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City of
OAKLAND
California



City of Oakland Special City Council Meeting

June 2, 2014

Proposed Mid-Cycle FY 2014-2015 Budget

General Purpose Fund (GPF)			
	Adopted	Amendment	Total
Revenue	\$459.87	\$29.22	\$489.09
Expenditure	\$459.87	\$29.22	\$489.09

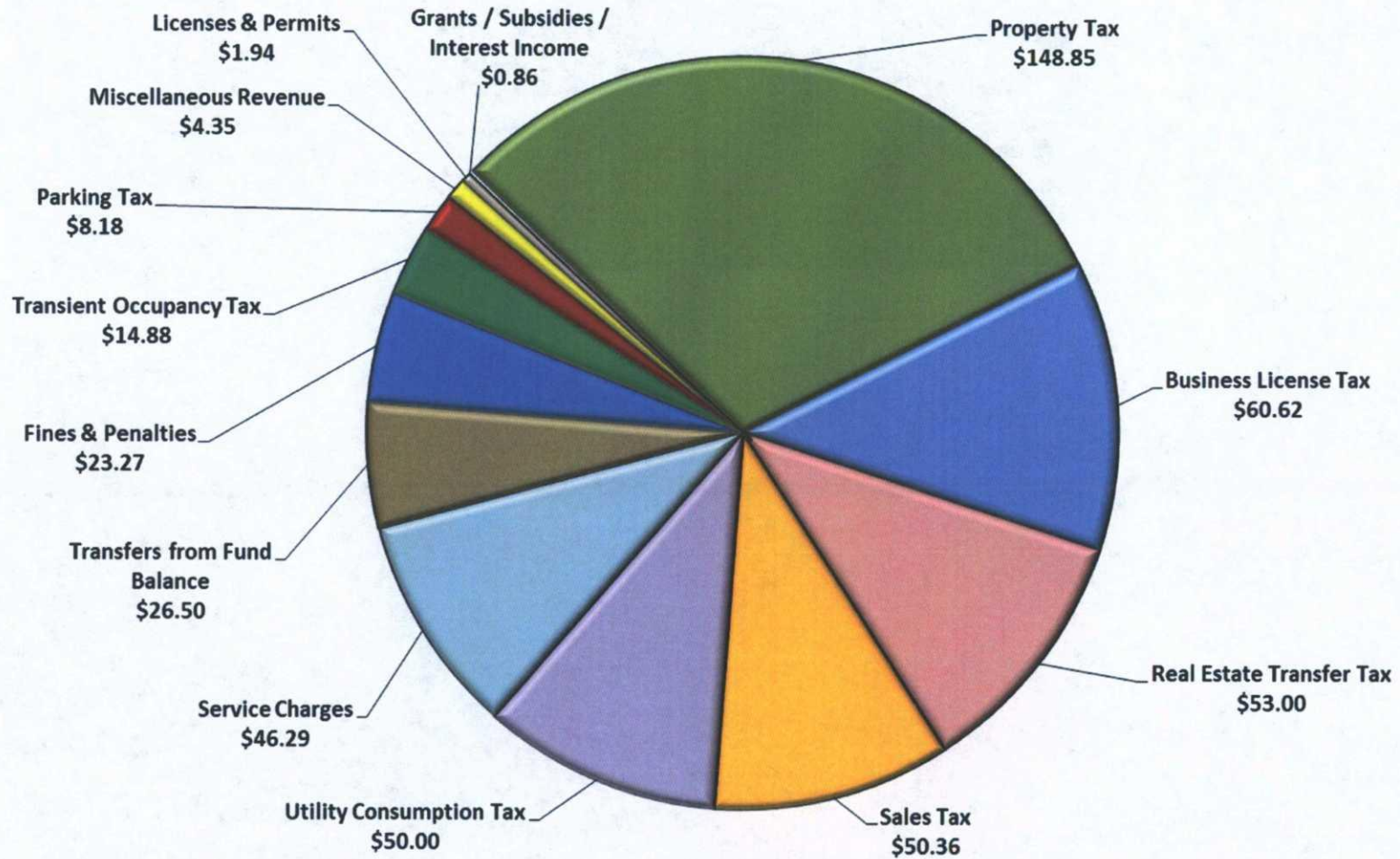
All-Funds			
	Adopted	Amendment	Total
Revenue	\$1,090.12	\$58.33	\$1,148.45
Expenditure	\$1,090.12	\$58.33	\$1,148.45

