

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 FEB 26 PM 7:44

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office and Oakland Police Department
DATE: March 3, 2009
RE: **Second supplemental Report On The Analysis of FY 2008-09 Second Quarter Revenue and Expenditure Results, Year-End Projections and Balancing Measures for General Purpose Fund (1010); And the Status of Implementing the October 2008 Budget Revisions**

SUMMARY

At its February 24th meeting, the Finance and Management Committee requested staff to prepare a supplemental report responding to a number of questions with regard to the FY 2008-09 Second Quarter Revenue and Expenditure Analysis of the General Purpose Fund (GPF) pertaining to:

- Status of implementation of the specific measures approved through a Council budget motion on October 21, 2008
- Additional details on the status of implementing all GPF balancing measures approved in October 2008
- Discussion of possible additional balancing measures
- Impact of 25 percent reduction in Police Services overtime expenditures

In addition, staff is providing further discussion on the impact of final State budget on Oakland.

FISCAL IMPACT

This report is informational and does not request appropriation of funds. However, it provides additional details on the \$37.5 million in balancing measures approved in October 2008, as well as over \$8 million in additional measures to address (and mainly delay the impact of) the year-end projected shortfall for FY 2008-09.

DISCUSSION

During their discussion at the February 24th Finance and Management Committee meeting, Committee members requested a supplemental report responding to their questions:

Status of implementation of the specific measures approved through a Council budget motion on October 21, 2008

Attachment A-1 provides a matrix in a format requested by Council President Brunner. The matrix discusses the implementation status of the specific balancing measures advanced and

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approved by the City Council in October 2008, to address the last \$10 million of the GPF shortfall. For each item appearing on Council motion from the October 21, 2008 Special Budget Hearing, the following data are presented:

- a) budgeted savings per item
- b) amount actually saved as of December 31, 2008
- c) percent of savings achieved at the end of second quarter (actual as percent of overall budget)

Most of the personnel actions (such as layoffs) were effective November 15, 2008, unless otherwise stated, and the savings realized through December 31, 2008 are for one-and-a-half months. Therefore, the "normal" percent of savings achieved is 20 percent.

Attachment A-2 provides additional details on the status of implementing all of the October budget revisions, in a format requested by Council President Brunner. A less detailed version of this attachment was included in the first supplemental report (dated February 24, 2009).

Discussion of balancing measures for the \$8 million year-end GPF shortfall

The Second Quarter Revenue and Expenditure Supplemental Report presented at the February 24th Finance and Management Committee incorporated an itemized balancing plan for the General Purpose Fund to address (and mainly delay the impact of) the projected year-end deficit of \$8.22 million. These balancing measures included the following (as reprinted in Attachment B-1):

- cash flow savings of \$5.6 million from deferral of GPF payments for specific projects from the next fiscal year; and
- saving strategies of \$2.8 million in Police Services, Museum and Parks and Recreation.

Staff specifically stated that project deferrals would shift \$5.6 million of spending to FY 2009-10, thereby growing next year's GPF deficit to estimated an \$56 million. Committee members requested a discussion of alternative balancing measures in lieu of project deferrals.

Given the compressed timeframe to analyze and develop meaningful reduction strategies for the last three months of the fiscal year (assuming April 1, 2009 implementation date), staff is very hesitant to propose solutions that could have unintended consequences on City services.

Municipalities usually turn to some combination of the following general balancing measures to permanently close budget gaps:

- Reductions in force and program/service reductions
- Fee and fine increases
- Property sales
- Debt refinancing

At this late stage of the fiscal year, staff believes that layoffs and other similar balancing measures, while permanent, would neither be realistic nor practical to implement. As part of FY 2009-11 budget development, the process of identifying potential service reductions and staff layoffs has already begun. Even if this process is expedited and executed in early May, no more than two months of savings would be generated by June 30th. Further, the impact of bridging the \$5.6 million gap through layoffs would be profound: **approximately 280 non-sworn FTEs**

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would need to be eliminated beginning May 1st. This is approximately a third of GPF non-sworn staff. These layoffs will likely impact core City services such as libraries, parks, senior centers, and information technology projects. Intelligent reductions in specific programs and services require time and a thorough analysis of costs and benefits. For property sales and debt refinancing, staff continues to consider these options for the longer term task of balancing the next two-year budget; there are no such prospects available now for balancing.

Because project deferrals can be very quickly implemented, staff believes they are the most logical option available in the current year.

