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AGENDA REPORT

TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Osborn K. Solitei
Director of Finance/Controller

SUBJECT: FY 2013-14 Q4 R&E Report

DATE: October 10, 2014

City Administrator
Approval

Date

10/14/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

A Resolution accepting the unaudited FY 2013-14 Fourth Quarter Revenue and Expenditure Results and Year-End Summaries For Four Selected Funds: General Purpose Fund (1010), Landscape & Lighting Assessment District Fund (2310), Equipment Fund (4100) and Facilities Fund (4400); and Overtime Analysis for the General Purpose Fund (1010) and All Funds; And authorizing the City Administrator to adjust the General Purpose Fund Expenditure Appropriations in the amount of \$0.50 million over budget by Departments listed in Exhibit A attached herein.

OUTCOME

Staff requests that the Council authorize the City Administrator to adjust the FY 2013-14 budget for the unaudited actual amounts that are over budget for expenditures (Attachment A-2).

EXECUTIVE SUMMARY

Based on the results of the fourth quarter for FY 2013-14, the unaudited available fund balance (excluding the Council appropriated reserves) at year-end is estimated to be **\$11.25 million** (Table 3) resulting from higher revenue collection over projections due to continued economic growth (Attachment A-1) and also underspending in expenses due to tight and diligent controls in place (Attachment A-2). The ongoing revenues grew by \$6.26 million compared to FY 2012-13. As presented in the FY 2013-14 Third Quarter Revenue and Expenditure Report to Council, the estimated year-end fund balance for the General Purpose Fund (GPF) was approximately \$15.76 million (excluding the Council appropriated reserves), all of which was allocated in the FY 2014-15 MidCycle Adopted Budget. If Council appropriates from this additional available fund balance, the 7.5% reserve requirement would have to increase accordingly.

Item: _____
Finance and Management Committee
October 28, 2014

Highlights of this FY 2013-14 fourth quarter revenue and expenditure report include:

- The unaudited actual revenues for the GPF totaled \$459.93 million, which exceeds the Third Quarter projections by \$9.50 million. (*Attachment A-1*);
- The unaudited actual expenditures for GPF totaled \$446.02 million, which was below the adjusted budget by \$11.67 million (*Attachment A-2*);
- The GPF unaudited ending available fund balance is approximately **\$11.25 million** (excluding the 7.5% reserve and FY 2014-15 allocations, as shown in *Table 3*);
- Citywide overtime expenditures across all funds is \$49.71 million, exceeding the adjusted budget by \$28.35 million, of which \$26.40 million is in the GPF, and is absorbed by salary savings as shown in *Table 2* ; overtime spending by department is listed in *Attachment B*; and
- The total designated reserve balance (including the 7.5% required reserve and other items set-aside by Council) is **8.02%** (\$39.27 million) of the net FY 2014-15 MidCycle Adopted Budget (*Table 3*)

The unaudited year-end available GPF fund balance is estimated to be **\$11.25 million** (*Table 3*). It should be noted that this balance reflects the net difference between the revenue and expenditure results, as well as, a number of adjustments made for: (1) FY 2014-15 amounts funded by GPF fund balance as authorized in the FY 2014-15 MidCycle Adopted Budget; and (2) unspent project and encumbrance balances carried forward into FY 2014-15. If the estimated year-end available GPF fund balance (\$11.25 million) is appropriated, the City Council Policy to maintain a 7.5% GPF Reserve requires an increase from \$36.71 million to \$37.54 million, for a total designated reserve balance of \$40.11 million.

Generally, the revenue receipts in FY 2013-14 reflect continued growth in the local economy and recovery from the global recession and housing crisis. All local and State tax categories showed continued growth over FY 2012-13 revenues. Notably, an improved local real-estate market has led to strong growth in Real-Estate Transfer Tax (RETT) revenues (both nonrecurring sales and on-going revenues), as well as an increase in Business Tax revenues. Details of unaudited revenues in comparison to budget are listed in *Attachment A-1*.

The unaudited year-end expenditures for the GPF total \$446.02 million, which is approximately \$11.67 million less than the adjusted budget (*Attachment A-2*) and is primarily attributed to salary savings from vacancies, lower than anticipated cost of issuance for the Tax Revenue Anticipation Note (TRAN), and the decreased need in GPF subsidies for Measure Y and Human Services grants. Additionally, the Mid-Year Budget Balancing Resolution (#84897) adopted by Council on March 28, 2014 appropriated approximately \$7.75 million, based on additional forecasted revenue, to off-set projected overspending (\$6.03 million), which was lower than anticipated. Expenditures by

Department are listed in *Attachment A-2*.

The three other funds analyzed for this report have historically shown negative fund, or cash, balances; all three ended the fiscal year with improved balances as a result of the following actual surpluses (Attachments C-1 to E-2):

- LLAD \$1.03 million
- Equipment Fund \$2.46 million
- Facilities Fund \$2.68 million

It is important to note that while the GPF available fund balance exceeds the Council-mandated 7.5% GPF reserve funding level, and the other three funds reflected in this report (LLAD and the Internal Service Funds) are improving, the City has several funds with negative balances, some of which are on repayment plans.

This report provides analysis and details on the actual fiscal year-end revenues and expenditures in the General Purpose Fund (GPF; 1010), Landscaping and Lighting Assessment District Fund (LLAD, 2310), Equipment Fund (4100) and City Facilities Fund (4400) based on data through the end of the fiscal year (July 1, 2013 – June 30, 2014). Revenues, expenditures and overtime for these funds, as well as overtime for all funds, are presented in this report, and are compared to the FY 2013-14 Adjusted Budget or the Third Quarter projected results.

BACKGROUND/LEGISLATIVE HISTORY

In June 2013, Council adopted the FY 2013-15 Policy Budget, which restored some essential services, provided an allocation for employee compensation, as well as added graduates from three police academies to further strengthen the sworn staff.

On March 28, 2014, Council adopted a Mid-Year Budget Balancing Resolution (#84897), based on the second quarter forecasted revenue, which authorized \$7.75 million in expenditure appropriations and \$18.12 million in revenue adjustments. The majority of the \$7.75 million (\$6.03) was allocated for projected fiscal year-end overspending in various departments.

On July 1, 2014, Council adopted the FY 2014-15 MidCycle Adopted Budget appropriating net expenditures of \$489.52 million, net revenues of \$462.90 million and use of approximately \$26.62 million in fund balance (funding mostly one-time expenditures), for a total balanced budget in the GPF.

This report contains actual year-end budget information for FY 2013-14, including items that were set-aside for the FY 2014-15 Adopted MidCycle Budget.

ANALYSIS

GENERAL PURPOSE FUND

The FY 2013-14 GPF third quarter projected revenue was \$471.56 million, which included a \$21.14 million anticipated transfer from fund balance. Fourth Quarter unaudited actual revenue totaled \$459.93 million, net of Transfers from Fund Balance, which represents an increase of \$7.00 million (net of lease proceeds) as compared to the FY 2013-14 Third Quarter projections (*Table 1*).

Table 1: Summary of GPF Revenue Variance:

Description	FY 2013-14 Revenue
Revenue Projected Q3	\$471.56
Unaudited Year-End Actual Revenue	\$459.93
Variance	(\$11.63)
Budgeted, unused fund balance	\$21.14
Subtotal	\$9.50
Lease Proceeds (parking meters)	(\$2.50)
Net GPF Revenue Growth	\$7.00

The unaudited year-end expenditures are **\$446.02 million**, which is a net **\$11.67 million** less than the adjusted budget and is primarily attributed to salary savings from vacancies, lower than anticipated cost of issuance for the Tax Revenue Anticipation Note (TRAN), and the decreased need in GPF subsidies for Measure Y and Human Services. Additionally, the Mid-Year Budget Balancing Resolution (#84897) adopted by Council on March 28, 2014, appropriated approximately \$6.03 million to off-set projected overspending in various departments. The second quarter projected overspending of \$6.03 million was due to a variety of conditions, including the expenditures in sworn overtime, premiums, and allowances associated with overtime. The total overspending across all departments in FY 2013-14 was \$0.50 million, while total savings were \$12.17 million resulting in a net of \$11.67 million (*Attachment A-2*).