Proposed Mid-Cycle FY 2014-2015 Budget

- ▶ Aligns with the service delivery priorities identified by City Council during FY 2013-15 budget deliberations
- ▶ Continues to invest in:
 - ▶ Public Safety;
 - ▶ Stabilizing Our Workforce;
 - ▶ Economic Growth, Job Creation & Training, Education;
 - ▶ Equipment and Technology;
 - ▶ And Quality Of Life Improvements.

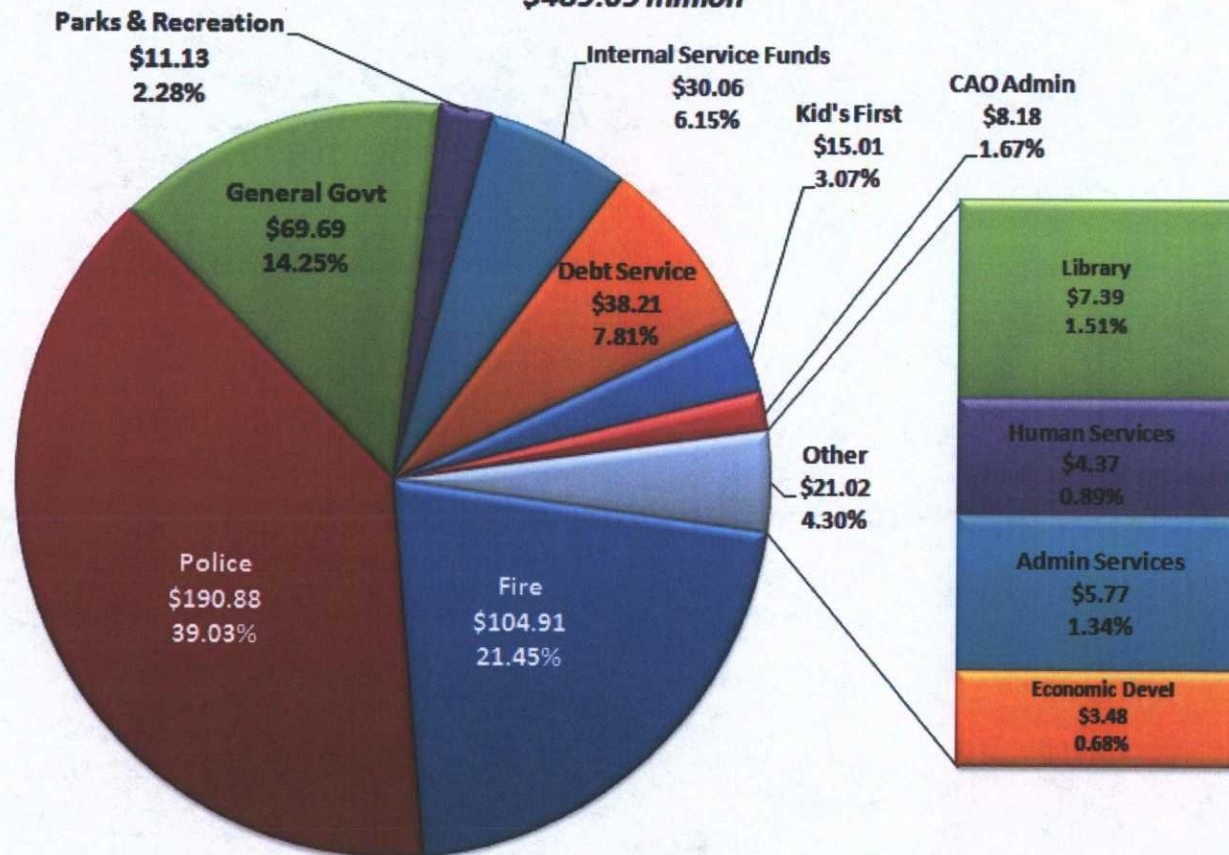
GPF Revenues

Projected GPF FY 2014-15 Revenues by Category (in millions)
\$489.09 million



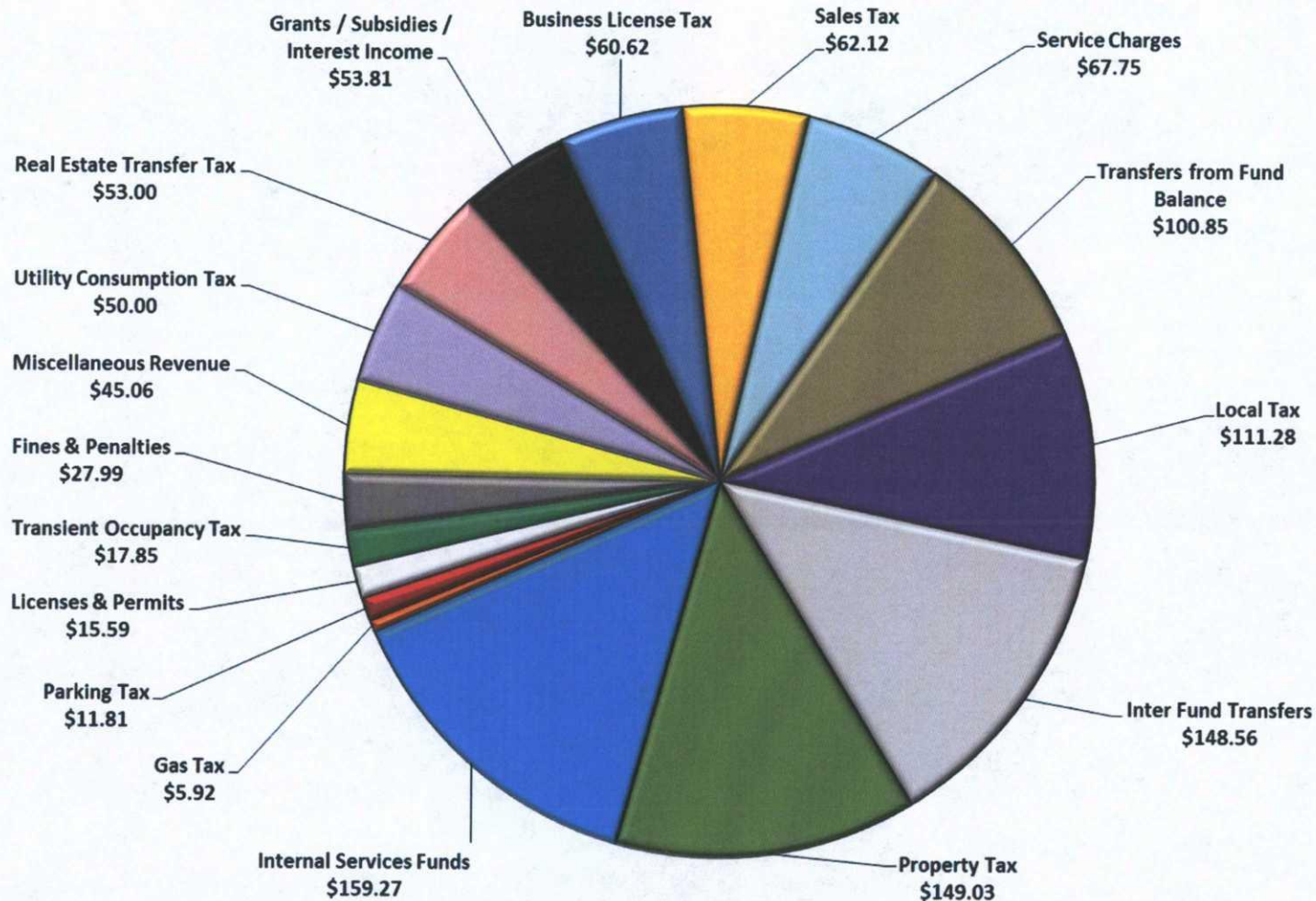