Impact of 25 percent reduction in Police Services (OPD) overtime expenditures

In order to achieve a 25 percent overtime reduction, the Police Department proposes the following measures:

a) End selected special enforcement activities. The special enforcement overtime is within the Patrol Division. It is considered to be of a routine nature. Only overtime-related activities in the Patrol Division will be discontinued. Overtime-based Criminal Investigations (violent crimes) and the Youth and Family Services activities (sex crimes) will continue. Special enforcement activities that will be temporarily suspended include:

- Responding to or deterring “Sideshow” activities
- Providing limited security to special events such as Cinco de Mayo, Fourth of July, and Memorial Day (e.g., Major Responses). There are sufficient officers during the week who can be scheduled for special events on their normal work days. However, officers who cover special events on straight-time will not be available to perform their normal duties such as investigations or patrol.
- Operations targeting emerging crime trends such as gang-related offenses, quality-of-life enforcement operations, robbery and burglary suppression.

It is imperative to note that investigators who identify violent suspects often rely on surveillance to locate and track a suspect until he/she can be safely apprehended. This activity requires overtime, which will continue. Additionally, overtime related to special enforcement in “hot spots” to develop investigative leads for a violent crime/gang problem will continue as well.

b) End overtime-related backfill. This includes the following:

- End the practice of back-filling vacant beat or assignments on an overtime basis. This will result in police beats being left without coverage. Typically, these beats are areas of the city with lower call volumes.
- Stop backfilling area lieutenants beyond one per shift citywide. Area lieutenants serve as commanders for each area under the Department’s system of geographic policing. Past practices dictate that at least one lieutenant function as the citywide “watch commander” for each shift. There are currently three area lieutenants scheduled on a straight-time basis per shift. Area lieutenants will not be backfilled if there is at least one assigned to the shift. Fewer lieutenants will result in a deterioration of the geographic initiatives developed by the area command staff. Furthermore, it may result in less management

availability for critical incidents. Finally, with a significant number of new officers and supervisors assigned to the patrol function, this reduction could impact the Department's risk management strategies.

- There will be no backfill sergeant on an overtime basis when an acting-sergeant is available to fill the assignment on regular time. The Negotiated Settlement Agreement directs OPD's span of control to be one sergeant for every eight police officers. Rather than backfill absent sergeants on an overtime basis, OPD will assign an acting sergeant, when one is available, on a straight-time basis. Whereas overtime is typically paid at time-and-a-half, acting duty is paid at regular sergeant pay. Acting sergeants are police officers who have completed a training course authorizing them to serve as supervisors. While not sergeants, they have the skill set to temporarily assume the duties of supervision.

c) Eliminate unreimbursed public safety activities. Staff also proposes ending overtime-based unreimbursed activity. Specifically, weekend security for Jack London Square and the downtown entertainment district will be provided on regular-time only, unless overtime activities are specifically reimbursed.

Impact of State budget on Oakland

On February 19, 2009, after three months of negotiations, the State Legislative leaders and the Governor approved the basic framework of a budget balancing package. This budget was designed to close a projected \$42 billion deficit by relying on approximately \$12.5 billion in temporary taxes, \$14.9 billion in reduced expenditures, and \$11.4 billion in borrowing. The package will also require voters to consider several measures at an upcoming special election in May 2009.

Other specifics of the most recent budget plan that may affect cities include:

- Removal of the twelve cent increase in the gas tax from the budget package; these revenues will be replaced with an increase in the State income tax of 0.25%.
- Agreement from the Governor to further reduce budget spending through the use of line-item vetoes. As of February 25, 2009, the Governor has reportedly vetoed \$1.3 billion, with significant reductions to the budgets of the state university systems, constitutional officer's offices across multiple departments, and the Department of Corrections and Rehabilitation.
- Based on the latest available information, the League of California Cities stated on February 20, 2009, that **the approved budget plan "appears to leave cities' revenues largely intact."** Primarily, this means no borrowing or shifting of funds away from redevelopment agencies, no borrowing from sales tax and property tax, and continued funding of local public safety funds (Citizens' Option for Public Safety, juvenile justice and booking fees).