While the GPF has a surplus overall, it is important to note that overtime expenditures exceeded the adjusted overtime budget by \$26.40 million (*Attachment B*), which is primarily attributed to Public Safety. Additionally, salary savings in each of these departments offsets these costs overall as shown in *Table 2*.

Table 2: FY 2013-14 GPF Net Overtime (OT) Overspending and Salary Savings¹

DEPT	Year-End Salary Savings / (Overspending)	Year-End OT Savings (Overspending)	NET Savings / (Overspending)
City Administrator	\$1,291,684	(\$11,801)	\$1,279,883
City Attorney	(\$275,807)	(\$480)	(\$276,286)
City Auditor	(\$90,438)	(\$1,188)	(\$91,626)
City Clerk	\$2,381	(\$2,863)	(\$482)
Economic & Workforce Development Department	(\$25,758)	(\$3,867)	(\$29,625)
Fire Department	\$13,354,984	(\$14,026,710)	(\$671,726)
Human Resources Management Department	\$100,643	(\$5,070)	\$95,574
Human Services Department	(\$138,647)	(\$3,024)	(\$141,670)
Information Technology Department	\$329,637	(\$93,306)	\$236,330
Oakland Parks & Recreation Department	\$15,366	(\$6,739)	\$8,626
Oakland Public Works Department	(\$399,799)	(\$100,816)	(\$500,615)
Police Department	\$12,403,080	(\$12,200,321)	\$202,759
Grand Total²	\$26,567,327	(\$26,456,185)	\$111,142

¹ Table reflects departments overspending OT only; Refer to Attachment B for all departments.

² The Net Savings / Overspending will vary from Attachment A-2 due to O&M variances not captured above.

The audited FY 2013-14 gross beginning fund balance is \$95.25 million – a slight decrease from the unaudited ending fund balance included in the FY 2012-13 Fourth Quarter Revenue and Expenditure Report. Importantly, this amount represents the City Council appropriated reserves for FY 2014-15, project and encumbrance balances carried forward into FY 2014-15, and fund balance used to fund expenditures that are beyond revenues; therefore, the beginning fund balance is different from the available year-end fund balance. The unaudited year-end available fund balance is estimated to be approximately \$11.25 million, after including year-end revenues and expenditures, project and encumbrance carry forward, and adjusting for amounts budgeted in FY 2014-15 (Table 3). The City's GPF reserves are set at \$39.27 million, which includes City Council appropriated set-aside reserves for Library services (\$0.50 million), the Hunger Relief Program (\$0.04) the Vital Services Stabilization Fund reserve (\$2.02 million) and the required 7.5% GPF reserve (\$36.71), totaling 8.02% of the net FY 2014-15 adopted budget.

Item: _____
 Finance and Management Committee
 October 28, 2014

Table 3: FY 2013-14 Year-End Available GPF Fund Balance

Gross Audited Fund Balance	\$95.25
FY 13-14 Unaudited FYE Revenues	\$459.93
FY 13-14 Unaudited FYE Expenditures	(446.02)
Amounts in FY 14-15 Midcycle Adopted Budget	(26.26)
Project Carryforwards	(32.37)
Set-aside in FY 14-15 Adopted Budget:	
Library Reserve	(0.50)
Hunger Relief Program Contingency	(0.04)
Vital Services Stabilization Fund	(2.02)
Subtotal Available Fund Balance	\$47.96
7.5% GPF Required Reserve <i>(based on FY 14-15 adopted expenditures)</i>	(36.71)
Estimated Ending Available Fund Balance¹	\$11.25

¹ If Council appropriates any of the available fund balance, the reserve policy requires that the 7.5% GPF Required Reserves must increase

Table 4 provides a summary of the unaudited year-end results for the General Purpose Fund.

Table 4: Summary of FY 2013-14 Actual Year-End Revenues & Expenditures

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2013-14 Unaudited Actuals FYE
Beginning Fund Balance - Audited	\$95.25
Revenue	\$459.93
Expenditures	(\$446.02)
Estimated Current Year Surplus/(Shortfall)	\$13.91
Subtotal Fund Balance [A]	\$109.15
Budgeted Amounts Carried Forward (CF) to FY 14-15:	
CHP CONTRACT - FY 2013-15	(\$0.73)
AFFORDABLE HOUSING PROGRAM	(\$1.81)
PENDING LITIGATION EXPENSES & SETTLEMENT	(\$3.85)
EMPLOYEE COLA FY 2013-15	(\$2.36)
COMPLIANCE DIRECTOR COMP STAFF RAP COSTS	(\$4.36)
Other FY 2013-14 CF Items ¹	(\$19.26)
Subtotal CF	(\$32.37)
FY 14-15 MidCycle Adopted Budget:	
Use of Fund Balance <i>(Resolution No. 85085 C.M.S, Exhibit 1)</i>	(\$26.26)
Designated / Mandated Reserves:	
7.5% GPF Required Reserve <i>(based on FY 14-15 adopted expenditure budget)</i>	(\$36.71)
Library Contingency Set-Aside	(\$0.50)
Hunger Relief Program Contingency	(\$0.04)
Vital Services Stabilization Fund Set-Aside	(\$2.02)
Estimated Ending Available Fund Balance [B]	\$11.25

¹ Detailed carryforward balances for FY 2014-15 are listed in Attachment F

REVENUE HIGHLIGHTS (Attachment A-1)

The FY 2013-14 GPF pre-audited year-end actuals total \$459.93 million, which represents an increase of \$9.50 million compared to Fiscal Year 2013-14 Third Quarter R&E report projected revenues of \$450.42 million (net of transfers from Fund Balance). Of the \$9.50 million increase, \$2.50 million is due to Lease Proceeds for parking meters. During Fiscal Year 2013-14, the City experienced strong performance in the commercial real estate sector, which resulted in **\$12.10 million RETT** generated by the sale of eight unusually large commercial transactions. On-going revenues grew by \$6.26 million compared to FY 2012-13. Significant projected variances, compared to the third quarter-adjusted budget, in each revenue category are shown below:

- Business License Tax: +4.05 million
- Real Estate Transfer Tax: +\$2.51 million
- Fines & Penalties: -\$2.44 million

Attachment A-1 provides details of fourth quarter revenue collection in comparison to the third quarter projections. Highlights are provided below.

Property Tax: \$.76 million

The City's real estate market is, by all accounts, strong and growing. There are many variables that need to be considered. The property tax increase, net total tangible property values, grew by 2.14% from FY 2009-10 to FY 2010-11; 5.15% from FY 2010-11 to FY 2011-12; and 5.58% from FY 2012-13 to FY 2013-14.

Business Tax: \$4.05 million

Business tax receipts received through the fourth quarter totaled \$62.91 million, which is \$4.05 million higher than Third Quarter projections. The variance is due to a strong increase in business sector that is reflective of continued economic growth across the Bay Area. As noted in the Third Quarter, registered businesses are still down across all categories. However, while the number of registered businesses has decreased, business tax revenues are increasing due to the existing businesses reporting increased gross receipts. Furthermore, Third Quarter Business License Revenues were not fully accounted for until the Fourth Quarter. The growth rate in the most recent year is 4.2% and 2.83% for year before.

Sales Tax: \$.70 million

Sales tax is considered to be steady and growing. The total sales tax grew 3.24% from FY 2011-12 to FY 2012-13; and 4.78% from FY 2012-13 to FY 2013-14. The most noticeable growth were in the Autos and Transportation Sector (11% each year in last consecutive years); Building and Construction Sector showed steady growth as well, 10% in the most recent year and 5% the year before; Restaurants and Hotel sales tax grew 11% in the most recent year and 12% the year before. However, the Fuel and Service stations sector continue to decline due to energy conservation effort. Sales tax decreased in this sector by 12% in the most recent year and 9% the year before.

Item: _____
Finance and Management Committee
October 28, 2014

Real Estate Transfer Tax: \$2.51 million

Real Estate Transfer Tax (RETT) revenue received through year-end totaled \$59.26, which is a 25% increase over Fiscal Year 2012-13. As noted in Table 5 below, according to County of Alameda data, total real estate transactions have decreased 10.05% from the previous year, however, RETT revenue is growing. This increase is due to strong increases in sale prices as the residential real estate market stabilizes (Table 6) and the sale of commercial real estate maintains moderate growth.

