTTF") revenues. Starting in FY 2011-12, the City began receiving a portion of the RPTTF as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less wind-down funding obligations, that would have gone to redevelopment agencies if they had not been dissolved. Net of RPTTF, Property Tax revenues increased 6.56% when compared to Fiscal Year 2016-17.

Table 9: Historical Property Tax Revenue: FY 2011-12 through FY 2017-18

Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2016-17	FY 2017-18 Q3 Forecasted FYE
Property Tax	\$125.77	\$129.27	\$133.12	\$141.03	\$160.98	\$172.45
Property Tax - RPTTF	\$13.03	\$24.88	\$9.71	\$18.33	\$10.50	\$11.99
Total Property Tax	\$138.80	\$154.15	\$142.83	\$159.36	\$171.48	\$184.44

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

Table 10: Assessed Valuation: FY 2009-2010 through FY 2017-18

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

Sales Tax: +\$2.69 million

Revenue derived from sales tax is forecasted to be \$58.68 million, of which \$2.69 million is considered one-time revenues. The increase in sales tax is largely due to one-time bus purchases by Alameda County Transit and an increase in sales tax derived from fuel sales.

Table 11: Sales Tax

(\$ in millions)

Industry Group	FY 2016-17 YTD Q3	FY 2017-18 YTD Q3	Increase / (Decrease)
Auto & Transport	\$6.99	\$6.82	(\$0.17)
Building & Construction	\$3.86	\$4.24	\$0.38
Business & Industry	\$4.55	\$5.28	\$0.73
Food & Drugs	\$3.85	\$4.18	\$0.33
Fuel & Service Stations	\$4.10	\$4.84	\$0.74
General Consumer Goods	\$3.91	\$4.41	\$0.50
Restaurants & Hotels	\$7.51	\$7.86	\$0.35
Total	\$34.77	\$37.63	\$2.86

Real Estate Transfer Tax: Held at Budget

Third Quarter FY 2017-18-year end real estate transfer tax (RETT) forecast is anticipated to be **at budget**. When compared to Fiscal Year 16-17, revenues derived from RETT are anticipated to decline 4.11% from \$79.07 million to \$75.82 million. **The revenue derived from baseline property sales through the Third Quarter decreased 1.86% when compared to last fiscal year**; while revenue derived from larger property transactions is down 17.53% through the end of the Third Quarter (*Table 12*).

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

Table 12: RETT Growth Rate Q3

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 through Q3
RETT	7.97%	15.69%	20.16%	4.03%	-1.86%
RETT - Larger Commercial Properties	434.42%	-33.30%	172.52%	-61.68%	-17.53%

Table 13: FY 2017-18 YTD Large Property Sales

(\$ in millions)

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

Business License Tax: +\$1.38 million compared to FY 2017-18 Adopted Budget

Year-end revenue derived from Business Licenses Tax is forecasted to be \$80.96 million. This is \$1.38 million higher than the Adopted FY 2017-18. The forecast includes the receipt of \$2.34 million from a single taxpayer as the result of a business tax audit that was not included in the original FY 2017-18 Adopted Budget. These audit revenues are considered one-time revenues.

Utility User Tax: +\$2.44 million compared to FY 17-18 Adopted Budget

Year-end revenue derived from Utility User Tax is forecasted to be \$53.14 million, which is 1.00% increase when compared to FY 2016-17 audited receipts.

Fines & Penalties: (\$1.46) million compared to FY 17-18 Adopted Budget

Year-end revenue derived from Fines & Penalties is forecasted to be \$20.97 million. The decrease is largely due to lower than forecasted parking citation revenues.

EXPENDITURE HIGHLIGHTS

As outlined in ***Attachment A-2***, the FY 2017-18 Q3 net Adjusted Budget is \$580.59 million. The fiscal year-end General Purpose Fund (GPF) expenditures are projected to be \$588.15 million, resulting in an over-spending of \$7.56 million primarily due to Public Safety personnel and overtime costs. Additionally, this attachment also summarizes department-level spending. The breakdown of projected fiscal year-end overtime spending for the General Purpose Fund and All Funds is provided in ***Attachment B***. Below is a discussion of each department's estimated savings or overspending in the GPF at year-end as compared to the Adjusted Budget.

Mayor's Office

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

City Council

The City Council is projected to end the fiscal year with approximately \$0.33 million resulting from salary savings.

City Administrator

The City Administrator's Office is projected to end the fiscal year with an estimated savings of \$0.04 million.

City Attorney

The City Attorney is estimated to overspend by approximately (\$0.07) million primarily associated with personnel costs.

City Auditor

The City Auditor is estimated to have a deficit of (\$0.01) million when compared to the Adjusted Budget due to personnel costs.

City Clerk

The Office of the City Clerk is estimated to have savings of \$0.01 million primarily associated with salary savings.

Police Commission

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

Public Ethics Commission (PEC)

The PEC is projected to end the fiscal year with overspending of (\$0.08) million in personnel costs because of full staffing resulting in the inability to achieve the budgeted vacancy savings.

Finance Department

Finance is estimated to have savings of \$0.31 million due to salary savings from vacancies.

Information Technology Department (ITD)

ITD is projected to overspend the Adjusted Budget by (\$0.33) million which is attributed to personnel costs.

Race & Equity

The Race & Equity Department is projected to end the fiscal year overspent by approximately (\$0.02) million because of full staffing resulting in the inability to achieve the budgeted vacancy savings.

Human Resources Department (HRD)

Human Resources is projected to spend \$6.24 million compared to the Adjusted Budget of \$6.42 million, resulting in a savings of \$0.18 million due to vacancies.

Department of Violence Prevention (DVP)

DVP is projected to end the fiscal year at budget.

Oakland Police Department (OPD)

The projected overspending in OPD of (\$3.97 million) is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. OPD's overtime spending is projected to be \$27.16 million, compared to the adjusted overtime budget of \$14.16 million (**Attachment B**).

Oakland Fire Department (OFD)

The Fire Department is projected to end FY 2017-18 with overspending of approximately (\$5.96 million) primarily due to overtime. Overtime spending in OFD is estimated to be \$17.44 million at fiscal year-end, which is approximately \$15.96 million over the Adjusted Budget.

Oakland Public Library (OPL)

OPL is estimated to end the fiscal year with a savings of \$0.33 million due to salary savings.

Oakland Parks & Recreation (OPR)

OPR is projected to end the fiscal year with a savings of \$0.85 million from salary savings.

Human Services Department (HSD)

Human Services is projected to end the fiscal year at budget.

Economic Workforce & Development (EWD)

EWD is projected to end the fiscal year with underspending of \$0.78 million from salary savings associated with vacancies.

Housing & Community Development (HCD)

Housing is projected to end the fiscal year at budget.

Planning & Building

Planning is projected to end the fiscal year at budget.

Oakland Public Works (OPW)

OPW is projected to end the fiscal year with a savings of \$0.27 million from salary savings.

