



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Margaret L. O'Brien  
Finance Director, Interim

**SUBJECT:** Budget Amendments To Fiscal  
Year 2020-21 Mid-Cycle  
Amendments

**DATE:** March 11, 2021

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City Administrator Approval 

Date: Mar 12, 2021

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## **RECOMMENDATION**

**STAFF RECOMMENDS THAT CITY COUNCIL RECEIVE A SUPPLEMENT REPORT REGARDING A RESOLUTION AMENDING RESOLUTION 88174 C.M.S., WHICH ADOPTED THE FISCAL YEAR 2020-2021 MID-CYCLE AMENDMENTS, TO AMONG OTHER THINGS, CLARIFY THE PROCESS FOR EXPENDING NEWLY OBTAINED FUNDS, TO APPROPRIATE FEDERAL FUNDING TO FILL THE GENERAL PURPOSE FUND GAP, TO ALLOCATE \$10 MILLION OBTAINED FROM THE COLISEUM AUTHORITY TO FUND PUBLIC SERVICES INCLUDING IN THE FIRE DEPARTMENT AND MORE.**

## **REASON FOR SUPPLEMENTAL**

The reason for this supplemental memo is to transmit to the City Council the draft agenda report with exhibits regarding Amendments to the Adopted FY 2020-21 Midcycle Budget and recommendations for use of Federal American Rescue Plan Act of 2021 (ARPA) **Attachment A**. Included in the draft agenda report is the proposed Resolution title. Attached to the draft agenda report are exhibits that include both the Administrations proposed actions and the submissions received from Council Members. Staff prepared the report and resolution for the City Council's consideration at the March 16, 2021 Special City Council meeting.

## **BACKGROUND / LEGISLATIVE HISTORY**

At the March 8, 2021 Finance Committee meeting, Staff was directed to bring forward a comprehensive scheduling request to the March 11, 2021 Rules Committee meeting to agenize budget amendments to the adopted FY 2020-21 Mid-cycle budget utilizing soon to be available funds from ARPA. In response staff prepared a draft resolution and draft City Council agenda. The resolution was developed, pursuant to the direction from City

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Council to allow the Council to consider for approval recommended funding restorations/additions from both the Administration and from Councilmembers. Many of those funding recommendations relate to critical City services for which there is broad support. The direction from the City Council was for staff to prepare the report and resolution so that the City Council could approve such expenditures at the March 16, 2021 Special City Council meeting.

At the March 11, 2021 Rules Committee meeting, staff was prepared to read the resolution title into the record for scheduling. However, after robust conversation, the Committee decided to agenzize a discussion item authored by Vice Mayor Kaplan, to have further discussion regarding proposed budget amendments and use of ARPA funds. Thus, staff is submitting the already prepared draft Resolution title and City Council report to help frame the conversation. The action of the Rules Committee therefore delayed City Council consideration of possible City service restorations/additions to an unspecified future date rather than providing the Council with the ability to consider them at the March 16, 2021 meeting.

### **ANALYSIS AND POLICY ALTERNATIVES**

Information regarding the FY 2020-21 deficit may be accessed on the City's website at [www.oaklandca.gov/budget](http://www.oaklandca.gov/budget).

### **FISCAL IMPACT**

There are no fiscal impacts associated with this supplemental report.

All of the recommended actions in the draft agenda report total \$192 million to help close deficits in multiple funds, including the GPF, for the City's current fiscal year FY 2020-21 as well as FY 2021-23 Biennial Budget. While necessary, these balancing actions alone are insufficient to resolve the \$274.25 million estimated all funds deficit projected for the FY 2021-23 Biennial Budget.

### **PUBLIC OUTREACH / INTEREST**

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

### **COORDINATION**

This report has been prepared in coordination with Department of Finance.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The Oakland City government is a primary contributor to our local East Bay economy. Reductions in City of Oakland expenditures will have negative impacts on local economic activity. Conversely, maintenance of City services will have a positive impact.