Table 5: FY 2011-14 Real Estate Transactions

Type	FY 2011-12	FY 2012-13	FY 2013-14
Residential	5,313	5,626	4,918
Commercial	117	181	206
Vacant Lot/Other	270	461	513
Total Properties	5,700	6,268	5,637

Table 6: FY 2011-14 Real Estate Transactions & Average Sale Price

Type	FY 2011-12		FY 2012-13		FY 2013-14	
	No. Transactions	Avg Sale Price	No. Transactions	Avg Sale Price	No. Transactions	Avg Sale Price
Single Family Home	3,594	\$328,300	3,801	\$413,814	3,299	\$501,707
Du/Tri/Quad	751	\$240,715	714	\$332,227	645	\$427,261
Condo	968	\$356,117	1,111	\$508,448	974	\$664,047
Total Residential	5,313	\$308,377	5,626	\$418,163	4,918	\$531,005

Of the projected RETT increase, \$12.10 million is considered nonrecurring revenues derived from the sale of eight unusually large commercial transactions that produced \$0.5 million or more in RETT per transaction (Table 7), whereas in FY 2012-13 there were only 2 large commercial transactions that met this criterion for a total \$2.23 million of nonrecurring revenues. RETT 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. For example, there were no large sales recorded in the Fourth Quarter of FY 2013-14, nor in the First Quarter of FY 2014-15.

Table 7: FY 2013-14 List of Non-recurring Revenues

Current Owner	Sale Date	City Tax	Site Address
ALTAWALK LLC	9/5/2013	\$ 1,548,623	1307 JEFFERSON ST
AG-STRADA 1300 CLAY LP	9/19/2013	\$ 533,655	1300 CLAY ST
555 OAKLAND CITY CENTER LLC	9/27/2013	\$ 1,997,250	555 12TH ST
1111 BROADWAY PROPERTY LLC	11/18/2013	\$ 2,325,000	11TH STREET
STORAGE CITY SQUARE LLC	12/19/2013	\$ 905,625	500 12TH ST
DWF IV 1999 HARRISON LLC	2/27/2014	\$ 2,100,000	1956 WEBSTER ST
Claremont Hotel Properties	3/20/2014	\$ 1,188,787	Various
BRE PROPERTIES	3/31/2014	\$ 1,502,385	99 Embarcadero W
TOTAL		\$ 12,101,325	

Fines & Penalties: (\$2.44) million

Fine and Penalties unaudited revenue received through fiscal year-end totals \$22.18 million. This is a decrease of \$2.44 million from the projected Third Quarter due to the “no sweep, no cite” policy, parking holidays, and the ability for meter patrons to use their cell phones or credit cards to tender payment at the City’s parking meters.

EXPENDITURE HIGHLIGHTS (Attachment A-2)

As outlined in *Attachment A-2*, the FY 2013-14 GPF Fourth Quarter net adjusted budget is \$457.69 million. The GPF unaudited expenditures were \$446.02 million, resulting in savings of \$11.67 million primarily due to salary savings and increased spending authority discussed in the Analysis section of this report. Additionally, this attachment summarizes department-level spending. The breakdown of actual overtime spending by department through the fiscal year-end for the GPF and All Funds can be found in *Attachment B*.

Subsequent to the FY 2013-14 Second Quarter Revenue & Expenditure Report, Council adopted Resolution (#84897) on March 28, 2014, which appropriated approximately \$6.03 million, based on additional forecasted revenue, to off-set projected overspending. The second quarter projected overspending of \$6.03 million was due to variety of conditions, including expenditures in sworn overtime, premiums, and allowances associated with overtime.

Provided below is a discussion of each departments actual savings or overspending in the GPF at year-end as compared to the Adjusted Budget, net of carryforward amounts.

Mayor’s Office

The Mayor’s Office ended the year with a surplus from salary savings, which resulted from vacancies.

City Administrator

The City Administrator’s Office had savings totaling \$1.53 million associated with salary savings in Administration and Employee Relations due to several vacancies. These results are consistent with third quarter projections.

City Council

The City Council is under-spent overall as a result of personnel vacancies. Detailed expenditures by City Council District are provided in *Attachment G*.

City Attorney

The City Attorney’s Office overspent by approximately \$0.13 million in personnel expenditures, which are slightly more than anticipated in the third quarter.

City Auditor

The City Auditor overspent the Adjusted Budget by approximately \$0.08 million, which is slightly higher than projected in the third quarter.

City Clerk

The Office of the City Clerk primarily stayed within the Adjusted Budget. The slight surplus of \$0.03 million is attributed to the appropriation increase adopted by Council Resolution No. 84897 during the second quarter, which increased the City Clerk budget by approximately \$36,000.

Economic Workforce & Development (EWD)

EWD ended the fiscal year with net under-spending of \$0.11 million from salary savings as a result of vacancies, which is in line with the third quarter projections.

Finance Department

Finance's (Administration, Treasury, Controller, and Revenue Management) actual expenditures are approximately \$15.32 million compared to the net adjusted budget of \$19.38 million. Under-spending of \$4.06 million is primarily due to:

- Lower than anticipated personnel costs in the Controller's Bureau (\$1.11 million) resulting from vacancies;
- \$0.46 million in Revenue Management primarily due to the appropriation increase adopted by Council Resolution No. 84897 during the second quarter, which increased their budget by \$559k; and
- The forfeiture of escheat parking refunds in Treasury (\$1.38 million).

Information Technology Department (ITD)

ITD spent \$8.52 million of their \$8.75 million Adjusted Budget. Savings, attributed to vacancies, offset the overtime overspending of \$0.93 million.

Human Resources Department (HRD)

Human Resources had a surplus of \$0.04 million from salary savings as a result of vacancies.

Human Services Department (HSD)

Human Services primarily stayed within the adjusted budget, ending the year with a small surplus of \$0.04 million.

Oakland Police Department (OPD)

OPD spent \$190.84 million compared to its adjusted budget of \$191.81 million. The savings of \$0.97 million is consistent with third quarter projections, and is due to the additional allocation provided based on the second quarter projections (\$5.03 million) along with lower than anticipated overtime (OT) costs. OPD spent approximately \$26.11 million in OT (*Table 2*). The actual over expenditure of approximately \$12.20 million in overtime is offset by one-time salary savings associated with vacancies, which are all on an accelerated hiring path.

Oakland Fire Department (OFD)

The Fire Department stayed within their adjusted budget of \$96.39 million. Overtime spending in OFD was approximately \$14.56 million. The actual over-expenditure of approximately \$14.03 million in overtime is a result of backfilling the estimated 96 vacant sworn positions, the majority of which (96%) is off-set by salary savings as shown in *Table 2*.

Oakland Public Library (OPL)

The Library ended the year with a surplus of \$0.11 million associated with savings in operations and maintenance and personnel savings.

Oakland Parks & Recreation (OPR)

OPR primarily stayed within the adjusted budget ending the year with a small surplus of \$0.03 million.

Planning & Building

Planning ended the fiscal year with a surplus of \$0.40 million from salary savings as a result of vacancies in Inspections, which is consistent with projections at the third quarter. Code Enforcement Inspectors added during the FY 2013-15 Adopted Budget resulted in salary savings due to priority recruitments. These positions are now filled.

Oakland Public Works (OPW)

Public Works over-spent as a result of successfully completing the 2014 Pothole Blitz Program and the Parking Meter Replacement commitment by filling all vacancies and not meeting the 4% vacancy factor.

Citywide COLA

As noted in the FY 2013-14 Third Quarter Revenue & Expenditure Report, the impact of the 2% COLA on the non-GPF funds was reviewed at year-end. Those funds that were able to absorb the increased personnel costs did not require a GPF subsidy. As a result of net operating savings, the majority of non-GPF funds did not require a subsidy from the GPF in FY 2013-14. Funds will continue to be monitored in FY 2014-15 until the full impact of the COLA (2% in FY 13-14 and 1% in FY 14-15) is known and adjustments will be made at year end if necessary.