At the same time, the State will likely defer certain payments to cities by several months, to address the State's cash flow problems. According to the League of California Cities the following funding may be deferred:

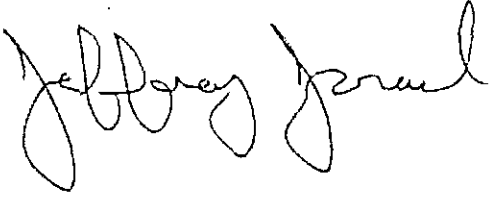
- **Seven-Month deferral of Highway Users Tax Account (HUTA) Funds:** These are revenues paid monthly to cities and counties from the per-gallon motor vehicle fuel tax. Deferral of these funds cover batch 1 and 2 payments.
 1. Batch #1: Payments to cities and counties for revenues collected from January through the first half of April would be paid in their entirety in September 2009. (\$2.07 million to Oakland)
 2. Batch #2: Payments to cities and counties for revenues collected during the second half of April through July would be paid in their entirety in October 2009 (\$2.12 million to Oakland).
- **Three-Month deferral of Proposition 42 Transportation Revenues:** These revenues are paid quarterly to cities and counties from the state sales tax on gasoline. The June 2009 4th Quarter payment to cities will be deferred until October 2009. (\$908,467 to Oakland).
- **Two-Month delay for mandate payments:** The payment date for mandate claims will be deferred from August 15 to October 15, 2009.

Staff will continue to monitor any additional details and informational updates regarding the status of the State's budget and its impact on the City of Oakland.

ACTION REQUESTED OF THE CITY COUNCIL

Accept this second supplemental report.

Respectfully submitted,



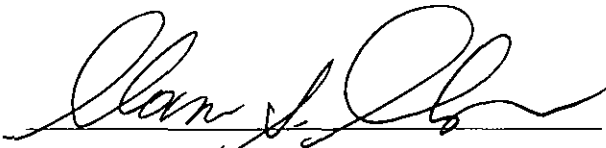
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APPROVED FOR FORWARDING TO THE
CITY COUNCIL



Office of the City Administrator

Attachments:

- A-1: Analysis of Council October 2008 Budget Motion Items*
- A-2: Status Summary of October 2008 Budget Revisions*
- B-1: Balancing Measures*

**Bold indicates an addition, strikethrough indicates a deletion from October 16, 1008 proposed Budget motion

	Change from Mayor's Proposal	AMENDED General Purpose Fund (GPF) Savings	Budgeted savings	Amount saved through Dec 31; 2008	% of savings achieved *	Comments (any substitutions, risks, alternative plan if savings not being realized)
1	Reduce the proposed City shutdown from one day a week to one day a month plus Dec 26-Jan 2 week	\$ 3,860,000	3,970,000	1,108,060	28%	With the smoothing of shutdown reductions, 2 days are accounted for through December 31, 2008 with additional 11 days remaining for the rest of the fiscal year.
2	Freeze non-sworn, non-emergency overtime.	\$ 175,000	175,000	175,000	100%	OPD overtime budget was not reduced (and is running over budget). Departments are monitoring their overtime. Overspending will be offset by other personnel or O&M savings or service reductions.
3	Reduce FY 08-09 Pay-Go by 50%.	\$ 950,000	900,926	900,926	100%	Budget was reduced in respective Council pay-go accounts. There was no additional GPF pay-go available to eliminate.
4	Recommend Elected Officials voluntarily take same 5% annual pay reduction as City employees as a result of the City shutdown	\$ 58,555	58,555	0	0%	No savings occurred yet, but are expected by year-end.
5	Keep Cultural Arts Grant Program (\$1.14 million). Eliminate funding for parades, runs and street festivals after January 1, 2009.	\$.43,500	43,500	43,500	100%	Implemented.
6	Cultural Arts Program -- Eliminate Program Analyst II; keep Program Analyst III	\$ 113,063	74,755	17,790	24%	Both PAII and PAIII were reduced to 0.50 FTE. The total anticipated savings are \$87,333 by year-end.
7	Eliminate personnel funding for Public Art Program; transfer personnel to Public Art Fund to continue the program. (plus O&M)	\$ 318,003	321,945	321,945	100%	Full year budget and actuals transferred to Public Art Fund (\$267,984 for personnel and \$53,961 in O&M).
8	Eliminate GPF-portion of Marketing, retain Film or KTOP; keep 6.25 ORA-funded positions and direct staff to return with an analysis of the ORA-funded positions (plus O&M)	\$ 354,008	368,342	368,342	100%	Full year budget and actuals transferred to Public Art Fund (\$95,796 for personnel and \$272,546 in O&M).
9	Restore Senior Shuttle	\$ (180,000)	(180,000)	(180,000)	0%	Funding for Senior Shuttle was restored.
10	Library -- Restore funding for Senior Literacy Assistant and Office Assistant 1 for 2nd Start program	\$ (102,667)	(102,667)	(102,667)	100%	Sr. Literacy Assistant was restored.
11	Eliminate Human Resource Analyst (EEO) and Downgrade Manager, Affirmative Action	\$ 153,693	141,308	28,046	20%	Original target savings were calculated effective Nov-1. Lay-off took place effective Nov-15.
12	Non-Departmental -- Eliminate AIDS Prevention & Education funding	\$ -				
13	Non-Departmental -- Eliminate Sister Cities funding	\$ -				
14	Non-Departmental -- Eliminate Oakland Convention and Visitors Bureau contract	\$ 325,000	325,000	325,000	100%	The budget has been reduced by \$325,000. These funds are no longer available for spending.
15	Non-Departmental -- Eliminate salary contingency reserve for Fire arbitration	\$ 455,000	730,000	730,000	100%	Original budget was for \$730,000 and has been fully eliminated.
16	Non-Departmental -- Decrease insurance & bonding set-aside	\$ 200,000	200,000	200,000	100%	The budget has been reduced by \$200,000. These funds are no longer available for spending.
17	OPD -- Restore 3 Rangers; Eliminate Ranger overtime except for emergencies.	\$ (260,261)	(219,806)	(219,806)	0%	This item was restored, however, Ranger overtime has decreased significantly and thus savings associated with the deletion of the 5.0 Rangers should be realized net the Ranger OT of \$86k to date. Note: only \$3,000 (approx. 3% of year to date total) expended after the 10/17/08 pay period.