***Environmental:*** There no direct environmental impacts identified as a result of these actions.

***Race & Equity:*** The loss of the City's Temporary Part Time (TPT) staff had significant racial equity impacts, as most of these employees directly served the City's Black, Indigenous, People of Color (BIPOC) communities and the City's TPT staff are predominantly BIPOC themselves. On a larger scale, balancing the City's multi-year multi-fund deficits without making service reductions is essential to the City's pursuit of implementing racial equity. Service reductions overwhelmingly impact the City's BIPOC communities, and so the deficits outlined in this report represent a true threat to the City's overall efforts to advance racial equity. The federal aid presents the City with a rare opportunity to solve its fiscal crises while minimizing the negative impact to its BIPOC communities. Wise investment of this federal aid is critical for the City's underlying mission to deliver on its racial equity priorities across departments.

**ACTION REQUESTED OF THE CITY COUNCIL**

**STAFF RECOMMENDS THAT CITY COUNCIL RECEIVE A SUPPLEMENTAL REPORT REGARDING A RESOLUTION AMENDING RESOLUTION 88174 C.M.S., WHICH ADOPTED THE FISCAL YEAR 2020-2021 MID-CYCLE AMENDMENTS, TO AMONG OTHER THINGS, CLARIFY THE PROCESS FOR EXPENDING NEWLY OBTAINED FUNDS, TO APPROPRIATE FEDERAL FUNDING TO FILL THE GENERAL PURPOSE FUND GAP, TO ALLOCATE \$10 MILLION OBTAINED FROM THE COLISEUM AUTHORITY TO FUND PUBLIC SERVICES INCLUDING IN THE FIRE DEPARTMENT AND MORE.**

For questions regarding this report, please contact Lisa Agustin, Budget Administrator, at 510-238-2898.

Respectfully submitted,

*Margaret L. O'Brien*

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Margaret L. O'Brien  
Director of Finance, Interim

Attachments (1):

A. Draft Agenda Report With Exhibits Regarding Amendments To The Adopted FY 2020-21 Midcycle Budget And Recommendations For Use Of Federal American Rescue Plan Act of 2021 (ARPA)



CITY OF OAKLAND

# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Margaret L. O'Brien  
Director of Finance, Interim

**SUBJECT:** Amendment to the Adopted FY 2020-21 Midcycle Budget & Use of Federal ARPA Funds

**DATE:** March 11, 2021

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City Administrator Approval

Date:

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## **RECOMMENDATION**

### **STAFF RECOMMENDS COUNCIL TAKE THE FOLLOWING ACTIONS:**

(1) AUTHORIZING THE CITY ADMINISTRATOR TO TAKE ANY AND ALL ACTION NECESSARY TO APPLY FOR AND RECEIVE AMERICAN RESCUE PLAN ACT ("ARPA") FUNDS AWARDED TO THE CITY OF OAKLAND ("CITY");

(2) ACCEPTING AND APPROPRIATING ARPA FUNDS IN AN ESTIMATED AMOUNT OF ONE HUNDRED NINETY-TWO MILLION EIGHTY-FOUR THOUSAND ONE HUNDRED FIVE DOLLARS (\$192,084,105) TO THE ARPA FUND (FUND 2072);

(3) AMENDING RESOLUTION NO. 88174, WHICH ADOPTED THE FISCAL YEAR ("FY") 2020-21 MIDCYCLE BUDGET ADJUSTMENTS TO:

(A) ALIGN THE GENERAL PURPOSE FUND (FUND 1010), THE OFFICE OF PARKS AND RECREATION CULTURAL ADVISORY ("OPRCA") SELF-SUSTAINING REVOLVING FUND (1820), THE MEASURE Z VIOLENCE PREVENTION AND SAFETY ACT OF 2014 FUND (2252), AND THE MEASURE C TRANSIENT OCCUPANCY TAX (TOT) SURCHARGE FUND (2419) WITH REVENUE AND EXPENDITURES FORECASTED FOR SAID FUNDS IN THE SECOND QUARTER REVENUE AND EXPENDITURE REPORT ATTACHED HERETO AS EXHIBIT 1;