Department of Transportation (DOT)

DOT is projected to end the fiscal year with a savings of \$1.20 million from salary savings.

Non-Departmental

Non-Departmental is projected to end the fiscal year overspent by approximately (\$1.49) million due to under-recovery of Central Services Overhead costs.

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

Self-Insurance Liability Fund

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

Expenditures are projected to end the year at budget. Revenues at fiscal year-end are estimated to reach \$24.33 million, which is \$1.58 million higher than the Adjusted Budget (**Attachments C-1 & C-2**). Table A below shows the estimated ending available fund balance improving by fiscal year-end to a negative \$6.38 million primarily due to the budgeted fund balance repayment of \$2.35 million. This fund has maintained its repayment plan and is expected to eliminate the negative fund balance by FY 2021-22.

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

(\$ in millions)

SELF-INSURANCE LIABILITY FUND (1100)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$10.31)	(\$10.31)	
Revenue	\$22.74	\$24.33	\$1.58
Expenditures	\$22.74	\$22.75	(\$0.00)
Estimated Current Year Surplus/(Shortfall)	(\$0.00)	\$1.58	\$1.58
Subtotal Fund Balance	(\$10.31)	(\$8.73)	
Use of Fund Balance in FY 2017-18:			
Budgeted Fund Balance Repayment	\$2.35	\$2.35	
Estimated Ending Fund Balance	(\$7.96)	(\$6.38)	

Multipurpose Reserve Fund

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

Expenditures are projected to end the year less (\$0.13 million) than the net Adjusted Budget of \$9.39 million. Revenues at fiscal year-end are estimated to be \$10.72 million, which is \$1.32 million higher than the Adjusted Budget (**Attachments D-1 & D-2**). Table B below shows the estimated available fund balance improving by fiscal year-end to \$0.31 million.

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

(\$ in millions)

MULTIPURPOSE RESERVE FUND (1750)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.61)	(\$0.61)	
Revenue	\$9.39	\$10.72	\$1.32
Expenditures	\$9.39	\$9.26	\$0.13
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$1.46	\$1.46
Subtotal Fund Balance	(\$0.61)	\$0.85	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$0.80)	(\$0.80)	
Budgeted Fund Balance Repayment	\$0.27	\$0.27	
Estimated Ending Fund Balance	(\$1.14)	\$0.31	

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), projected year-end revenue and expenditure results show a deficit of \$0.14 million (**Attachments E-1 & E-2**). Additionally, when accounting for obligated amounts carried forward to FY 2017-18 and beginning fund balance deficit of \$0.66 million, the deficit is projected to increase to \$1.38 million. The LLAD fund eliminated its roughly \$6.0 million negative fund balance by FYE 2014-15, however rapidly increasing costs and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining 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 2017-18 to mitigate any further reductions in the fund balance.

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

(\$ in millions)

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.66)	(\$0.66)	
Revenue	\$19.93	\$19.81	(\$0.12)
Expenditures	\$19.93	\$19.95	(\$0.02)
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.14)	(\$0.14)
Subtotal Fund Balance	(\$0.66)	(\$0.80)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$0.74)	(\$0.74)	
Budgeted Fund Balance Repayment	\$0.16	\$0.16	
Estimated Ending Fund Balance	(\$1.24)	(\$1.38)	

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.

Projected fiscal year-end results for the Reproduction Fund (4300) shown in Table D indicate that revenues will be lower than expenditures by approximately (\$0.46) million (**Attachments F-1 & F-2**). The cash balance at year end is estimated to go further negative to (\$2.31) million primarily due to lower than anticipated of revenues.

Table D: FY 2017-18 Reproduction Fund Projected Year-End Available Fund Balance

(\$ in millions)

REPRODUCTION FUND (4300)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$1.85)	(\$1.85)	
Revenue	\$1.26	\$0.84	(\$0.42)
Expenditures	\$1.26	\$1.30	(\$0.04)
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.46)	(\$0.46)
Subtotal Fund Balance	(\$1.85)	(\$2.31)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$0.00)	\$0.00	
Estimated Ending Fund Balance	(\$1.86)	(\$2.31)	

Facilities Fund

This fund is reported on a cash basis. Projected fiscal year-end results for the Facilities Fund (4400) shown in Table D indicate that revenues will be higher than expenditures by approximately \$2.98 million (**Attachments G-1 & G-2**). The estimated ending cash balance will improve by roughly \$4.55 million due to higher revenues, lower spending, and the budgeted repayment to fund balance of \$4.23 million. Based on FY 2017-18 projections, and despite budgeted amounts carried forward to FY 2017-18 of \$2.66 million, the negative fund balance will be eliminated ahead of the scheduled repayment plan. The projected ending cash balance is a negative \$3.72 million. The FY 2017-19 Adopted Policy Budget allocates additional one-time funding (\$4.23 million) in FY 2108-19 to eliminate the remaining negative cash balance.

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

(\$ In millions)

FACILITIES FUND (4400)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$8.27)	(\$8.27)	
Revenue	\$37.92	\$38.18	\$0.26
Expenditures	\$37.92	\$35.20	\$2.72
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$2.98	\$2.98
Subtotal Fund Balance	(\$8.27)	(\$5.29)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$2.66)	(\$2.66)	
Budgeted Fund Balance Repayment	\$4.23	\$4.23	
Estimated Ending Cash Balance	(\$6.70)	(\$3.72)	

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 OPW. 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.

Projected fiscal year-end results for the Central Stores Fund (4500) shown in Table F indicate that revenues and expenditures will be equal at approximately \$0.32 million (**Attachments H-1 & H-2**). The resulting ending cash balance will remain unchanged.

Table F: FY 2017-18 Central Stores Fund Projected Year-End Available Fund Balance

(\$ in millions)

CENTRALS STORES FUND (4500)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$4.23)	(\$4.23)	
Revenue	\$0.34	\$0.32	(\$0.02)
Expenditures	\$0.34	\$0.32	\$0.02
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.00	\$0.00
Subtotal Fund Balance	(\$4.23)	(\$4.23)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$0.00)	(\$0.00)	
Estimated Ending Fund Balance	(\$4.23)	(\$4.23)	

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.

Projected fiscal year-end results shown in Table G indicate that revenues will be slightly higher than expenditures by approximately \$0.01 million (*Attachments I-1 & I-2*). The estimated ending cash balance will improve to a deficit (\$0.57).

Table G: FY 2017-18 Central Stores Fund Projected Year-End Available Fund Balance

(\$ in millions)

PURCHASING FUND (4550)	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 Projected FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$0.58)	(\$0.58)	
Revenue	\$1.37	\$1.37	\$0.00
Expenditures	\$1.37	\$1.36	\$0.00
Gross Beginning Cash Balance	\$0.00	\$0.01	\$0.01
Revenue	(\$0.58)	(\$0.57)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	\$0.00	\$0.00	
Estimated Ending Fund Balance	(\$0.58)	(\$0.57)	

NEGATIVE FUND BALANCES

The City ended FY 2016-17 with audited negative balances totaling an estimated \$72.57 million, which is a slight reduction over FY 2015-16. It is important to note that the City continues to make progress in FY 2017-18 on its funds that have negative balances. Two of the funds reported at Third Quarter are projected to achieve a positive fund balance ahead of the repayment schedules.