* Savings reflect one-and-a-half months (November 15 through December 31, 2008), or 20 percent of the remaining year. Savings of 20 percent or higher would be "normal".

	Change from Mayor's Proposal	AMENDED General Purpose Fund (GPF) Savings	Budgeted savings	Amount saved through Dec 31, 2008	% of savings achieved *	Comments (any substitutions, risks, alternative plan if savings not being realized)
18	OPD -- Restore Police Records Specialist (animal shelter) Animal Control Coordinator	\$ (53,333)	(53,333)	(53,333)	0%	Funding for the Animal Control Coordinator was restored.
19	OPD -- Eliminate two \$100K+ positions; return to next Council meeting with specific positions	\$ 322,000	322,000	62,850	20%	ASM II retired in December and has since been eliminated. As the effective date for this action was 1/09, no savings by 12/08 were anticipated for this position - \$100k in savings will be realized by year end. A vacant Police Records Supervisor (\$125k) was also eliminated.
20	OPD -- Reduce booking fee amount to \$200K	\$ 300,000	300,000	300,000	100%	Mayor's proposal of \$500k was reduced by \$300k, so only \$200k added to revised 2008-09 budget
21	OPD -- Eliminate Police Records Specialist from OPD taxi detail. Move inspections to PWA and administrative functions to City Administrator. Would free up sergeant and up to two police officers for taxi enforcement and other policing responsibilities.	\$ 26,183	26,183	26,183	100%	Budget was reduced by the full amount during the October revision process.
22	Add .5 FTE Admin Asst to City Administrator (taxi detail administration)	\$ (26,833)	(26,833)	(26,833)	0%	Added 0.50 FTE Admin Asst for taxi detail in CAO.
23	Fire -- Eliminate Admin Asst I; Admin services Mgr-I Emergency Services Manager, Admin Asst II	\$ 229,717	229,717	46,943	20%	These positions have been eliminated and the budget has been reduced accordingly.
24	Fire -- Downgrade Battalion Chief (Training Director) to Captain	\$ -	33,203	0	0%	Not implemented per Personnel re: issues pertaining to Local 55 MOU. Captain was reversed to Battalion Chief. Savings will be achieved through other measures.
25	Mayor's Executive Office -- Reduce budget by \$430K in Executive Branch	\$ 430,000	430,000	96,697	22%	Budget was reduced by \$430,000. Savings will be realized fully by year-end through position reductions (most of which have occurred); vacancy savings and other savings.
26	Finance & Management -- Eliminate Agency Administrative Manager; Senior Supervising Human Resource Analyst; Principal Financial Analyst; Principal Human Resource Analyst	\$ 425,602	366,871	75,389	21%	All positions have been eliminated.
27	Parks & Recreation -- Eliminate Admin Services Manager; Asst to the Director; Management Intern; Program Analyst II PT; Downgrade Mgr Recreation Services; Admin Assistant I; Rec Program Director; Rec. Specialist I; Special Events Coordinator; Data Entry Assistant; Transfer Rec. Program Director and Rec. Specialist to Fund 1820. Eliminate additional \$100K+ position. Return to next Council meeting with specific position.	\$ 393,259	437,062	86,974	20%	OPR is implementing all savings initiatives. All positions have been eliminated. Additional \$100k position was the Recreation Services Manager (eliminated Nov 14, 09)
28	Department of Contracts & Purchasing -- Eliminate Admin Services Mgr I (Contract Compliance)	\$ -				
29	Museum -- Restore Graphics Design Coordinator	\$ (92,178)	(78,597)	(78,597)	0%	Graphics Design Coordinator was restored.
30	Restore positions equivalent to \$300K for Tree Trimming services.	\$ (300,000)	(300,000)	(300,000)	0%	The Oakland City Council restored tree trimmer positions in GPF.