(B) ALLOCATE ARPA FUNDS IN AN ESTIMATED AMOUNT OF FORTY-FOUR MILLION THREE HUNDRED AND THIRTY THOUSAND DOLLARS (\$44,330,000), BUT IN AN AMOUNT NOT TO EXCEED THE AMOUNT IDENTIFIED IN THE FORTHCOMING FISCAL YEAR 2020-21 FOURTH QUARTER REVENUE AND EXPENDITURE REPORT, TO CLOSE THE DEFICIT IN THE GENERAL PURPOSE FUND (FUND 1010) AND TO REPLENISH THE CITY'S EMERGENCY RESERVE FUND AND OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT ("OMERS") RESERVE FUND AS

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REQUIRED BY THE CITY'S CONSOLIDATED FISCAL POLICY (ORDINANCE NO. 13487 C.M.S.) TO AVOID DECLARATION OF A FISCAL EMERGENCY;

- (C) ALLOCATE ARPA FUNDS IN AN ESTIMATED OF TWO MILLION FOUR HUNDRED AND SEVEN THOUSAND DOLLARS (\$2,407,000) TO CLOSE THE DEFICIT AND REPLENISH ANY REQUIRED RESERVE AMOUNTS IN THE OPRCA SELF-SUSTAINING REVOLVING FUND (1820), MEASURE Z VIOLENCE PREVENTION AND SAFETY ACT OF 2014 FUND (2252), AND THE MEASURE C TOT SURCHARGE FUND (2419);
  
- (D) ALLOCATE ARPA FUNDS AND THE PREVIOUSLY APPROPRIATED FUNDS RECEIVED FROM THE OAKLAND-ALAMEDA COUNTY COLISEUM JOINT POWERS AUTHORITY ("JPA") TO RESTORE SELECTED SERVICES AFFECTED BY FY 2020-21 ADMINISTRATIVE REDUCTION ACTIONS AS SET FORTH IN EXHIBIT 2 ATTACHED HERETO;
  
- (E) ALLOCATE ARPA FUNDS AND JPA FUNDS TO FUND NEW SERVICES THAT ARE NEEDED TO ADDRESS THE NEGATIVE HEALTH, SAFETY, WELFARE, AND FISCAL EFFECTS OF THE PANDEMIC AS SET FORTH IN EXHIBIT 2 ATTACHED HERETO.

**EXECUTIVE SUMMARY**

The purpose of this report is to propose amendments to the Fiscal Year (FY) 2020-21 Midcycle Budget and to recommend a plan for use of the estimated American Rescue Plan Act aid (ARPA) of \$192 million. Approximately half of these funds are expected to become available to the City during the current Fiscal Year with the balance due in Fiscal Year 2021-22. The allowable use of this funding is broad but as enacted is intended "to mitigate the fiscal effects stemming from the public health emergency." Staff is recommending the City prioritize two uses for ARPA funds: to offset revenue losses and to address gaps in critical pandemic-related services.

Recommended budget adjustments for Fiscal Year 2020-21 are primarily intended to address revenue shortfalls. Many of the City's key revenues have fallen short of budgeted expectations. The most severely impacted funds include the General Purpose Fund (1010) (GPF), the OPRCA Self Sustaining Fund (1820), the Measure Z Violence Prevention Fund (2252), and the Measure C Hotel Tax Fund (2419). Staff is recommending Council amend the Adopted Midcycle Budget (Resolution 88174 CMS) to align budgeted revenues with anticipated revenues as forecasted at the second quarter. In addition, staff recommends adjusting appropriation authority for several departments where projected expenditures at mid-year exceed budgeted amounts.

In addition to these budget amendments, staff is recommending that ARPA funds be utilized to: 1) restore the General Purpose Fund's required reserves to their mandated minimum level to prevent a declaration of fiscal emergency, 2) address existing FY 2020-21 deficits in funds with balances that have been negatively impacted by the COVID-19 pandemic, 3) restore certain services included in the FY 2020-21 Midyear Administrative Actions, 4) fund City workplace health and safety improvements that can be expended in FY 2020-21 to prepare for the safe re-opening and operation of City facilities, and 5) address the projected shortfall in the FY 2021-23 Biennial Budget.