The last four (4) Adopted Policy Budgets (FY 2009-2017) included repayment plans for the City to repay itself for the use of pooled cash for both Program Funds and Internal Service Funds (ISFs). The Repayment Plan has been monitored closely by staff, and staff has also instituted more frequent draw-downs of grant funds, as well as increased oversight and management of expenditures for funds with negative balances. Since FY 2009-10, **over \$66.2 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest (Table 15). The FY 2017-19 Adopted Policy Budget allocates additional one-time funding to eliminate the remaining repayments in the Facilities Fund (4400) to achieve on-going savings across several City funds including the GPF. Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. Continued commitment to repayment is strongly encouraged to ensure the necessary financial progress as a commitment to external auditors. **On April 17, 2018, Council passed Resolution 87140 C.M.S which removes appropriations from two capital funds (Municipal Capital Improvement and Capital Reserve) which will prevent worsening the already negative fund balances.**

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

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

PUBLIC OUTREACH / INTEREST

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

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

Social Equity: There are no social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

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

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

Respectfully submitted,



KATANO KASAINÉ
Finance Director, Finance Department

Reviewed by:
Adam Benson
Budget Administrator, Budget Bureau

Prepared by:
Kirsten LaCasse
Controller, Controller's Bureau

Margaret O'Brien
Revenue & Tax Administrator, Revenue
Management Bureau

Attachments (13):

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Overtime Analysis*
- C-1: *Self-Insurance Liability Fund Revenues*
- C-2: *Self-Insurance Liability Fund Expenditures*
- D-1: *Multipurpose Reserve Fund Revenues*
- D-2: *Multipurpose Reserve Fund Expenditures*
- E-1: *Landscape and Lighting Assessment District Fund Revenues*
- E-2: *Landscape and Lighting Assessment District Fund Expenditures*
- F-1: *Reproduction Fund Revenues*
- F-2: *Reproduction Fund Expenditures*
- G-1: *Facilities Fund Revenues*
- G-2: *Facilities Fund Expenditures*
- H-1: *Central Stores Fund Revenues*
- H-2: *Central Stores Fund Expenditures*
- I-1: *Purchasing Fund Revenues*
- I-2: *Purchasing Fund Expenditures*

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
PROPERTY TAX	182.71	122.53	67.1%	184.44	1.73	Property Tax revenues are forecasted to exceed FY 2017-18 Adopted Budget by \$1.73 million due to an estimated 7.13% growth in general property tax receipts based upon new County Assessor data as well as the forecasted receipt of additional RPTTF revenues
SALES TAX	56.00	35.11	62.7%	58.68	2.69	The increase in sales tax is largely due to one-time bus purchases by Alameda County Transit and an increase in sales tax derived from fuel sales.
VEHICLE LICENSE FEES	0.00	0.22	0.0%	0.22	0.22	
BUSINESS LICENSE TAX	79.58	77.96	98.0%	80.96	1.38	The forecast includes the receipt of \$2.34 million from a single taxpayer as the result of a business tax audit that was not included in the original FY 2017-18 Adopted Budget. These audit revenues are considered one-time revenues
UTILITY CONSUMPTION TAX	50.70	34.91	68.8%	53.14	2.44	Utility User Tax is forecasted at a 2.75% increase when compared to FY 2016-17 audited receipts.
REAL ESTATE TRANSFER TAX	75.82	45.37	59.8%	75.82	0.00	RETT is expected to be at budget. The revenue derived from baseline property sales through the Third Quarter decreased 1.86% when compared to last fiscal year
TRANSIENT OCCUPANCY TAX	22.65	15.10	66.7%	22.65	0.00	
PARKING TAX	11.13	7.70	69.2%	11.13	0.00	
LICENSES & PERMITS	2.06	1.84	89.2%	2.06	0.00	
FINES & PENALTIES	22.43	13.28	59.2%	20.97	(1.46)	The decrease is largely due to lower than forecasted parking citation revenues.
INTEREST INCOME	0.74	0.03	3.5%	1.21	0.47	
SERVICE CHARGES	59.50	34.05	57.2%	59.25	(0.25)	
GRANTS & SUBSIDIES	0.12	0.95	798.4%	0.95	0.83	
MISCELLANEOUS	4.50	4.86	108.0%	4.86	0.36	
INTER-FUND TRANSFERS	3.96	2.31	58.3%	3.96	0.00	
Sub-Total Revenue	\$571.91	\$396.22	69.3%	\$580.33	\$8.42	
TRANSFERS FROM FUND BALANCE	8.68			8.68	0.00	
Total Revenue	\$580.59	\$396.22	69.3%	\$589.01	\$8.42	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of Overspending / Savings
MAYOR	2.94	1.98	67.4%	2.88	0.07	
CITY COUNCIL	5.27	3.30	62.6%	4.94	0.33	Savings associated with vacancies.
CITY ADMINISTRATOR	16.35	9.02	55.2%	16.30	0.04	
CITY ATTORNEY	12.00	8.68	72.3%	12.07	(0.07)	Overspending due to personnel costs
CITY AUDITOR	1.97	1.30	65.9%	1.98	(0.01)	
CITY CLERK	2.56	1.20	47.0%	2.55	0.01	
POLICE COMMISSION	2.46	1.47	59.8%	2.45	0.00	
PUBLIC ETHICS COMMISSION	0.95	0.75	78.2%	1.04	(0.08)	Overspending attributed to personnel costs due to full staffing; unable to achieve budgeted vacancy rate
FINANCE DEPARTMENT	27.76	16.68	60.1%	27.46	0.31	Savings associated with vacancies.
INFORMATION TECHNOLOGY	9.84	7.53	76.5%	10.17	(0.33)	Overspending due to personnel costs
RACE & EQUITY	0.49	0.33	67.3%	0.52	(0.02)	Overspending attributed to personnel costs due to full staffing; unable to achieve budgeted vacancy rate
HUMAN RESOURCES	6.42	4.14	64.4%	6.24	0.18	Savings associated with vacancies.
DEPARTMENT OF VIOLENCE PREVENTION	0.26	0.07	28.5%	0.26	0.00	
POLICE DEPARTMENT	253.99	183.39	72.2%	257.96	(3.97)	The projected overspending is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending was provided in a separate report presented to the Finance and Management Committee on February 27, 2018.
FIRE DEPARTMENT	130.03	99.93	76.9%	135.99	(5.96)	The overspending is primarily attributed to overtime. Details on overtime spending were provided in a separate report presented to the Finance and Management Committee on February 27, 2018.
OAKLAND PUBLIC LIBRARY	13.00	9.12	70.1%	12.68	0.33	Savings associated with vacancies.
PARKS & RECREATION	16.80	10.83	64.4%	15.95	0.85	Savings associated with vacancies.
HUMAN SERVICES	14.32	7.27	50.8%	14.32	0.00	
ECONOMIC WORKFORCE & DEVELOPMENT	4.84	2.48	51.3%	4.05	0.78	Savings associated with vacancies.
HOUSING & COMMUNITY DEVELOPMENT	1.12	0.00	0.0%	1.12	0.00	
PLANNING & BUILDING	0.22	0.05	25.1%	0.22	0.00	
OAKLAND PUBLIC WORKS	5.05	1.90	37.7%	4.78	0.27	Savings associated with vacancies.
TRANSPORTATION	11.55	5.52	47.8%	10.35	1.20	Savings associated with vacancies.
NON-DEPARTMENTAL	60.15	38.53	64.1%	61.64	(1.49)	Projected to end the fiscal year overspent due to under-recovery of Central Services Overhead costs.
SUBTOTAL	600.32	415.47	69.2%	607.89	(7.57)	
CAPITAL IMPROVEMENT PROGRAM	3.20	1.45	45.1%	3.20	0.00	
Subtotal Expenditures	\$603.53	\$416.92	69.1%	\$611.09	(\$7.56)	
Amounts Carried Forward From FY 2016-17 (Project & Encumbrances)	(22.94)			(22.94)	0.00	
Total Expenditures	\$580.59	\$416.92	69.1%	\$588.15	(\$7.56)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
 Through Third Quarter (July 1, 2017 - March 31, 2018)
OVERTIME ANALYSIS (in Dollars)**GENERAL PURPOSE FUND**