* Savings reflect one-and-a-half months (November 15 through December 31, 2008), or 20 percent of the remaining year. Savings of 20 percent or higher would be "normal".

	Change from Mayor's Proposal	AMENDED General Purpose Fund (GPF) Savings	Budgeted savings	Amount saved through Dec 31, 2008	% of savings achieved *	Comments (any substitutions, risks, alternative plan if savings not being realized)
31	Restore \$75K for Bookmobile. Transfer \$75K out of books & supplies fund to cover this. Limit the stops to only disabled and parts of city w/o library. (net change of \$0)	\$ -	-	-	0%	Program was restored and transferred to the Library Services Retention Fund (2240).
32	Eliminate bottled water, food, and flowers. Food allowed to be provided only for meetings/trainings during which the employee is required to work through the meal.	\$100,000	100,000	100,000	100%	Bottled water, food and flowers budget was reduced by \$100k.
33	Voluntary Time Off w/o Pay (VTN) – Request unions to provide list of employees who have signed stating they are willing to participate	unknown				The program is already in place. All department directors were encouraged to approve requests, and some have done so.
34	Eliminate Management Leave.	Approximately \$1.5M. Subject to negotiation as it is granted in MOU. No savings potential for 08-09.				MOU negotiations continue.
35	Eliminate Professional Development Allowance.	Approximately \$110-125K. Subject to negotiation as it is granted in MOU. No savings potential for 08-09.				MOU negotiations continue.
36	Suspend funding for Instant Runoff Voter education campaign in 2008-2009	\$ 443,400				
37	Transfer funds from Public Campaign Finance	\$ 226,600	226,000	226,000	100%	The budget of \$226,000 has been eliminated.
38	Use one-time revenue from health benefit savings (per OPD arbitrator)	\$ 259,000	259,000	129,500	50%	Implemented. Full savings will be realized by year-end.
39	Layoff 7 FTEs in addition to Mayor's proposal and those included in this proposal; return to next Council meeting with specific positions	\$ 720,189	788,369	185,776	24%	The budgeted vacancy factor was increased to 5 percent. Actual attrition rate in GPF is 5.13 percent as of Dec 2008.
	Total Potential Reductions	\$ 9,866,500	9,866,500	4,593,686	47%	

* Savings reflect one-and-a-half months (November 15 through December 31, 2008), or 20 percent of the remaining year. Savings of 20 percent or higher would be "normal".

STATUS OF IMPLEMENTING OCTOBER BUDGET CHANGES
Fund 1010 (General Purpose Fund)

FY 2008-09 MID-YEAR SHORTFALL (\$37.45)

BALANCING MEASURES (\$ in millions)

(A) REVENUES \$13.45

Item	Additional Revenue FY 2008-09	Status of Implementation	Budgeted Savings	Amount Saved through Dec. 31, 2008	% of Savings Achieved (normal=20%)	Additional Comments
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New revenues

Capital trust transfer (upon termination of agreement): ONE-TIME	\$9.50	Staff is currently working to implement refinancing	\$9.50	\$0.00	0%	Currently in the process of refinancing. Treasury to present status report at March 24, 2009 committee meeting.
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Rate increases

Increase user fees and charges to ensure that they
fully cover costs

Increase Parking meter rates	\$0.95	Implemented*	\$0.95	\$0.22	23%	Implemented in November 2009. However, total Parking Meter revenue is projected to come in under budget by \$0.66 million as indicated in the R&E report.
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Increase fines and penalties

Parking Citation rate increases	\$0.98	Implemented*	\$0.98	\$0.25	25%	Implemented in November 2009. However, total Parking Citation revenue is projected to come in under budget by \$0.31 million as indicated in the R&E report.
Street sweeping citation increases	\$0.64	Implemented*	\$0.64	\$0.16	25%	Implemented in November 2009. However, total Parking Citation revenue is projected to come in under budget by \$0.31 million as indicated in the R&E report.