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

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), year-end revenue and expenditure results show a surplus of \$1.00 million (*Attachments C-1 & C2*). This surplus includes rebates that have been set-aside to balance the FY 14-15 adopted budget. This further adds to the fund balance by reducing the negative to \$0.28 million. Actual revenues are \$22.03 million, an increase from the \$20.62 million adjusted budget; actual expenditures are anticipated at \$21.03 million, slightly more than the adjusted budget (*see table below*). The overspending in Oakland Public Works (OPW) of approximately \$0.47 million is due to the delay in PG&E audits for the LED street lighting project. Once the audits are completed, PG&E will adjust the rates charged to the City and LLAD will realize the cost savings for the new energy efficient street lights. The LLAD has steadily improved its negative fund balance from approximately \$6 million in FY 2008-09 as a result of expenditure savings, furloughs, and staff's diligent expenditure controls in recent fiscal years.

(\$ in millions)

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2013-14 Adjusted Budget	FY 2013-14 Q4 Actual FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$1.09)	(\$1.09)	
Revenue ¹	\$20.62	\$22.03	(\$1.42)
Expenditures	(\$20.88)	(\$21.03)	\$0.15
Budgeted Fund Balance Repayment	\$0.03	\$0.00	
Estimated Current Year Surplus/(Shortfall)	(\$0.23)	\$1.00	
Subtotal Fund Balance [A]	(\$1.32)	(\$0.08)	
Fund Balance Amounts Used in FY 14-15 MidCycle Adopted Budget:			
Rebates Received in FY 13-14 ¹		(\$1.18)	
Ending Fund Balance (est.) [B]	(\$1.32)	(\$1.26)	

¹ Includes \$2.5 mil from PG&E rebates associated with the LED Lighting Conversion Project; of this amount \$105 mil committed to balance FY 14-15 MidCycle; includes \$0.13 from FB to balance FY 14-15 Midcycle

Item: _____
 Finance and Management Committee
 October 28, 2014

Equipment Fund

This fund is reported on a cash basis (excluding the value of the equipment). Actual results for the Equipment Fund (4100) indicate that revenues will exceed expenditures by approximately \$2.46 million (*Attachments D-1 & D-2*). It is important to note that the repayment amount specified in the Adopted Budget will effectively be increased from \$1.49 million to \$2.46 million based on these results, thus reducing the negative cash balance of \$4.25 million to negative \$1.58 million (*Table 4*). The revenue reflects actual charges to departments for equipment maintenance, as well as the reduction in aging fleet through auction sales. The Equipment Fund, on a repayment plan through 2019, has steadily improved its cash balance from approximately negative \$16 million in FY 2007-08 to its year-end negative balance of \$1.58 million. Discipline in adhering to repayment plans, more accurate departmental billing, furloughs, vacancies, and staff's diligent expenditure control has contributed to reducing this negative balance.

EQUIPMENT FUND (4100)	FY 2013-14 Adjusted Budget	FY 2013-14 Q4 Actual FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$4.25)	(\$4.25)	
Revenue	\$19.66	\$21.82	(\$2.16)
Expenditures	(\$20.05)	(\$19.36)	(\$0.70)
Budgeted Fund Balance Repayment	\$1.49	\$0.00	
Estimated Current Year Surplus/(Shortfall)	\$1.09	\$2.46	
Subtotal Cash Balance [A]	(\$3.16)	(\$1.80)	
<i>Adjust: Net Change in Payables</i>	\$0.00	\$0.21	
Ending Cash Balance (est.) [B]	(\$3.16)	(\$1.58)	

Facilities Fund

This fund is also reported on a cash basis. Actual results for the Facilities Fund (4400) indicate that revenues will exceed expenditures by \$2.68 million (*Attachments E-1 & E-2*). The surplus is due to two factors: (1) the scheduled repayment to Fund Balance (\$1.17 million); and (2) savings in personnel costs due to vacancies. It is important to note that the repayment amount specified in the Adopted Budget will effectively be increased from \$1.17 million to \$2.68 million based on these results. The value of the cash balance has improved from negative \$21.49 million to negative \$18.33 million. The Facilities Fund, on a repayment plan through 2019, has steadily improved its fund balance from approximately negative \$31 million in FY 2008-09 to its year-end negative of \$18.33 million. Discipline in adhering to repayment plans, furloughs, vacancies, and staff's diligent expenditure monitoring has contributed to helping reduce this negative fund balance.

FACILITIES FUND (4400)	FY 2013-14 Adjusted Budget	FY 2013-14 Q4 Actual FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$21.49)	(\$21.49)	
Revenue	\$26.60	\$26.98	(\$0.38)
Expenditures	(\$27.58)	(\$24.30)	(\$3.28)
Budgeted Fund Balance Repayment	\$1.17	\$0.00	
Estimated Current Year Surplus/(Shortfall)	\$0.19	\$2.68	
Subtotal Cash Balance [A]	(\$21.30)	(\$18.82)	
Adjust: Net Change in Payables		\$0.49	
Ending Cash Balance (est.) [B]	(\$21.30)	(\$18.33)	

Both the Equipment and Facilities Funds continue on ten-year repayment plans for their negative fund balances. Both funds remain on track to eliminate their negative balances on, or before, FY 2018-19.

It is important that the City continues to plan for this contingency and cautiously approach the actual GPF fund balance presented in this report, especially in light of large unfunded liabilities, negative fund balances, unanticipated expenditures, and other risks that may impact the fund balance this year.

It is also important to note the City continued to make progress in FY 2013-14 on its funds that had negative fund balances. Over the past decade, many Non-GPF have been depleted creating financial pressures on the GPF. They are largely attributable to historical overspending and/or under-recovery and transfers to the GPF for budget balancing measures.

The last three Adopted Policy Budgets (FY 2009-2015) 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 \$33 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest. Continued commitment to repayment is strongly encouraged to ensure the necessary financial progress as a commitment to external auditors. Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF.

Item: _____
Finance and Management Committee
October 28, 2014

PUBLIC OUTREACH/INTEREST

Not applicable.

COORDINATION

This report was prepared in coordination between the City Administrator's Budget Office, the Controller's Bureau, the Revenue Management Bureau, the City Attorney's Office and various departments.

COST SUMMARY/IMPLICATIONS

This report presents the actual year-end results for the General Purpose Fund and three key City funds for the 2013-14 fiscal year beginning July 1, 2013 and ending June 30, 2014.

SUSTAINABLE OPPORTUNITIES

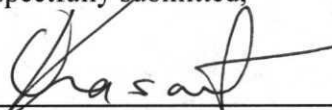
Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

Social Equity: No social equity opportunities have been identified.

For questions regarding this report, please contact Osborn K. Solitei, Director of Finance/Controller, at 238-3809.

Respectfully submitted,



OSBORN K. SOLITEI
Director of Finance/Controller

Prepared by:

Kirsten LaCasse
Assistant Controller
Controller's Bureau

Margaret O'Brien
Principle Revenue Analyst
Revenue Management Bureau

Item: _____
Finance and Management Committee
October 28, 2014

Reviewed by:

Donna Hom
Assistant City Administrator
City Administrator's Office

Kiran Bawa
Budget Director
City Administrator's Office

Sarah Schlenk
Administrative Manager
City Administrator's Office

Attachments:

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Overtime Analysis*
- C-1: *Landscaping and Lighting Assessment District Fund Revenues*
- C-2: *Landscaping and Lighting Assessment District Fund Expenditures*
- D-1: *Equipment Fund Revenues*
- D-2: *Equipment Fund Expenditures*
- E- 1: *Facilities Fund Revenues*
- E- 2: *Facilities Fund Expenditures*
- F: *Detail List of Project & Encumbrance Carryforward*
- G: *Detailed List of Expenditures by City Council District*