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Overtime Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,960	0	0.0%	0	8,960	100.0%	
CITY COUNCIL	0	1,854	0.0%	2,472	(2,472)	0.0%	Off-set by salary savings
CITY ADMINISTRATOR	1,157	138,369	11954.7%	185,706	(184,548)	(15944.5%)	Off-set by salary savings
CITY ATTORNEY	0	3,428	0.0%	4,601	(4,601)	0.0%	
CITY AUDITOR	0	4,172	0.0%	5,600	(5,600)	0.0%	
CITY CLERK	11,570	18,051	156.0%	24,227	(12,657)	(109.4%)	Off-set by salary savings
POLICE COMMISSION	0	13,907	0.0%	18,665	(18,665)	0.0%	Off-set by salary savings
PUBLIC ETHICS	0	28	0.0%	37	(37)	0.0%	
FINANCE DEPARTMENT	49,901	198,154	397.1%	265,944	(216,043)	(432.9%)	Off-set by salary savings
INFORMATION TECHNOLOGY	0	67,231	0.0%	90,231	(90,231)	0.0%	
HUMAN RESOURCES	26,390	18,852	71.4%	25,301	1,089	4.1%	Off-set by salary savings
POLICE DEPARTMENT	14,164,362	20,348,891	143.7%	27,162,534	(12,998,172)	(91.8%)	Largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending was provided in a separate report presented to the Finance and Management Committee on April 24, 2018. Partially off-set by savings from vacancies.
FIRE DEPARTMENT	1,484,959	13,574,245	914.1%	17,444,260	(15,959,301)	(1074.7%)	Details on overtime spending were provided in a separate report presented to the Finance and Management Committee on April 24, 2018. Partially off-set by savings from vacancies.
OAKLAND PUBLIC LIBRARY	6,260	2,114	33.8%	2,837	3,423	54.7%	Off-set by salary savings
PARKS & RECREATION	0	21,263	0.0%	28,532	(28,532)	0.0%	Off-set by salary savings
HUMAN SERVICES	0	3,123	0.0%	4,191	(4,191)	0.0%	Off-set by salary savings
ECONOMIC WORKFORCE & DEVELOPMENT	0	12,792	0.0%	17,168	(17,168)	0.0%	Off-set by salary savings
OAKLAND PUBLIC WORKS	0	18,749	0.0%	25,163	(25,163)	0.0%	Off-set by salary savings
TRANSPORTATION	34,550	91,013	263.4%	122,150	(87,600)	(253.5%)	Off-set by salary savings
TOTAL	\$15,788,110	\$34,536,236	218.7%	\$45,429,618	(\$29,641,509)	(187.7%)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
OVERTIME ANALYSIS (in Dollars)
ALL FUNDS

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Overtime Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,910	18	0.2%	25	8,885	99.7%	Off-set by salary savings
CITY COUNCIL	0	1,854	0.0%	2,472	(2,472)	0.0%	Off-set by salary savings
CITY ADMINISTRATOR	1,157	139,219	12028.2%	186,847	(185,689)	(16043.1%)	Off-set by salary savings
CITY ATTORNEY	0	7,106	0.0%	9,537	(9,537)	0.0%	
CITY AUDITOR	0	4,172	0.0%	5,600	(5,600)	0.0%	
CITY CLERK	11,441	48,543	424.3%	65,150	(53,709)	(469.4%)	Off-set by salary savings
POLICE COMMISSION	0	13,907	0.0%	18,665	(18,665)	0.0%	Off-set by salary savings
PUBLIC ETHICS	0	28	0.0%	37	(37)	0.0%	
FINANCE DEPARTMENT	51,126	221,124	432.5%	296,772	(245,645)	(480.5%)	Off-set by salary savings
INFORMATION TECHNOLOGY	2,190	80,911	3693.9%	108,591	(106,401)	(4857.6%)	
HUMAN RESOURCES	26,390	20,520	77.8%	27,541	(1,151)	(4.4%)	Off-set by salary savings
POLICE DEPARTMENT	15,302,265	22,285,280	145.6%	29,745,433	(14,443,168)	(94.4%)	Largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending was provided in a separate report presented to the Finance and Management Committee on April 24, 2018. Partially off-set by savings from vacancies.
FIRE DEPARTMENT	3,777,893	15,707,808	415.8%	20,292,328	(16,514,436)	(437.1%)	Details on overtime spending were provided in a separate report presented to the Finance and Management Committee on April 24, 2018. Partially off-set by savings from vacancies.
OAKLAND PUBLIC LIBRARY	6,260	2,938	46.9%	3,943	2,317	37.0%	Off-set by salary savings
PARKS & RECREATION	0	38,584	0.0%	51,778	(51,778)	0.0%	Off-set by salary savings
HUMAN SERVICES	0	14,094	0.0%	18,915	(18,915)	0.0%	Off-set by salary savings
ECONOMIC WORKFORCE & DEVELOPMENT	0	14,430	0.0%	19,367	(19,367)	0.0%	Off-set by salary savings
HOUSING & COMMUNITY DEVELOPMENT	0	68,041	0.0%	91,318	(91,318)	0.0%	Off-set by salary savings
PLANNING & BUILDING	251,126	808,846	322.1%	1,085,557	(834,431)	(332.3%)	Off-set by salary savings
OAKLAND PUBLIC WORKS	1,119,835	2,062,462	184.2%	2,767,993	(1,648,157)	(147.2%)	Off-set by salary savings
TRANSPORTATION	347,957	982,930	282.5%	1,319,196	(971,240)	(279.1%)	Off-set by salary savings
CAPITAL IMPROVEMENT PROGRAM	0	169,887	0.0%	228,006	(228,006)	0.0%	Off-set by project allocations
TOTAL	\$20,906,551	\$42,692,704	204.2%	\$56,345,071	(\$35,438,520)	(169.5%)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**Through Third Quarter (July 1, 2017 - March 31, 2018)****SELF-INSURANCE LIABILITY FUND REVENUES (\$ in millions)**