Other revenue increases

Increased Accts Receivable collections	\$0.36	Implemented	\$0.36	\$0.36	100%	Receivables have been collected.
Increased Recoveries by Treasury Division for various svcs like debt issues and ORA investment activities	\$0.31	Implemented; Treasury is on target to realize additional revenue.	\$0.31	\$0.08	25%	Treasury will collect the additional \$0.31 million in recoveries by year-end related to debt and investment activities
Increased transfer from the Development Services Fund to account for unpaid interest since July 1, 2006	\$0.35	Implemented; transfer has been setup.	\$0.35	\$0.09	25%	Recurring transfers will be made to realize full savings by year- end.
On-going Transfer of 50% of Golf Course Concession Revenues	\$0.10	Implemented	\$0.10	\$0.10	100%	Funds have been transferred from Golf Fund.
One-time revenue from health benefit savings from OPD arbitrator	\$0.26	Implemented; rate has been changed.	\$0.26	\$0.13	50%	One half has been transferred, the second will happen by year- end.

(B) EXPENDITURES - Dept I (\$15.57) (146.37)

Item	Savings FY 08-09	FTEs Eliminated/ Transferred	Status of Implementation	Budgeted Savings	Amount Saved through Dec. 31, 2008	% of Savings Achieved	Additional Comments
CIP	(\$0.90)	0.00	Implemented	(\$0.90)	(\$0.90)	100%	GPF Pay-go budget has been reduced by \$900k. These funds are no longer available for spending.
MAYOR	(\$0.20)	(3.00)	In progress	(\$0.20)	(\$0.04)	20%	Savings will be realized by year-end.
CITY ADMINISTRATOR	(\$1.73)	(8.00)	Implemented;	(\$1.73)	(\$0.75)	43%	All reductions and transfers have been fully implemented to realize \$1.73 million in savings at year end.
CITY CLERK	(\$0.09)	(0.50)	Implemented	(\$0.09)	(\$0.03)	37%	All reductions and transfers were fully executed. O&M Savings is 100% thru 12-31-08.
CONTRACTING & PURCHASING	(\$0.34)	(4.00)	Implemented	(\$0.34)	(\$0.17)	50%	Positions have been vacant all year.
INFORMATION TECHNOLOGY	(\$1.24)	(11.75)	Implemented; except Project Manager positions	(\$1.24)	(\$0.27)	22%	Two Project Manager positions remain for which the funding was removed but the layoff was not executed due to civil service rules.
FINANCE & MANAGEMENT	(\$1.89)	(18.80)	Implemented	(\$1.89)	(\$0.75)	40%	All reductions and transfers were fully executed. O&M Savings is 100% thru 12-31-08.
POLICE SERVICES	(\$3.75)	(48.13)	Implemented	(\$3.75)	(\$1.95)	52%	All reductions and transfers have been fully implemented.

Item	Savings FY 2008-09	FTEs Eliminated / Transferred	Implementation difficulties, other comments	Budgeted Savings	Amount Saved through Dec. 31, 2008	% of Savings Achieved	Additional Comments
FIRE SERVICES	(\$1.50)	(10.50)	Implemented; except downgrade of Battalion Chief	(\$1.50)	(\$0.69)	46%	The downgrade of (Training) Battalion Chief to Captain has not happened, however the budgeted savings will still be fully realized.
MUSEUM (OMCA)	(\$0.16)	(2.50)	Implemented; except Registrar position	(\$0.16)	(\$0.02)	10%	All reductions and transfers have been implemented except the elimination of the Registrar position. Thus, \$63,143 will not be realized.
LIBRARY	(\$1.08)	(13.55)	Implemented	(\$1.08)	(\$0.54)	50%	All reductions and transfers were fully executed.
PARKS & RECREATION	(\$1.13)	(13.28)	Implemented	(\$1.13)	(\$0.44)	39%	All reductions and transfers were fully executed.
HUMAN SERVICES	(\$0.59)	(0.27)	Implemented	(\$0.59)	(\$0.12)	20%	The downgrade of the Senior Services Manager to .53 FTE has been fully implemented.
PUBLIC WORKS	(\$0.39)	(7.40)	Implemented	(\$0.39)	(\$0.08)	20%	All reductions and transfers were fully executed.
COMMUNITY & ECONOMIC DEVELOPMENT	(\$0.14)	(0.69)	Implemented	(\$0.14)	(\$0.03)	22%	All reductions and transfers were fully executed.
CITY ATTORNEY	(\$0.45)	(4.00)	Implemented	(\$0.45)	(\$0.08)	19%	All reductions and transfers were fully executed.