GPF Expenditures

FY 2014-15
TOTAL GENERAL FUND EXPENDITURES by Service Areas (in millions)
\$489.09 million



All Funds Revenues

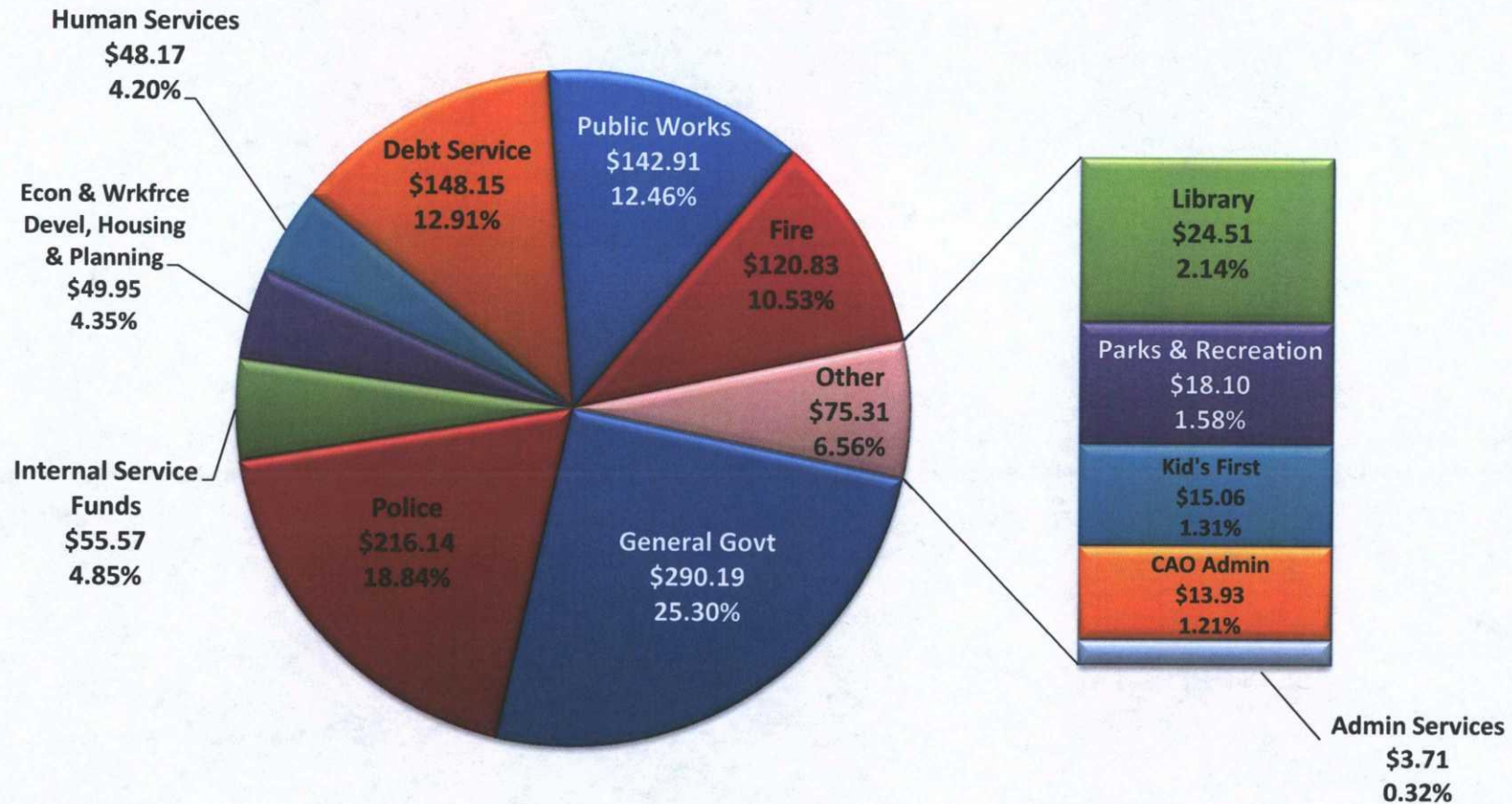
Projected All Funds FY 2014-15 Revenues by Category (in millions)