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	0.00	(0.03)	0.0%	(0.04)	(0.04)	
SERVICES CHARGES	0.00	0.00	0.0%	0.00	0.00	
MISCELLANEOUS	0.00	1.22	0.0%	1.63	1.63	Insurance claims / settlements
INTER-FUND TRANSFERS	22.74	13.27	58.3%	22.74	0.00	
Total Revenue	\$22.74	\$14.45	58.3%	\$24.33	\$1.58	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**Through Third Quarter (July 1, 2017 - March 31, 2018)****SELF-INSURANCE LIABILITY FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
HUMAN RESOURCES	0.01	0.00	12.8%	0.01	0.00	
POLICE DEPARTMENT	5.80	1.29	22.3%	5.80	(0.00)	
FIRE DEPARTMENT	0.94	0.01	1.4%	0.94	0.00	
PARKS & RECREATION	0.41	0.02	4.4%	0.41	0.00	
PUBLIC WORKS	4.85	1.02	21.0%	4.85	0.00	
NON-DEPARTMENTAL	10.74	5.30	49.3%	10.74	0.00	
Total Expenditures	\$22.74	\$7.64	33.6%	\$22.75	(\$0.00)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS**Through Third Quarter (July 1, 2017 - March 31, 2018)****MULTIPURPOSE RESERVE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
FINES & PENALTIES	0.00	0.00	0.0%	0.00	0.00	
INTEREST INCOME	0.00	0.00	0.0%	0.01	0.01	
SERVICES CHARGES	9.39	7.53	80.2%	10.04	0.65	Off-street parking revenues
MISCELLANEOUS	0.00	0.50	0.0%	0.67	0.67	Car Share revenue
Total Revenue	\$9.39	\$8.04	80.2%	\$10.72	\$1.32	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
MULTIPURPOSE RESERVE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.06	0.05	77.0%	0.07	(0.00)	
FINANCE DEPARTMENT	2.90	2.08	71.8%	2.90	0.00	
ECONOMIC WORKFORCE & DEVELOPMENT	0.40	0.34	86.5%	0.40	0.00	
PUBLIC WORKS	0.25	0.00	0.2%	0.07	0.18	Salary savings due to vacancies
TRANSPORTATION	3.66	1.23		3.71		
NON-DEPARTMENTAL	2.90	1.69	58.3%	2.90	0.00	
CAPITAL IMPROVEMENT PROGRAM	0.02	0.00	0.0%	0.02	0.00	
Subtotal Expenditures	\$10.20	\$5.40	53.0%	\$10.06	\$0.18	
Amounts Carried Forward From FY 2016-17	(0.80)	0.00	0.0%	(0.80)	0.00	
Total Expenditures	\$9.39	\$5.40	53.0%	\$9.26	\$0.18	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)

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

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
FINANCE DEPARTMENT	0.05	0.03	57.1%	0.06	(0.00)	
PARKS & RECREATION	3.48	2.60	74.6%	3.49	(0.01)	Overspending personnel costs
ECONOMIC & WORKFORCE DEVELOPMENT	0.00	0.00	74.3%	0.00	0.00	
PUBLIC WORKS	12.53	7.31	58.4%	12.53	0.00	
TRANSPORTATION	2.60	2.02	77.8%	2.60	0.00	
NON-DEPARTMENTAL	1.97	0.17	8.5%	1.97	0.00	
SUBTOTAL	20.63	12.13	58.8%	20.65	(0.02)	
CAPITAL IMPROVEMENT	0.04	0.01	24.0%	0.04	0.00	
Subtotal Expenditures	\$20.67	\$12.14	82.8%	\$20.69	(\$0.02)	
Amounts Carried Forward From FY 2016-17	(0.74)	0.00	0.0%	(0.74)	0.00	
Total Expenditures	\$19.93	\$12.14	82.8%	\$19.95	(\$0.02)	

**FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)**
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
TAX LEVY	19.16	12.98	67.8%	19.16	0.00	
LICENSES & PERMITS	0.05	0.10	191.8%	0.13	0.08	
FINES & PENALTIES	0.00	0.01	0.0%	0.01	0.01	
INTEREST INCOME	0.00	(0.03)	0.0%	(0.04)	(0.04)	
SERVICE CHARGES	0.21	(0.01)	-3.3%	(0.01)	(0.22)	Revenue for invoicing damage to City property
GRANTS & SUBSIDIES	0.00	0.00	0.0%	0.00	0.00	
MISCELLANEOUS	0.00	0.03	0.0%	0.04	0.04	
INTERFUND TRANSFERS	0.51	0.30	58.3%	0.51	0.00	
Total Revenue	\$19.93	\$13.38	67.2%	\$19.81	(0.12)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
REPRODUCTION FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	0.00	(0.01)	0.0%	(0.01)	(0.01)	
INTERNAL SERVICE	1.26	0.64	50.9%	0.86	(0.41)	
Total Revenue	\$1.26	\$0.63	50.1%	\$0.84	(0.42)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
REPRODUCTION FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
INFORMATION TECHNOLOGY	1.26	0.80	63.9%	1.29	(0.04)	(2.79%)	
NON-DEPARTMENTAL	0.01	0.00	48.1%	0.01	0.00	0.00%	
Subtotal Expenditures	\$1.26	\$0.81	63.9%	\$1.30	(\$0.04)	(2.78%)	
Amounts Carried Forward From FY 2016-17	(0.00)	0.00	0.0%	(0.00)	0.00		
Total Expenditures	\$1.26	\$0.81	63.9%	\$1.30	(\$0.04)	(2.78%)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	0.00	(0.03)	0.0%	(0.04)	(0.04)	
SERVICE CHARGES	0.55	0.51	92.5%	0.68	0.13	
INTERNAL SERVICE	33.04	25.27	76.5%	33.04	0.00	
MISCELLANEOUS	0.10	0.21	199.8%	0.27	0.17	Insurance claims / settlements
INTERFUND TRANSFERS	4.23	4.23	100.0%	4.23	0.00	
Total Revenue	\$37.92	\$30.18	79.6%	\$38.18	\$0.26	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
HUMAN RESOURCES	0.11	0.08	76.2%	0.11	0.00	0.00%	
PUBLIC WORKS	35.48	22.00	62.0%	32.82	2.66	7.50%	Underspending due to vacancies
TRANSPORTATION	0.05	0.00	0.4%	0.00	0.04	99.42%	
NON-DEPARTMENTAL	4.33	3.28	75.8%	4.33	0.00	0.00%	
CAPITAL IMPROVEMENT PROGRAM	0.61	0.39	63.0%	0.60	0.02	2.51%	
Subtotal Expenditures	\$40.57	\$25.75	63.5%	\$37.85	\$2.72	6.71%	
Amounts Carried Forward From FY 2016-17	(2.66)	0.00	0.0%	(2.66)	0.00		
Total Expenditures	\$37.92	\$25.75	63.5%	\$35.20	\$2.72	6.71%	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
CENTRAL STORES FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	(0.02)	(0.02)	143.7%	(0.03)	(0.01)	
INTERNAL SERVICE	0.35	0.18	51.2%	0.35	0.00	
MISCELLANEOUS	0.00	(0.00)	0.0%	(0.00)	(0.00)	
Total Revenue	\$0.34	\$0.16	46.8%	\$0.32	(0.02)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
CENTRAL STORES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
FINANCE	0.34	0.22	66.6%	0.32	0.02	5.76%	
NON-DEPARTMENTAL	0.00	0.00	46.3%	0.00	0.00	0.00%	
Subtotal Expenditures	\$0.34	\$0.23	66.4%	\$0.32	\$0.02	5.71%	
Amounts Carried Forward From FY 2016-17	(0.00)	0.00	0.0%	(0.00)	0.00	0.00%	
Total Expenditures	\$0.34	\$0.23	66.4%	\$0.32	\$0.02	5.71%	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
PURCHASING FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	(0.00)	(0.00)	266.1%	(0.00)	(0.00)	
INTERNAL SERVICE	1.37	0.73	53.2%	1.37	0.00	
MISCELLANEOUS	0.00	0.00	0.0%	0.00	0.00	
Total Revenue	\$1.37	\$0.73	53.1%	\$1.37	\$0.00	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2017 - March 31, 2018)
PURCHASING FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q3 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
FINANCE	1.36	0.97	71.2%	1.35	0.01	1.08%	
NON-DEPARTMENTAL	0.01	0.00	43.9%	0.01	0.00	0.00%	
Subtotal Expenditures	\$1.37	\$0.97	71.0%	\$1.36	\$0.01	1.07%	
Amounts Carried Forward From FY 2016-17	(0.00)	0.00	0.0%	(0.00)	0.00		
Total Expenditures	\$1.37	\$0.97	71.0%	\$1.36	\$0.01	1.07%	



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 MAY 17 PM 2:51

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: OPEB Obligations Funding Policy

DATE: May 14, 2018

City Administrator Approval

Date:

5/17/18

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Directing The City Administrator To Bring A Recommended Funding Policy For Other Post-Employment Benefits (OPEB) Developed In Conjunction With Industry Experts And Stakeholders To City Council No Later Than January 2019.

EXECUTIVE SUMMARY

The City of Oakland (the "City") provides medical benefits to retirees, also referred to as other post-employment benefits (OPEB). The City has historically chosen to pay its OPEB expenses as they come due (as monthly reimbursements to retirees) rather than as they are earned. Payment of OPEB expenses as they come due, rather than as they are earned, results in the accumulation of an unfunded liability for future benefits. As of July 1, 2015, the Unfunded Actuarial Accrued Liability (the "UAAL"), was \$859.99 million. As of June 30, 2017, the City's projected net OPEB obligation was \$359.98 million. In 2014, the City began investing into the California Employer's Retiree Benefit Trust ("CERBT"), an Internal Revenue Code (IRC) Section 115 Trust, with a balance of approximately \$16.1 million as of May 14, 2018.

In recent years, the City was faced with mounting underfunded liabilities for pension plans, but there is an even more pernicious fiscal challenge that needs to be addressed. New updates to the accounting standards will bring OPEB obligations onto the City's books. **Beginning in the fiscal year ending June 30, 2018, the City must recognize the unfunded liabilities of OPEB on its balance sheets, which will impact the City's net position.** It is crucial that the city develop a plan and policy to address the problem of rising OPEB liabilities because pay-as-you-go is not a sustainable option long-term. Additionally, bringing unfunded OPEB liabilities to the forefront has the potential of dragging down the City's credit rating if there is no plan in place to sufficiently address the growing OPEB obligations. A lower credit rating could result in higher borrowing costs to the City and limits the access to the credit market.

In order to properly address and develop a comprehensive plan to tackle the OPEB unfunded liabilities, the City needs to engage all prospective stakeholders such as labor unions, employees, management and City Council, etc. Included as a request in the Mid-Cycle Budget Fiscal Year (FY) 2018-19 is \$150,000 to engage industry experts to assist the City explore the various funding options and cost reductions strategies (such as restructuring of the current

Item: _____
City Council
May 29, 2018

program) and develop a funding policy to address the OPEB obligations no later than January 2019.

BACKGROUND / LEGISLATIVE HISTORY

The City pays partial costs of health insurance premiums for certain classes of retirees. Retirees meeting certain requirements relating to age and years of service are eligible for health benefits. The health benefits are extended to retirees pursuant to labor agreements between the City and its employee labor unions and in resolutions adopted by the City.

The City implemented Governmental Accounting Standards Board (GASB) No. 45 in Fiscal Year 2007-08. As of July 1, 2015, the Actuarial Accrued Liability (the "AAL"), which is equal to that portion of the Actuarial Present Value of Benefits deemed to have been earned to date, was \$862.89 million, and the Unfunded Actuarial Accrued Liability (the "UAAL"), which is the AAL less actuarial value of assets, was \$859.99 million. As of June 30, 2017, the City's projected net OPEB obligation (defined, in terms of balance sheet liability, as the cumulative difference between the annual OPEB cost and the City's contribution to plan since 2008) was \$359.98 million after a pay-as-you-go amount of approximately \$20.42 million for Fiscal Year 2016-17.

GASB No. 45 required the City to book the shortfall between its annual required contribution (ARC) and actual payments, which is a relatively small amount compared to the full unfunded liability. With the implementation of GASB No. 74 and GASB No. 75 which replace GASB No. 45 (beginning the fiscal year ending June 30, 2018), the City is required to recognize and report all unfunded OPEB liabilities as an expense on the financial statements. Because of this change, the City will see a significant reduction in its net position and is required to recognize the unfunded liabilities of those plans on its balance sheets.

In addition to making annual payments on a pay-as-you go basis, the City has begun investing into the California Employer's Retiree Benefit Trust ("CERBT"), an agent multi-employer defined benefit post-employment healthcare funding plan administered by CalPERS. The CERBT is an IRC Section 115 Trust and an investment vehicle that can be used by all California public employers to pre-fund future retiree health and OPEB costs. The City has budgeted \$10 million in FY 2017-18 and an additional \$10 million in FY 2018-19 to fund OPEB obligations. As of May 14, 2018, the City has deposited approximately \$16.1 million into CERBT for its OPEB obligations. **Table 1** sets forth the contribution rates for retirees. **Table 2** sets forth certain information with respect to the City's OPEB obligations for the Fiscal Years ended June 30, 2013, through June 30, 2017.