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Third Quarter Projected Year-End	FY 2013-14 Unaudited Year- End Actuals	FY 2013-14 Year-End \$ (Over) / Under Compared to Q3 Projections	Explanation of (Over) / Under Collection
PROPERTY TAX	146.89	142.06	142.82	(0.76)	Strong increase in the business sector that is reflective of the economic growth being seen across the Bay Area.
SALES TAX	48.89	49.06	49.76	(0.70)	
BUSINESS LICENSE TAX	59.85	58.85	62.91	(4.05)	
UTILITY CONSUMPTION TAX	49.13	50.00	50.42	(0.42)	Strong increases in sale prices as the residential real estate market stabilizes and the sale of commercial real estate maintains moderate growth.
REAL ESTATE TRANSFER TAX	56.75	56.75	59.26	(2.51)	
TRANSIENT OCCUPANCY TAX	14.57	14.57	14.31	0.26	The "no sweep, no cite" policy, parking holidays, and the ability for meter patrons to use their cell phones or credit cards to tender payment at the City's parking meters, and adjusted accounting treatment for the Parking Citation Contract.
PARKING TAX	7.95	8.23	8.44	(0.21)	
LICENSES & PERMITS	1.91	1.91	1.39	0.53	
FINES & PENALTIES	25.05	24.63	22.18	2.44	
INTEREST INCOME	0.74	0.74	0.79	(0.05)	
SERVICE CHARGES	44.28	42.97	43.39	(0.42)	
INTERNAL SERVICE FUNDS	0.00	0.00	0.06	(0.06)	
GRANTS & SUBSIDIES	0.45	0.13	0.54	(0.41)	
MISCELLANEOUS	0.45	0.35	1.14	(0.79)	
INTERFUND TRANSFERS	0.18	0.18	0.00	0.18	
Subtotal Revenue	\$457.08	\$450.42	\$457.43	(7.00)	
TRANSFER FROM FUND BALANCE	21.57	21.14	0.00	0.00	The budgeted amount from fund balance was not needed.
LEASE PROCEEDS	2.50	0.00	2.50	(2.50)	Financing for "smart" parking meters
Total Revenue	\$481.15	\$471.56	\$459.93	(9.50)	

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ Under / (Over) Adjusted Budget	Year-end Results Excluding Budget Carried Forward to FY 14-15 ¹				Explanation of (Overspending) / Savings
				Amounts Carried Forward to FY 14-15	FY 2013-14 Adjusted Budget Q4 LESS CF	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ Under / (Over) Adjusted Budget	
MAYOR	2.04	1.90	0.13	0.02	2.01	1.90	0.11	Salary savings due to vacancies; consistent with third quarter projections.
CITY COUNCIL	3.92	3.60	0.32	0.17	3.75	3.60	0.15	Lower than anticipated personnel costs due to vacancies.
CITY ADMINISTRATOR	12.70	8.84	3.86	2.33	10.37	8.84	1.53	Salary savings due to vacancies in Administration and Employee Relations; consistent with third quarter projections.
CITY ATTORNEY	11.95	7.96	3.99	4.12	7.84	7.96	(0.13)	Overspending in personnel due higher than anticipated personnel costs.
CITY AUDITOR	1.59	1.65	(0.07)	0.01	1.58	1.65	(0.08)	Overspending in personnel due full staffing - unable to achieve vacancy rate.
CITY CLERK	2.53	1.73	0.80	0.77	1.75	1.73	0.03	
FINANCE DEPARTMENT						0.00		
ADMINISTRATION	0.84	0.68	0.17	0.01	0.83	0.68	0.15	
CONTROLLER'S OFFICE	3.75	2.45	1.30	0.19	3.56	2.45	1.11	Lower than anticipated personnel costs due to vacancies.
REVENUE	13.29	11.51	1.78	1.31	11.98	11.51	0.46	
TREASURY	3.05	0.68	2.37	0.03	3.01	0.68	2.33	Forfeiture of escheat parking refunds (\$1.4 mil); salary savings due to vacancies.
HUMAN RESOURCES	4.36	3.58	0.78	0.74	3.62	3.58	0.04	
INFORMATION TECHNOLOGY	11.85	8.52	3.33	3.10	8.75	8.52	0.23	Lower than anticipated personnel costs due to vacancies.
POLICE	197.56	190.84	6.73	5.75	191.81	190.84	0.97	Additional allocation provided based on the second quarter projections (\$5.03 million) along with lower than anticipated overtime (OT) costs.
FIRE	97.40	96.36	1.04	1.01	96.39	96.36	0.03	
HUMAN SERVICES	8.12	6.91	1.21	1.17	6.95	6.91	0.04	
LIBRARY	9.19	9.08	0.12	0.00	9.19	9.08	0.11	Lower than anticipated personnel costs due to vacancies; small savings in operations and maintenance.
PARKS & RECREATION	13.72	13.43	0.29	0.26	13.46	13.43	0.03	
ECONOMIC & WORKFORCE DEVELOPMENT	3.32	2.46	0.86	0.76	2.56	2.46	0.11	Lower than anticipated personnel costs due to vacancies.
HOUSING & COMMUNITY DEVELOPMENT	1.81	0.00	1.81	1.81	(0.00)	0.00	(0.00)	
PLANNING & BUILDING	1.00	0.10	0.90	0.51	0.50	0.10	0.40	Salary savings as a result of vacancies in Inspections, which is consistent with projections at the third quarter.
PUBLIC WORKS	5.96	4.59	1.37	1.64	4.33	4.59	(0.27)	Over-expenditure was a result of successfully completing the 2014 Pothole Blitz Program and the Parking Meter Replacement commitment by filling all vacancies and not meeting the 4% vacancy factor.
NON-DEPARTMENTAL	80.23	68.63	11.60	7.28	72.95	68.63	4.32	Savings due to Measure Y subsidy not needed; Lower than anticipated cost of issuance for the TRAN.
SUBTOTAL	490.20	445.50	44.70	33.01	457.19	445.50	11.69	
CAPITAL IMPROVEMENT PROGRAM	1.87	0.52	1.34	1.36	0.51	0.52	(0.02)	
Total Expenditures	\$492.06	\$446.02	\$46.04	\$34.37	\$457.69	\$446.02	\$11.67	

¹ Refer to Attachment F for a detailed list of amounts carried forward to FY 14-15

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)

OVERTIME ANALYSIS (in Dollars)

GENERAL PURPOSE FUND

Agency / Department	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actual Overtime	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget
MAYOR	8,960.00	0	8,960
CITY ADMINISTRATOR	7,726.06	19,527	(11,801)
CITY ATTORNEY	0.00	480	(480)
CITY AUDITOR	0.00	1,188	(1,188)
CITY CLERK	11,570.00	14,433	(2,863)
FINANCE DEPARTMENT			
ADMINISTRATION	550	0.00	550
CONTROLLER'S OFFICE	55,808	0.00	55,808
REVENUE	15,560	23,658.25	(8,098)
TREASURY	0	3,965.21	(3,965)
HUMAN RESOURCES	26,390	31,460	(5,070)
INFORMATION TECHNOLOGY	3,856	97,162	(93,306)
POLICE	13,912,034	26,112,356	(12,200,321)
FIRE	533,371	14,560,081	(14,026,710)
HUMAN SERVICES	0	3,024	(3,024)
LIBRARY	6,260	1,436	4,824
PARKS & RECREATION	0	6,739	(6,739)
ECONOMIC & WORKFORCE DEVELOPMENT	15,266	19,132	(3,867)
PUBLIC WORKS	3,550	104,366	(100,816)
TOTAL	\$14,600,901	\$40,999,007	(\$26,398,106)

ALL FUNDS

Agency / Department	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actual Overtime	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget
MAYOR	8,960	0	8,960
CITY COUNCIL	0	0	0
CITY ADMINISTRATOR	7,929	35,233	(27,304)
CITY ATTORNEY	0	1,023	(1,023)
CITY AUDITOR	0	1,188	(1,188)
CITY CLERK	11,570	15,923	(4,353)
FINANCE DEPARTMENT			
ADMINISTRATION	550	0	550
CONTROLLER'S OFFICE	58,978	5,252	53,726
REVENUE	15,560	24,262	(8,702)
TREASURY	0	3,965	(3,965)
HUMAN RESOURCES	26,390	31,756	(5,366)
INFORMATION TECHNOLOGY	12,526	158,422	(145,896)
POLICE	14,563,126	27,336,037	(12,772,910)
FIRE	4,870,075	18,928,890	(14,058,815)
HUMAN SERVICES	0	26,343	(26,343)
LIBRARY	6,260	3,519	2,741
PARKS & RECREATION	0	13,496	(13,496)
ECONOMIC & WORKFORCE DEVELOPMENT	18,035	49,865	(31,830)
HOUSING & COMMUNITY DEVELOPMENT	2,706	28,746	(26,040)
PLANNING & BUILDING	377,327	615,456	(238,130)
PUBLIC WORKS	1,382,496	2,428,822	(1,046,326)
TOTAL	\$21,362,488	\$49,708,200	(\$28,345,711)