(C) EXPENDITURES - Citywide (\$8.61)**Freeze non-essential vacancies**

Freeze of all GPF vacancies for the remainder of the year, with the exception of Police and Fire sworn, Library and OPR	(\$0.50)		Implemented, with limited exceptions	(\$0.50)	(\$0.09)	18.8%	Implemented except DIT
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Management concessions

Freeze auto allowances for all department directors	(\$0.04)		Implemented	(\$0.04)	(\$0.01)	20%	Ongoing savings.
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Reductions in non-personnel expenses

Reduce funding for Training & Community Development	(\$0.13)		Implemented	(\$0.13)	(\$0.13)	100%	This budget has been reduced by \$127,250. These funds are no longer available for spending.
Reduce funding for Marketing & Special Events	(\$0.05)		Implemented	(\$0.05)	(\$0.05)	100%	This budget has been reduced by \$45,000. These funds are no longer available for spending.
Reduce funding for Parades, Street Festivals, Etc.	(\$0.04)		Implemented	(\$0.04)	(\$0.04)	100%	This budget has been reduced by \$43,500. These funds are no longer available for spending.
Reduce Overtime	(\$0.18)		Implemented	(\$0.18)	(\$0.18)	100%	The budget has been reduced across all departments except OPD. These funds are no longer available for spending. Any overspending in overtime budget will be offset with other personnel or O&M savings.
Suspend OCVB support effective Jan 1	(\$0.33)		Implemented	(\$0.33)	(\$0.33)	100%	This budget has been reduced by \$325,000. These funds are no longer available for spending.
Eliminate salary contingency in Non-Dept	(\$0.73)		Implemented	(\$0.73)	(\$0.73)	100%	The total budget of \$730,000 has been eliminated.
Reduce Insurance & Bonding	(\$0.20)		Implemented	(\$0.20)	(\$0.20)	100%	This budget has been reduced by \$200,000. These funds are no longer available for spending.
Reduce Food, Flowers, Hospitality	(\$0.10)		Implemented	(\$0.10)	(\$0.02)	20%	Bottled water, food and flowers budget was reduced by \$100k. These funds are no longer available for spending.
Increase attrition rate back to 5%	(\$1.11)		Implemented	(\$1.11)	(\$0.31)	28%	Actual attrition rate in General Purpose Fund is 5.75% as of December, 2008. The budgeted increase to 5% was effective Nov 1, 2009.
Reduce Public Campaign Financing (CF)	(\$0.23)		Implemented	(\$0.23)	(\$0.23)	100%	The total budget of \$226,000 has been eliminated.
Reduce Booking Fees amount	(\$0.30)		Implemented	(\$0.30)	(\$0.30)	100%	Mayor's proposal of \$500k was reduced by \$300k to \$200k.
Adjustment for actual COLA savings	(\$0.22)		Implemented	(\$0.22)	(\$0.11)	50%	Adjustment in GPF overhead recovery due to COLA takeaway

Reductions in subsidies/assistance

Reduce subsidy to the Comprehensive Clean-Up Fund	(\$0.50)		Implemented	(\$0.50)	(\$0.50)	100%	This budget has been reduced by \$500,000. These funds are no longer available for spending.
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Citywide shutdown

(1) CITYWIDE SHUTDOWN: Close non-essential City facilities 13 Days	(\$3.97)		In progress	(\$3.97)	(\$1.11)	28%	With the smoothing of shutdown reductions, 2 days are accounted for through December 31, 2008 with additional 11 days remaining for the rest of the fiscal year.
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FY 2008-09 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2008 - December 31, 2008)
BALANCING MEASURES (\$ in millions)