Table 1
Monthly Contribution Rates for Retirees
(Calendar Year 2018)

	<u>Miscellaneous ⁽¹⁾</u>	<u>Fire</u>	<u>Police</u>
Single	\$558.42	\$ 779.86	\$ 779.86
Two-party	\$558.42	\$1,534.90	\$1,471.01
Multi-party	\$558.42	\$1,664.14	\$1,583.80

⁽¹⁾ Includes \$425.42 retiree medical reimbursement

Item: _____
City Council
May 29, 2018

Table 2
City of Oakland
Post-Employment Benefits Other than Pensions
Fiscal Years 2012-13 through 2016-17

Fiscal Year Ended June 30	Accrued Liability	Unfunded Liability	Annual OPEB Cost	Employer Contribution	Net OPEB Obligation
2013	\$553,530,074 ⁽¹⁾	\$553,530,074 ⁽¹⁾	\$46,291,000	\$17,622,000	\$215,252,000
2014 ⁽²⁾	463,850,944	463,850,944	40,476,000	20,633,000	235,095,000
2015	463,850,944 ⁽¹⁾	463,850,944 ⁽¹⁾	41,585,000	19,758,000	256,922,000
2016	862,891,642	859,990,296	68,584,000	20,482,000	305,024,000
2017	862,891,642 ⁽¹⁾	859,990,296 ⁽¹⁾	75,386,000	20,425,000	359,985,000

⁽¹⁾ Assumed amount, based on prior year's valuation.

⁽²⁾ The City began to partially pre-fund the annual required contribution in the year ended June 30, 2014 by participating in the CERBT sponsored by CalPERS, which increased the discount rate to 5.59%.

ANALYSIS AND POLICY ALTERNATIVES

Challenge and Impacts

A major challenge for the City that must be addressed is OPEB. The City has been paying the current year's premiums on a "pay as you go" basis and reporting them in financial statement notes. The City has not made the ARC to fund liabilities incurred. With the change in accounting standards and the increased financing reporting (GASB No. 74 and GASB No. 75), the City can no longer ignore the full funding of OPEB. As of July 1, 2015, the UAAL is approximately \$862.9 million. The City is partially funded with CERBT with an asset of only \$16.1 million as of May 2018. Therefore, the City's net OPEB obligation has totaled to approximately \$360 million and growing as shown **Table 2**. The City is currently engaging Cheiron, Inc., an actuarial consulting firm, to prepare the actuarial valuation report as of July 1, 2017.

Reducing OPEB liabilities and providing health benefits to active employees and retirees is a challenge, and there is a need for solutions to the ongoing pressure the City is facing for the following reasons:

- The liabilities will continue to grow with compounding interest and eventually must be paid
- GASB No. 74 and GASB No. 75 make OPEB a long-term liability, which must be reported in the annual financial report
- Multiple outside entities use the annual report to assess the creditworthiness and financial soundness
 1. Ratings Agencies
 2. Investors and Creditors

- Funding liabilities now avoids pushing the funding problem onto future generations

Credit ratings agencies (Moody's, Standard and Poor's and Fitch Ratings) have indicated that they will consider OPEB funding status in their evaluations of a government's current financial status. OPEB funding policy and progress are becoming increasingly important among the factors that they use to evaluate a city's credit ratings. A large OPEB obligation and no plan in place to sufficiently address the UAAL is view as a credit weakness to the rating agencies. With the implementation of GASB No. 74 and GASB No. 75, these changes may have an impact on the City's credit rating. A lower credit rating could result in higher borrowing costs to the City and lack of access to the credit market.

Next Steps

While the retiree health benefit has been historically funded on a pay-as-you-go (Pay-Go) basis, i.e., paying only the actual cost of the benefit for retirees in the current fiscal year, financial accounting standards require the City to account for the benefit as if it were actuarially funded. Even though, the City is paying Pay-Go combined with a minimal contribution to CERBT, if the City does not address the UAAL, the City's Pay-Go obligation will continue to grow, consuming resources that would otherwise pay for vital programs and services. With increasing lifespans and rising healthcare costs, the magnitude of OPEB cannot be ignored. In order to properly address and develop a comprehensive funding policy to strategically tackle the OPEB unfunded liabilities, staff recommends engaging professional consultants with the expertise and experience to assist the City in developing funding options and policy best suited for the City. Below are some options that can be explored:

- **Modifications to the City's existing plans** - benefit reductions, cost constraints strategies for current employees vs retirees, changes to vendor contracts, cost-sharing, etc.
- **Pay as you go (or "pay-go")** – pays retiree benefits as they come due. Continue "Pay-As-You-Go" Funding. While making annual payments towards annual OPEB costs is the simplest method in the short run, the "pay-as-you-go" method in the long run may result in annually increasing Net OPEB Obligation. This may occur because the investment return assumptions used in the OPEB calculation for the "pay-as-you-go" method likely will be based on the public agency's general operating fund investments, which usually are based on a shorter investment horizon (and thereby, generally lower rates of return) than the investment horizon for certain trust funds.
- **Pre-funding OPEB Liability** - Pre-funding an account (e.g., making annual payments consistent with the ARC) will allow the City to allocate funds for the express purpose of funding future OPEB costs. The investment returns can be used to reduce the ARC and can result in lower long-term costs. Pre-funding amounts may be deposited in either:
 - 1) **Internal Fund "Reserve"**. This fund is a separate fund set up within the City treasury. However, in order for funds to be counted towards the ARC for GASB purposes, they must meet certain conditions. Therefore, revenues deposited in internal funds will still be treated as "pay-as-you-go" funding for GASB accounting purposes.