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2013 - June 30, 2014)

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

Revenue Category	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adj. Bud.	Explanation of (Over) / Under Collection
TAX LEVY	18.97	19.30	(0.33)	
LICENSES & PERMITS	0.01	0.05	(0.04)	
INTEREST INCOME	0.00	0.00	(0.00)	
SERVICE CHARGES	0.17	0.12	0.05	
OTHER	1.46	2.56	(1.09)	
Total Revenue	\$20.62	\$22.03	(1.42)	

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)
LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget	Amounts Carried Forward to FY 14-15	FY 2013-14 Adjusted Budget Q4 LESS CF	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.06	0.03	0.04	0.06	0.00	0.03	(0.02)	
FINANCE								
CONTROLLER	0.01	0.00	0.01	0.01	0.00	0.00	0.00	
REVENUE	0.04	0.05		0.00	0.04	0.05	(0.00)	
PARKS & RECREATION	4.11	4.12	(0.01)	0.00	4.11	4.12	(0.02)	
PUBLIC WORKS	16.63	16.83	(0.20)	0.27	16.37	16.83	(0.47)	Utility costs higher than anticipated due to delay in PG&E audit reducing rates from LED project
NON-DEPARTMENTAL	0.03	0.00	0.03	0.00	0.03	(0.00)	0.03	
Total Expenditures	\$20.88	\$21.03	(0.15)	0.33	20.55	21.03	(0.48)	
Less:								
Bond Proceeds	13.09	12.85	0.24	0.24	12.85	12.85	0.00	LED Replacement Project
NET EXPENDITURE	\$33.97	\$33.88	\$0.09	0.57	33.40	33.88	(0.48)	

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)
EQUIPMENT FUND REVENUES (\$ in millions)

Revenue Category	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year- End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adj. Bud.	Explanation of (Over) / Under Collection
INTERNAL SERVICE	19.64	21.24	1.60	
SERVICE CHARGES	0.00	0.00	0.00	
INTEREST INCOME	(0.10)	(0.00)	0.10	Interest rates lower than anticipated
LICENSES & PERMITS	0.08	0.05	(0.03)	
MISCELLANEOUS	0.03	0.53	0.50	Higher than anticipated Work Order revenues, and sales related to auctioned vehicles
Total Revenue	\$19.66	\$21.82	\$2.16	

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)
EQUIPMENT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget	Amounts Carried Forward to FY 14-15	FY 2013-14 Adjusted Budget Q4 LESS CF	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
POLICE	0.00	0.00	(0.00)	0.00	0.00	0.00	(0.00)	
HUMAN RESOURCES	0.04	0.06	(0.02)	0.01	0.02	0.06	(0.03)	
PARKS & RECREATION	0.00	0.00	(0.00)	0.00	0.00	0.00	(0.00)	
PUBLIC WORKS	31.35	25.98	5.37	7.60	23.75	25.98	(2.23)	Depreciation expense - netted out below
NON-DEPARTMENTAL	1.49	(3.25)	4.74	0.00	1.49	(3.25)	4.74	
CAPITAL IMPROVEMENT PROGRAM	0.00	0.11	(0.11)	0.00	0.00	0.11	(0.11)	
Total Expenditures	\$32.88	\$22.91	\$9.97	7.62	25.26	22.91	2.35	
Less:								
Depreciation	0.00	(1.60)	1.60	0.00	0.00	(1.60)	1.60	
Inventory Expense & Bond Proceeds	0.00	3.26	(3.26)	0.00	0.00	3.26	(3.26)	
Bond Proceeds	(11.85)	(5.21)	(6.64)	(6.64)	(5.21)	(5.21)	0.00	
NET EXPENDITURE	\$21.03	\$19.36	\$1.67	\$0.97	\$20.05	\$19.36	\$0.70	

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year- End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Over) / Under Collection
INTERNAL SERVICE	25.87	26.00	(0.12)	
SERVICE CHARGES	0.11	0.61	(0.49)	Additional revenue from Musuem complex
INTEREST INCOME	(0.08)	(0.04)	(0.03)	
MISCELLANEOUS	0.57	0.42	0.15	
GRANTS & SUBSIDIES	0.12	0.00	0.12	SRA payment for Solar Panel Lease
Total Revenue	\$26.60	\$26.98	(0.38)	

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)
FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget	Amounts Carried Forward to FY 14-15	FY 2013-14 Adjusted Budget Q4 LESS CF	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ (Over) / Under Adjusted Budget	Explanation of Overspending / (Savings)
MAYOR	0.00	0.01	(0.01)	0.00	0.00	0.01	(0.01)	
HUMAN RESOURCES	0.01	0.01	0.00	0.00	0.01	0.01	(0.00)	
PUBLIC WORKS	26.02	24.19	1.83	1.05	24.97	24.19	0.78	
NON-DEPARTMENTAL	1.17	(0.23)	1.40	0.00	1.17	(0.23)	1.40	
CAPITAL IMPROVEMENT PROGRAM	0.38	0.12	0.26	0.27	0.10	0.12	(0.01)	
Total Expenditures	\$27.58	\$24.10	\$3.48	1.32	26.26	24.10	2.16	
Less:								
Depreciation		(0.03)	0.03			(0.03)	0.03	
Inventory Expense Budgetary Control		0.23	(0.23)			0.23	(0.23)	
NET EXPENDITURE	\$27.58	\$24.30	3.28	1.32	26.26	24.30	\$1.95	

**FY 2013-14 Q4 Revenue and Expenditure Report
General Purpose Fund (GPF)**

ATTACHMENT F

GPF PROJECT & ENCUMBRANCE CARRYFORWARD BALANCES

PROJECT NAME	AMT
166TH OAKLAND POLICE ACADEMY	\$234,930
167TH POLICE ACADEMY	\$4,397
2013 LATERAL ACADEMY	\$81,952
911 COMMUNICATIONS CENTERS (OPD & FIRE D	\$898,237
ACSO EXTERNAL ACADEMY	\$33,139
ADA AUXILIARY AIDES & SERVICE PROJECT	\$16,417
ADA REASONABLE ACCOMODATIONS	\$8,325
ADA TRANSITION PLAN SURVEY 2014-15	\$117,000
AFG WELLNESS GRANT-MATCH	\$27,390
AGENDA MANAGEMENT	\$102,000
ANIMAL POPULATION CONTROL	\$1,100
ANIMAL SHELTER DONATIONS	\$117,403
APL COMMUNICATIONS FACILITY UPS REPLACEM	\$385,180
ARROYO VIEJO	\$52,251
AT LARGE -ANTI-GRAFFITI MURALS & GREEN W	\$50,000
BACKGROUND CHECK & BACKLOG	\$328,367
BALLOT MEASURES COORDINATOR	\$27,934
BEACON ECONOMICS	\$5,000
BOILER REPLACEMENT-PAB, MAIN LIBRARY & M	\$596,241
BUDGET BOOK PRINTING	\$2,007
BURCKHALTER ADA IMPRV	\$129,073
BUSINESS IMPROVEMENT DISTRICT (BID)-NCR	\$48,832
CANNABIS COOPERATIVE	\$607,551
CAO CONTINGENCY FUNDS	\$73,595
CAO-ECONOMIC DEVELOPMENT	\$75,001
CHILDCARE CENTER DOWNTOWN	\$46,712
CHORUS	\$47
CITY COUNCIL CONTINGENCY FUNDS	\$24,250
CITY-SCHOOL PARTNERSHIP	\$56,992
CITYWIDE RECORDS MGT	\$76,017
CITY-WIDE TRAINING	\$153,939
COMM BASED CRIME PREVENTION SVC PLAN	\$145,606
COMPL DIR RACIAL PROFILING MITIGATION	\$250,000
CPRB-INVESTIGATION	\$927,978
CULTURAL ARTS FUNDING	\$42,252
CULTURAL FUNDING	\$95,000
CULTURAL FUNDING-FIRST FRIDAYS	\$50,000
CULTURAL FUNDING-SUNDAY STREETS	\$30,000
DAY LABORERS	\$222,189
DISTRICT 1 -ANTI-GRAFFITI MURALS & GREEN	\$50,000
DISTRICT 2 -ANTI-GRAFFITI MURALS & GREEN	\$50,000