All Funds Expenditures

FY 2014-15

TOTAL ALL-FUNDS EXPENDITURES by Service Areas (in millions)



Public Safety

- ▶ Funding for the 171st Police Academy (\$1,414,480)
- ▶ Funding for recruitment of the 172nd Police Academy (funding from carryforward appropriations)
- ▶ Continue the funding for Shotspotter, and fund expanded Shotspotter coverage areas (\$494,600)
- ▶ Increase funding for the Ceasefire program (\$280,000)
- ▶ Additional funding for Police overtime (\$2,136,310)
- ▶ Continue funding for the Negotiated Settlement Agreement (\$553,000)

Stabilizing Our Workforce

- ▶ Funding to restore 6.0 FTE Information Technology staff positions (\$1 million)
- ▶ Funding for sewer capital improvements and increased staff levels for sewer replacement / maintenance with funding derived from the Sewer Service Enterprise Fund (3100) (net increase of almost \$12 million)
- ▶ Increase funding for the Animal Shelter, including the addition of 4.0 FTE part-time Animal Control Attendants, previously approved by the City Council, plus \$400,000 for additional staff (e.g. Veterinarian, Supervisor and support staff)
- ▶ Funding a citywide employee training coordinator (\$130,000)
- ▶ Increasing the GPF reserve by \$2.73 million for unforeseeable events, economic uncertainties and paying down the unfunded liabilities. This addition brings the reserve to \$5.12 million above and beyond the 7.5% mandated amount, or 8.53%

Economic Growth, Job Creation and Training, Education

- ▶ Continue bridge funding for the West Oakland Job Resource Center (\$250,000)
- ▶ Expand the youth internship programs to a year-around program (\$114,000)
- ▶ Sustain Head Start Program by providing gap funding between the grant award amount and actual costs (\$753,000)

Quality of Life Improvements

- ▶ Increase support to the Cultural Art Grants Program from part-time to full-time (\$73,000)
- ▶ Funding to continue the Walking Tours Program (\$63,000)

Investment in Technology and Equipment

- ▶ Funding for software and hardware upgrades, equipment throughout the City and a payment card security system audit (\$3.9 million)
- ▶ Funding for City's website (Digital Front Door) (\$75,000 in GPF and \$50,000 in other funds)

Financial Policy – One Time Revenues

Current Policy

- ▶ Ordinance 13170 C.M.S. Is the City's financial policy which permits the use of excess RETT to pay for one-time expenses and that states that one-time revenue may only be used for one-time expenditures.
- ▶ Any other use of one-time funds requires the declaration of a fiscal emergency.

Impacts on the Midcycle Budget

- ▶ In FY 2014-15, it is projected that \$19.90 million in one-time funds will be used to balance the budget.
- ▶ Staff recommends that the City Council consider the State's approach to budgeting volatile revenues by defining the amount of a volatile revenue source that is considered ongoing as a percentage of overall GPF tax revenue. For Oakland this revenue source is RETT, for the State it is Capital Gains Tax.
- ▶ And further recommends that the required declaration of a fiscal emergency be replaced by a determination of fiscal necessity via a separate resolution approved by super-majority vote of the City Council.

Questions & Answers