

CITY OF OAKLAND
AGENDA REPORT

2010 MAR 25 PM 3:49

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: April 1, 2010

RE: **Resolution Amending the City of Oakland's FY 2009-11 Biennial Budget, Which Was Adopted Pursuant To Resolution No. 82102 C.M.S., To Eliminate One Position In The Parking Enforcement Program, One Position In The Right of Way Management Program, and Transfer One Position In The Street and Sidewalk Maintenance Program To The Sewer Service Fund From The Local Highway Users Tax Act (State Gas Tax) Due To A Projected Decrease In Revenues Totaling \$389,000 Effective July 1, 2010**

SUMMARY

The purpose of this report is to seek City Council approval to amend the FY 2009-11 Adopted Budget to reflect the anticipated reduction in state gas tax revenues (Fund 2230) effective July 1, 2010.

In total, 3.0 FTE are proposed for reduction in the State Gas Tax (Fund 2230), including the elimination of 2.0 FTE and the transfer of 1.0 FTE to the Sewer Service Charge (Fund 3100).

Staff recommends that the City Council adopts the resolution.

FISCAL IMPACT

Based on published estimates from the State of California, in FY 2010-11 the City of Oakland is expected to receive \$389,000 less in State Gas Tax revenue than anticipated upon the adoption of the FY 2009-11 biennial budget. At that time, the estimated revenue was \$7.19 million matching the expenditures budget of \$7.19 million.

The current revenue projection in FY 2010-11 is \$6.8 million, so there is a budget gap of \$389,000. Adjustments are necessary in these funds to rebalance them.

BACKGROUND

Due to continued economic difficulties, the State of California is receiving less in State Gas Tax revenues than anticipated. State Gas Tax revenues are derived from an excise tax of \$0.18 per gallon of gasoline and distributed to municipalities on a per capital basis. The City of Oakland

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uses the funds to provide for street and sidewalk maintenance activities and some traffic maintenance activities.

KEY ISSUES AND IMPACTS

Staff has proposed reductions to balance the FY 2010-11 budget that minimize service impacts. Each reduction and the service impact are as follows:

Parking Enforcement Program

Reduce 1.0 FTE Public Works Supervisor I (filled). The functions of this position will be consolidated under the Parking Meter Collections Supervisor.

Right of Way Management Program

Reduce 1.0 FTE Senior Construction Inspector. This is a vacant position in the Community and Economic Development Agency (CEDA) / Department of Engineering and Construction (DEC). The last incumbent of this position retired over six months ago. DEC has not filled this position because of the ongoing streamlining of workload and business processes within this work unit as a means to generate efficiencies and to ensure costs are in line with actual revenues.

Street and Sidewalk Maintenance Program

Transfer 1.0 FTE Public Works Supervisor I to the Sewer Service Charge (Fund 3100). A very thorough review of the positions budgeted under the State Gas Tax revealed that this one position should be transferred to the Sewer Service Charge because the position and incumbent performs work in the Sewer Maintenance unit. This transfer reduces the liability to the State Gas Tax without creating service impacts in the Street and Sidewalk Maintenance Program.

SUSTAINABLE OPPORTUNITIES

The loss of local gas tax revenue and associated reductions are not expected to have a direct impact on the City's ability to promote economic, environmental or equity opportunities.

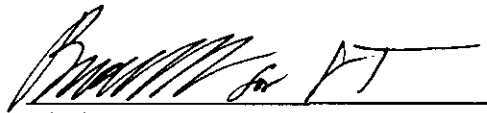
DISABILITY AND SENIOR CITIZEN ACCESS

The loss of local gas tax revenue and associated reductions are not expected to have a direct impact on the current level of services provided for disability and senior citizen access.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt the resolution and accompanying report.

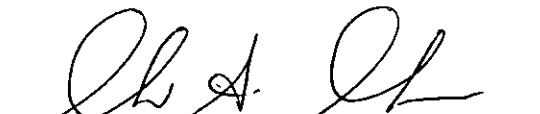
Respectfully submitted,



Vitaly B. Troyan, P.E.
Public Works Agency Interim Director

Prepared by:
Stephanie Hom, Agency Administrative Manager
Public Works Administration

APPROVED AND FORWARDED TO THE
CITY COUNCIL:


Office of the City Administrator

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FILED
OFFICE OF THE CITY CLERK
OAKLAND

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Approved as to Form and Legality

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

DRAFT

RESOLUTION AMENDING THE CITY OF OAKLAND'S FY 2009-11 BIENNIAL BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 82102 C.M.S., TO ELIMINATE ONE POSITION IN THE PARKING ENFORCEMENT PROGRAM, ONE POSITION IN THE RIGHT OF WAY MANAGEMENT PROGRAM, AND TRANSFER ONE POSITION IN THE STREET AND SIDEWALK MAINTENANCE PROGRAM TO THE SEWER SERVICE FUND FROM THE LOCAL HIGHWAY USERS TAX ACT (STATE GAS TAX) DUE TO A PROJECTED DECREASE IN REVENUES TOTALING \$389,000 EFFECTIVE JULY 1, 2010

WHEREAS, the State of California has published reduced revenue projections for FY 2010-11 due to continued statewide economic declines; and

WHEREAS, the City of Oakland is expected to receive \$389,000 less in State Gas Tax revenue during FY 2010-11 than anticipated upon the adoption of the FY 2009-11 biennial budget; and

WHEREAS, at that time, the estimated revenue was \$7.19 million matching the expenditures budget of \$7.19 million, while the current revenue projection in FY 2010-11 is \$6.8 million; and

WHEREAS, adjustments are necessary to rebalance the State Gas Tax fund; and

WHEREAS, the proposed adjustments are proposed as they have the least impact to services provided to the public; now therefore be it,

RESOLVED, That the City's FY 2009-11 budget, which was adopted pursuant to Resolution No. 82102 C.M.S., is hereby amended to adjust appropriations in the State Gas Tax Fund (2230) through the elimination of 1.0 FTE Public Works Supervisor I in the Parking Enforcement Program, 1.0 FTE Senior Construction Inspector in the Right of Way Management Program, and the transfer of 1.0 FTE Public Works Supervisor I in the Streets and Sidewalks Program to the Sewer Service Charge (Fund 3100) and the Sewer Maintenance Program in order to rebalance the FY 2010-11 budget.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIHGAN, NADEL, QUAN, REID and PRESIDENT
BRUNNER
NOES-
ABSENT-
ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California