**FY 2013-14 Q4 Revenue and Expenditure Report
General Purpose Fund (GPF)**

ATTACHMENT F

GPF PROJECT & ENCUMBRANCE CARRYFORWARD BALANCES

PROJECT NAME	AMT
DISTRICT 3 -ANTI-GRAFFITI MURALS & GREEN	\$50,000
DISTRICT 4 -ANTI-GRAFFITI MURALS & GREEN	\$50,000
DISTRICT 5 -ANTI-GRAFFITI MURALS & GREEN	\$50,000
DISTRICT 6 -ANTI-GRAFFITI MURALS & GREEN	\$50,000
DISTRICT 7 -ANTI-GRAFFITI MURALS & GREEN	\$50,000
District One Pay-Go Projects	\$2,705
DOJ FINGERPRINT FEE TRUST	\$8,319
DOWNTOWN OAK SR CTR 98-99	\$2,176
EAST OAK SR CTR FY98-99	\$4,743
ELECTION FUNDINGS	\$518,702
EMERGENCY HOUSING PROGRAM FY 07/08	\$6,338
EMERGENCY HOUSING PROGRAM FY01-03	\$12,714
EMERGENCY HOUSING PROGRAM FY10/11	\$4,793
ENHANCED PARK MAINTENANCE	\$165,746
EXTRA LEGAL LOAD TRANSP PROGRAM	\$435
FED LOBBYIST	\$72,000
FUND 1010 PAY-GO AT LARGE	\$600
FUND 1010 PAY-GO DIST 1	\$2,655
FUND 1010 PAY-GO DIST 2	\$10,207
FUND 1010 PAY-GO DIST 3	\$267
FUND 1010 PAY-GO DIST 4	\$17,581
FUND 1010 PAY-GO DIST 5	\$4,730
FUND 1010 PAY-GO DIST 6	\$286
FUND 1010 PAY-GO DIST 7	\$846
FY06-07 COUNCIL PRIORITIES - DISTRICT 2	\$25,948
FY06-07 COUNCIL PRIORITIES - DISTRICT 3	\$37,500
FY06-07 COUNCIL PRIORITIES - DISTRICT 4	\$327
FY06-07 COUNCIL PRIORITIES - DISTRICT 5	\$1,149
FY06-07 COUNCIL PRIORITIES - DISTRICT 6	\$1,156
FY06-07 COUNCIL PRIORITIES - DISTRICT 7	\$2,084
FY11/12 EMERGENCY HOUSING PRGM	\$459
FY11/12 COMMUNITY PROMOTIONS	\$1,895
FY12/13 EMERGENCY HOUSING PRGM	\$137,497
FY12/13 COMMUNITY PROMOTIONS	\$2,750
GOLDMAN SACHS DEBARMENT PROCEEDINGS	\$154,618
GRAFFITI ENFORCEMENT EQUIPMENT	\$182,057
GWIN COMMUNICATIONS FACILITY UPGRADES	\$500,000
HDL CONTRACT-BUDGET OFFICE SHARE	\$6,000
HESG 2012 HMLESS MOB	\$67,886
HOMELESS ENCAMPMENT	\$60,000
HOMELESS MOBILE OUTRCH FY12/13	\$14,506

**FY 2013-14 Q4 Revenue and Expenditure Report
General Purpose Fund (GPF)**

ATTACHMENT F

GPF PROJECT & ENCUMBRANCE CARRYFORWARD BALANCES

PROJECT NAME	AMT
HOMELESS MOBILE OUTREACH FY10/11	\$848
HS FY13/14 GPF CONTRIBUTIONS	\$78,723
HS PY42 FY 1213 CITY IN KIND	\$26,703
HUNGR PRGM MAYOR	\$20,368
IMPOUND SPAY & NEUTER PROJECT	\$18,371
IT LICENSING & SOFTWARE MAINTENANCE-1010	\$585,464
LABOR NEGOTIATIONS PROJECT	\$140,712
LEONA QUARRY DEVELOPMENT - PWA - 1010	\$278,597
LION AND TEMESCAL POOL ADA UPGRADES	\$183,267
MAYOR FOOD PRGM FY12/13	\$3,720
MAYOR'S MENTORING PROGRAM	\$12,000
MDT SET ASIDE	\$666,775
MEASURE Y RENEWAL	\$300,000
MERCHANT ORGANIZING-SHOP OAKLAND	\$12,473
MISC. GRANTS, GIFTS-HONOR GUARD	\$6,776
MISCELLANEOUS ENCUMBRANCES	\$3,359,978
NATIONAL NIGHT OUT	\$4,279
NEIGHBORHOOD LAW CORP - FOR COST TRACKIN	\$51,855
NEXUS STUDY	\$500,000
NLC GRAFFITI ABATEMENT	\$195,110
NORTH OAK SR CTR 98-99	\$5,222
NORTH OAKLAND SR CTR RENTAL	\$438
NSA 2010-2012	\$1,239
NSA MONITOR CONTRACT	\$75,000
NSC COMMUNITY OUTREACH	\$57,927
O&M FOR 20.0 PST IIS	\$203,784
OPD WELLNESS UNIT	\$200,000
PARKING METERS MANAGEMENT SYSTEM	\$240,158
PATH SET ASIDE -MATCH FY13-14	\$30,302
PIEDMONT PINES UNDRGRND ASSESMNT-1010	\$48,500
PROPERTY SECTION AUCTION REVENUE	\$2,785
PUBLIC CAMPAIGN FINANCING	\$172,494
PUBLIC INFORMATION & MEDIA PROJECT	\$27,416
RAIDERS SURCHARGE (FORMERLY ENHANCED BAL	\$14,489
RENT ARBITRATION	(\$91,008)
RETAINED RENTAL BENEFIT - DOWNTOWN SENIO	\$101,187
RETAINED RENTAL BENEFIT - EAST SENIOR CE	\$11,538
RETAINED RENTAL BENEFIT - NORTH SENIOR C	\$42,493
RETAINED RENTAL REV	\$68,564
REVENUE COLLECTION SYSTEM-BACKLOG	\$190,551
SAFETY SERVICES MEASURE ELECTION	\$440,500

**FY 2013-14 Q4 Revenue and Expenditure Report
General Purpose Fund (GPF)**

ATTACHMENT F

GPF PROJECT & ENCUMBRANCE CARRYFORWARD BALANCES

PROJECT NAME	AMT
SCP/CITY MATCH FY13-14	\$4,542
SCP/FED/CITY MATCH FY12/13	\$5,229
SENECA COMMUNICATIONS FACILITY UPGRADES	\$500,000
SENIOR AIDES/CITY MATCH FY 12/13	\$555
SHP/FIT/SS-THP 2012	\$117,988
SHP/MCTHP COMPRM 12	\$12,303
SIERRA SYSTEMS	\$655,682
SISTER CITIES	\$45,558
SOBRANTE PARK RESTROOM	\$514
SR AIDES MTCH 13/14	\$27
STATE LOBBYIST	\$15,708
STOP Project	\$14,986
STREET PATCHING EQUIPMENT	\$724,794
TASER PROJECT	\$3,820
WEBSITE REDESIGN	\$75,000
WEST OAK SR CTR 98-99	\$6,768
WEST OAKLAND RESOURCE CENTER	\$167,210
WILLOW PARK TOT LOT SURF REPAIR	\$10,000
WOODMINSTER THEATHER ADA UPGRADES 5200	\$84,459
TOTAL	\$19,260,719