- 2) *Trust Fund*. GASB does not require liabilities to be funded through an irrevocable contribution; however, the rules applied under GASB make the use of an irrevocable trust beneficial to the public agency

Table 3 sets some general advantages and disadvantage of the funding options:

Table 3

	Advantages	Disadvantages
Pay-as-you-go	<ul style="list-style-type: none"> • Current year expenditures are lower • Minimal outside professional assistant (actuary every other year, using a roll forward technique) • Convenient, requires no change to current process 	<ul style="list-style-type: none"> • Creates largest liability • Does not address rising costs • No assets to invest so no mitigation of future liabilities • Actuarial valuation must use lower discount rate
Internal Fund "Reserve"	<ul style="list-style-type: none"> • Begins to address funding • Asset can revert to General Fund • Can use funds if needed 	<ul style="list-style-type: none"> • No GASB benefits: so, structure does not improve UAAL or ARC • More expensive • Funds are not guaranteed for OPEB benefits • Lower investments return (invested in pool cash)
Trust Fund	<ul style="list-style-type: none"> • Provide funding for future benefits in a formal, segregated manner • Allow investment in higher return securities • GASB reporting benefits, improves UAAL and ARC reporting using higher discount rate and assets directly offset liabilities on balance sheet 	<ul style="list-style-type: none"> • Requires higher budget commitment upfront • Ongoing budgetary commitment • Requires outside assistant
	<ul style="list-style-type: none"> • Funds are dedicated to only OPEB benefits and are irrevocable • Intergenerational equity 	

Like most cities and states, one significant fiscal challenge facing local governments is funding and accounting for OPEBs for current and retired employees, particularly in light of the new accounting standard GASB No. 74 and GASB No. 75. Below outline samples of other local government addressing the continued growing OPEB obligations:

- City of Alameda
 - 2014 Created OPEB Trust (initial deposit of \$300,000)
 - April 2015, through negotiated labor contracts with Public Safety to help pay for the retirement benefit in return for salary increases
 - January 2016, City contributed \$5.0 million and \$250,000/annually for ten years
 - Public Safety employees annually contribute up to 4% of their salary (depending of date of hire)

- City and County of San Francisco
 - Contribution includes employee contributions and employer contributions, with limits on disbursements from fund until certain thresholds are met
 - Beginning in July 2016, employees hired prior to January 9, 2009 will also contribute a share of their salary to the fund with an equal matching contribution from the City, starting at 0.25% of salary each (employee and City) in Fiscal Year 2015-16, and rising by 0.25% of salary each fiscal year until it reaches 1% of salary each in Fiscal Year 2018-19.
 - No withdrawals from the Fund other than for reasonable administrative expenses are allowed prior to January 2020

- County of Los Angeles
 - Utilize a multi-year strategy to phase-in the prefunding portion, while continuing to make the Pay-Go contribution, limited by the ARC

Recommendation

Pay-Go is an unsustainable option. As a sound, financial management practice, it is preferable to set aside funds for these benefits as they are earned, investing those funds in an interest-bearing account. Over time, pre-fund assets will earn investment income that will be used to pay a portion of or all of future benefits costs, reducing the costs to the City. In addition to pre-funding, the City should explore cost containment strategies in order bring the OPEB obligations to a manageable level long-term. Staff recommends the City Council set-aside funding in an amount of \$150,000 in the Mid-Cycle Budget FY 2018-19 to engage professional consultants with expertise to provide:

- Provide Benchmarks and comparative analysis (City's current benefit vs other agencies)
- Identify potential solutions to lower OPEB costs through policies and labor relations strategies
- Research and provide strategies to address/restructure OPEB program
- Analysis of the benefits, costs and timing of funding options
- Recommend and prepare a funding policy with the objective to:
 1. Demonstrates prudent financial management practices;
 2. Promotes long-term and strategic thinking;
 3. Provides guidance in making annual budget decisions; and
 4. Reassures bond rating agencies

Staff will return to Council no later than January 2019 to present a recommended funding policy to address the OPEB obligations including various funding options and cost reductions strategies.

Item: _____
City Council
May 29, 2018

FISCAL IMPACT

Staff is requesting for the City Council to allocate an amount not-to-exceed one hundred fifty thousand (\$150,000) in the Mid-Cycle Budget FY 2018-19 for services contract related to the OPEB funding options and policy.

PUBLIC OUTREACH / INTEREST

This item did not require public outreach other than the required posting on the City's website.

COORDINATION

This report has been prepared by the Treasury Bureau in coordination with the Finance Department, City Attorney's Office and Budget Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

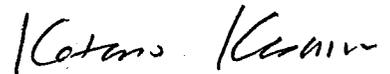
Social Equity: There are no social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Directing The City Administrator To Bring A Recommended Funding Policy For Other Post-Employment Benefits (OPEB) Developed In Conjunction With Industry Experts And Stakeholders To City Council No Later Than January 2019.

For questions regarding this report, please contact Katano Kasaine, Director of Finance, at (510) 238-2989.

Respectfully submitted,

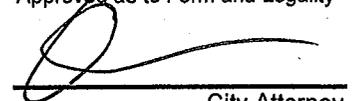


KATANO KASAINE
Director of Finance, Finance Department

Reviewed by:
David Jones, Treasury Administrator
Treasury Bureau

Prepared by:
Dawn Hort, Principal Financial Analyst
Treasury Bureau

2018 MAY 17 PM 2:51


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION DIRECTING THE CITY ADMINISTRATOR TO BRING A RECOMMENDED FUNDING POLICY FOR OTHER POST-EMPLOYMENT BENEFITS (OPEB) DEVELOPED IN CONJUNCTION WITH INDUSTRY EXPERTS AND STAKEHOLDERS TO CITY COUNCIL NO LATER THAN JANUARY 2019

WHEREAS, the City has three programs in place to partially pay health insurance premiums for certain classes of retirees from City employment meeting certain requirements relating to age and service pursuant to labor agreements between the City and local unions and in City resolutions; and

WHEREAS, in August 2004, GASB issued Statement No. 45 (“GASB 45”), “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions” (“OPEB”), which addresses how state and local governments should account for and report the annual cost; and

WHEREAS, in 2014, the City began to partially pre-fund the annual required contribution (ARC) to the California Employer’s Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS and CERBT is an Internal Revenue Code (IRC) Section 115 Trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and OPEB costs; and

WHEREAS, the City’s OPEB Actuarial Accrued Liability (the “AAL”) which is equal to that ~~portion of the Actuarial Present Value of Benefits deemed to have been earned to date was~~ \$862.89 million and the Unfunded Actuarial Accrued Liability (the “UAAL”), which is the AAL less actuarial value of assets, was \$859.99 million as of July 1, 2015; and

WHEREAS, as of June 30, 2017, the City’s projected net OPEB obligation (defined, in terms of balance sheet liability, as the cumulative difference between the annual OPEB cost and the City’s contribution to plan since 2008) was \$359.98 million after a pay-as-you-go amount of approximately \$20.42 million for Fiscal Year 2016-17.

WHEREAS, beginning in the fiscal year ending June 30, 2018, the City must recognize the OPEB unfunded liabilities as an expense on the City’s balance sheets due to the implementation of GASB 74 and 75 which replace GASB 45, which will impact the City’s net position; and

WHEREAS, after further research, staff has determined Pay-As-You-Go is an unsustainable option, in addition to the pre-funding option, the City should explore cost containment strategies in order bring the OPEB obligations to a manageable level long-term; and

WHEREAS, the Mid-Cycle Budget Fiscal Year 2018-19 allocates an amount of \$150,000 for consulting services related to OPEB fund policy and funding options; now, therefore be it

RESOLVED, that the City Council finds and determines that the foregoing recitals are true and correct; and be it

FURTHER RESOLVED, that the City Council hereby direct the City Administrator to bring a recommended funding policy for other post-employment benefits (OPEB) developed in conjunction with industry experts and stakeholders no later than January 2019.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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