Item	Savings	Project Description/Impact
TARGET	(8.22)	
BALANCING MEASURES - TOTAL	(8.37)	
MISCELLANEOUS		
Delay payments on the following projects until July 2009:		
Hardy Park Restroom	(0.21)	Install a new single unisex restroom building at Hardy Park. The project is in design phase; received Caltrans Encroachment Permit in Dec 2008. Once the design is complete, the project will be put out to bid with an estimated time of completion of mid- to late 2010. Thus, most of the funds will be expended in FY 2009-10.
Red Light Camera Enforcement	(1.37)	This project is currently experiencing delays related to PG&E connections. O&M funds pay for the lease, installation and maintenance of cameras; only two installations to date. Revenue from violations is expected to cover the costs associated with the program.
Rent Arbitration	(0.20)	This project is revenue restricted, however some project funds will not be spent in the current year.
Roof Repairs	(0.35)	Repair of city property roofs with a one-time appropriation of \$1.5M in FY 2006-07 midcycle. Many repairs were completed in FY 2006-07 and FY 2007-08 with some still pending. Montclair Library, Manzanita Rec Ceter, Mosswood Rec Center, Mosshouse projects are in the pipeline for the current fiscal year. Balance of the unspent funds will be spent in FY 2009-10.
DHS Projects	(0.67)	Head Start FY 2008-09 Fringe Supplemental project will defer \$0.31M; program ends August 2009 and most payments will be made in early next fiscal year.
- Head Start FY 2008-09		
- City School Partnership		City School Partnership and Senior Shuttle projects will defer \$0.2M and \$0.05M, respectively, due to invoices received after 7/1/09.
- Senior Shuttle		
- Emergency Housing Program		The Emergency Housing Program will defer \$0.12M for which a Request for Proposals has been issued; invoices are likely to be received after 06/30/09.
Zoning Project	(0.18)	Land use updates to ensure compliance with General Plan. Funding is not needed until FY 2009-10.
General Plan Update	(0.23)	General plan updates. Funding is not needed until FY 2009-10.
City/County Collaboration	(0.47)	Funding not required until FY 2009-10. With direction from the Mayor's office, DHS will use these funds to administer a Request for Proposals process to select one or several providers that would provide street outreach.
Taser Maintenance	(0.06)	The City has a contract with the Taser vendor. Approximately half of the \$0.11M could be deferred to FY 2009-11, but the remaining amount should be added to the 2009-11 budget.
Riders Settlement	(0.20)	Actuals will probably be about \$0.2M less than the current budget of \$1.2M.
Mandela Parkway	(0.24)	PWA is expected to spend one-third of the total contract amount in FY 2008-09.
Necklace of Lights	(0.08)	PWA does not expect to spend any project money for the Necklace of Lights this fiscal year.
In Car Video Management	(0.23)	OPD is actively working to comply with Task #32 of the Negotiated Settlement Agreement, though some funds will likely be expended in FY 2009-10.
Leona Quarry Development	(0.25)	CEDA Design and Construction Division will only need \$0.03M of the current year appropriation of \$0.3M (rounded).
Permit, Enforcement, and Records Tracking System (PERTS)	(0.51)	CEDA commits not to spend any of the \$511,526 currently appropriated in GPF prior to July 1, 2009, after which time it will be available for project spending.
FEMA matching grant funds (projects)	(0.10)	Five projects totalling \$0.1M in process of being closed; closures will be deferred until after July 1, 2009.
Recording Material Purchase	(0.26)	Library will defer purchase of records, tapes, microfilm, microfiche, minor tools and equipment to the next fiscal year.
POLICE SERVICES		
Additional Overtime savings	(1.50)	Estimated savings of \$0.5M from 40 percent (weekdays) / 60 percent (weekend) deployment change plus 25 percent across the board overtime reduction.
BART Shooting Protest -- Overtime Claim	(0.50)	OPD is working with Risk Management to file a claim with the City's insurer.
Transfer O&M to State Asset Forfeiture	(0.45)	OPD to transfer eligible O&M to State Asset Forfeiture.
MUSEUM		
Savings from authorized leave and freezing current vacancy	(0.08)	No long term impact
PARKS & REC		
Transfer Central Reservation Unit costs to the Self Sustaining Fund (1820)	(0.26)	OPR will transfer eligible Central Reservation Unit costs to the Self Sustaining Fund (1820).