FY 2013-14 CITY COUNCIL DISTRICT EXPENDITURES *

EXPENDITURES	ADMIN	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	AT-LARGE	TOTAL
COUNCIL MEMBER										
SALARY		72,859.28	73,868.18	73,868.18	71,274.64	73,868.18	73,868.18	73,868.18	73,868.18	587,343.00
FRING & BENEFITS		53,180.06	50,723.02	55,480.13	50,708.96	56,030.13	52,180.18	50,568.38	50,535.67	419,406.52
TOTAL		126,039.34	124,591.20	129,348.31	121,983.60	129,898.31	126,048.36	124,436.56	124,403.85	1,006,749.52
COUNCIL STAFF										
SALARY	104,192.45	124,521.21	113,320.79	143,213.67	138,596.50	122,258.35	122,206.29	153,960.74	169,787.84	1,192,057.84
FRING & BENEFITS	106,461.17	125,517.26	110,571.84	143,150.33	137,023.85	103,602.25	70,612.09	155,364.48	167,555.85	1,119,859.13
TOTAL	210,653.62	250,038.47	223,892.63	286,364.00	275,620.35	225,860.60	192,818.38	309,325.22	337,343.69	2,311,916.97
TOTAL PERSONNEL	210,653.62	376,077.81	348,483.83	415,712.31	397,603.95	355,758.91	318,866.74	433,761.78	461,747.54	3,318,666.49
TOTAL O&M	218,232.77	3,112.63	3,128.51	3,734.23	8,244.74	10,117.16	14,120.40	9,272.92	9,890.18	279,853.54
TOTAL EXPENDITURES	428,886.39	379,190.44	351,612.34	419,446.54	405,848.69	365,876.07	332,987.14	443,034.70	471,637.72	3,598,520.03
TOTAL BUDGET **	437,981.35	413,171.88	416,467.88	413,180.15	413,171.88	416,089.88	413,171.90	413,171.88	413,189.95	3,749,596.75
(OVER) / UNDER	9,094.96	33,981.44	64,855.54	(6,266.39)	7,323.19	50,213.81	80,184.76	(29,862.82)	(58,447.77)	151,076.72

* Budget and expenditure numbers exclude prior year project carryforwards.

** Discrepancies in Council District Budgets reflect differences in premium pay elements.

[INCLUDES EXHIBIT A]

Approved as to Form and Legality

DRAFT

Oakland City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION ACCEPTING THE UNAUDITED FY 2013-14 FOURTH QUARTER REVENUE AND EXPENDITURE RESULTS AND YEAR-END SUMMARIES FOR FOUR SELECTED FUNDS: GENERAL PURPOSE FUND (GPF, 1010), LANDSCAPE & LIGHTING ASSESSMENT DISTRICT FUND (2310), EQUIPMENT FUND (4100) AND FACILITIES FUND (4400); AND OVERTIME ANALYSIS FOR THE GENERAL PURPOSE FUND (1010) AND ALL FUNDS; AND AUTHORIZING THE CITY ADMINISTRATOR TO ADJUST THE GENERAL PURPOSE FUND EXPENDITURE APPROPRIATIONS IN THE AMOUNT OF \$0.50 MILLION OVER BUDGET BY DEPARTMENTS LISTED IN EXHIBIT A ATTACHED HEREIN

WHEREAS, the City Council adopted the Fiscal Year ("FY") 2013-15 Biennial Budget pursuant to Resolution No. 84466 C.M.S. on June 27, 2013 and Amended by Resolution No. 84897 C.M.S. on March 18, 2014, which authorized the City Administrator to expend funds in accordance with the laws of the State of California and the City of Oakland on behalf of the City Council incorporating new appropriations for departments and activity programs in the FY 2013-14 Policy Budget; and

WHEREAS, the unaudited expenditures under or over the amounts budgeted for various departments are detailed in Exhibit A, and incorporated by reference herein, where amounts that exceeded the budget authority totaled \$0.50 million for FY 2013-14; and

WHEREAS, an ongoing audit by an independent auditor of the FY 2013-14 financial statement may result in further adjustments; and now, therefore be it

RESOLVED: That the Oakland City Council, hereby authorizes the City Administrator to adjust the appropriation for the FY 2013-14 unaudited expenditures under or over the budgeted amount incurred by various departments for the amounts that exceeded the budget authority totaling \$0.50 million ; and,

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to make an appropriation adjustment in accordance with the independent auditor's FY 2013-14 Comprehensive Annual Financial Report.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2014

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF
and PRESIDENT KERNIGHAN

NOES -
ABSENT -
ABSTENTION -

ATTEST: _____

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

FY 2013-14 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2013 - June 30, 2014)

GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2013-14 Adjusted Year-End Budget	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ Under / (Over) Adjusted Budget	Year-end Results Excluding Budget Carried Forward to FY 14-15				Explanation of (Overspending) / Savings
				Amounts Carried Forward to FY 14-15	FY 2013-14 Adjusted Budget Q4 LESS CF	FY 2013-14 Unaudited Year-End Actuals	FY 2013-14 Year-End \$ Under / (Over) Adjusted Budget	
MAYOR	2.04	1.90	0.13	0.02	2.01	1.90	0.11	Salary savings due to vacancies; consistent with third quarter projections.
CITY COUNCIL	3.92	3.60	0.32	0.17	3.75	3.60	0.15	Lower than anticipated personnel costs due to vacancies.
CITY ADMINISTRATOR	12.70	8.84	3.86	2.33	10.37	8.84	1.53	Salary savings due to vacancies in Administration and Employee Relations; consistent with third quarter projections.
CITY ATTORNEY	11.95	7.96	3.99	4.12	7.84	7.96	(0.13)	Overspending in personnel due higher than anticipated personnel costs.
CITY AUDITOR	1.59	1.65	(0.07)	0.01	1.58	1.65	(0.08)	Overspending in personnel due full staffing - unable to achieve vacancy rate.
CITY CLERK	2.53	1.73	0.80	0.77	1.75	1.73	0.03	
FINANCE DEPARTMENT						0.00		
ADMINISTRATION	0.84	0.68	0.17	0.01	0.83	0.68	0.15	
CONTROLLER'S OFFICE	3.75	2.45	1.30	0.19	3.56	2.45	1.11	Lower than anticipated personnel costs due to vacancies.
REVENUE	13.29	11.51	1.78	1.31	11.98	11.51	0.46	
TREASURY	3.05	0.68	2.37	0.03	3.01	0.68	2.33	Forfeiture of escheat parking refunds (\$1.4 mil); salary savings due to vacancies.
HUMAN RESOURCES	4.36	3.58	0.78	0.74	3.62	3.58	0.04	
INFORMATION TECHNOLOGY	11.85	8.52	3.33	3.10	8.75	8.52	0.23	Lower than anticipated personnel costs due to vacancies.
POLICE	197.56	190.84	6.73	5.75	191.81	190.84	0.97	Additional allocation provided based on the second quarter projections (\$5.03 million) along with lower than anticipated overtime (OT) costs.
FIRE	97.40	96.36	1.04	1.01	96.39	96.36	0.03	
HUMAN SERVICES	8.12	6.91	1.21	1.17	6.95	6.91	0.04	
LIBRARY	9.19	9.08	0.12	0.00	9.19	9.08	0.11	Lower than anticipated personnel costs due to vacancies; small savings in operations and maintenance.
PARKS & RECREATION	13.72	13.43	0.29	0.26	13.46	13.43	0.03	
ECONOMIC & WORKFORCE DEVELOPMENT	3.32	2.46	0.86	0.76	2.56	2.46	0.11	Lower than anticipated personnel costs due to vacancies.
HOUSING & COMMUNITY DEVELOPMENT	1.81	0.00	1.81	1.81	(0.00)	0.00	(0.00)	
PLANNING & BUILDING	1.00	0.10	0.90	0.51	0.50	0.10	0.40	Salary savings as a result of vacancies in Inspections, which is consistent with projections at the third quarter.
PUBLIC WORKS	5.96	4.59	1.37	1.64	4.33	4.59	(0.27)	Over-expenditure was a result of successfully completing the 2014 Pothole Blitz Program and the Parking Meter Replacement commitment by filling all vacancies and not meeting the 4% vacancy factor.
NON-DEPARTMENTAL	80.23	68.63	11.60	7.28	72.95	68.63	4.32	Savings due to Measure Y subsidy not needed; Lower than anticipated cost of issuance for the TRAN.
SUBTOTAL	490.20	445.50	44.70	33.01	457.19	445.50	11.69	
CAPITAL IMPROVEMENT PROGRAM	1.87	0.52	1.34	1.36	0.51	0.52	(0.02)	
Total Expenditures	\$492.06	\$446.02	\$46.04	\$34.37	\$457.69	\$446.02	\$11.67	