First, as a result of the deficit that occurred in FY 2019-20, and the deficit projected in the current FY 2020-21, the GPF is expected to have a FY year-end (YE) balance of \$6.34 million; that is \$44.3 million below the mandated reserve level of \$50.67 million. This puts the City in violation of the consolidated fiscal policy and in a compromised fiscal position if another major disaster or emergency were to occur. Using \$44.3 million of ARPA funds to restore the emergency reserve to the mandated minimum level is vitally important. If not restored, the City would be required to declare a fiscal emergency, which has immediate and severe consequences. Most notably, the City's credit rating could be negatively impacted, and the City may lose access to capital and debt options that it uses for essential projects such as affordable housing development and other bond measures.

Second, ARPA can be allocated to correcting deficits in the current FY 2020-21 for key non-GPF funds. The OPRCA Recreation Programs Self Sustaining Fund (1820), Measure Z Public Safety and Services Violence Prevention Act Fund (2252), and Measure C Hotel Tax Supplement for Culture & Tourism Fund (2419) are in jeopardy of becoming permanently negative in their fund balances due to the revenue losses they have sustained from the COVID-19 pandemic. Staff recommends allocating ARPA funds to the OPRYD Self Sustaining Fund (1820), Measure Z (2252), and Measure C (2419) in an amount estimated at \$2.41 million to maintain positive fund balances in each of these funds.

Third, the City had to make difficult service reductions in the current fiscal year through Midyear Administrative Actions to address the growing deficit. These service reductions impacted City residents at a time when they most need increased services. A portion of these services could be restored to pre-COVID-19 pandemic service levels with \$2.72 million in ARPA. This includes reinstating temporary workers, primarily in parks and libraries, and certain police services. See Exhibit 2 for the list of services that are recommended to be restored. Although other Council-proposed restorations are listed in Exhibit 2, staff strongly recommends the remainder of Midyear Administrative Actions stay in effect to control ongoing costs and that the Council not consider funding any new programs during the current fiscal year.

Fourth, the ARPA funding provides flexibility for municipalities to use the grant funding to support their efforts in addressing the effects of the COVID-19 pandemic beyond the revenue losses they are experiencing. Given the dire impact the COVID-19 pandemic had on the City of Oakland's ability to serve residents and businesses, staff is recommending that a very limited portion of the grant funds be allocated to invest in additional workplace health and safety improvements that can be expended in this current FY, Fiscal Year 2020-21. These improvements, estimated to cost \$500,000, are necessary to support employees' safe return to

work and public safe access to in-person City services. See Exhibit 2 for more detail, as well as a list of new services recommended by City Councilmembers to be funded for this fiscal year.

Finally, staff recommends that the remaining ARPA funds of \$142.13 million be directed to address the impact that the COVID-19 pandemic is projected to have on the upcoming FY 2021-23 Biennial Budget. The GPF budget must be adjusted to maintain a positive balance by law. The FY 2021-23 Biennial Budget's GPF revenues are projected to be much lower than previously anticipated due to damage to the local economy sustained throughout the course of the pandemic. At the same time, the City must determine allocations for other vital funds, which are also experiencing projected deficits between revenues and expenditures. The OPRCA Self Sustaining Fund (1820), Measure Z (2252), and Measure C (2419) are projected to experience prolonged impacts from the COVID-19 pandemic reaching into FY2022-23. However, even the ARPA funds do not cover all of the FY 2021-23 Biennial Budget projected deficit across all funds, which will still need to be balanced during the City's upcoming budget development process.

The Administration urges Council to amend the current FY2020-21 Budget to allocate \$49.95 million in ARPA funds to address significant revenue shortfalls, to restore mandatory reserves and restore the most urgently needed services and reserve the remaining \$142.13 million in ARPA to address the \$274.25 million projected shortfall in the 2021-23 Budget.

### **BACKGROUND / LEGISLATIVE HISTORY**

On March 10, 2021, the U.S. Congress passed the American Rescue Plan Act. As a part of this federal stimulus package, \$192 million was allocated for the City of Oakland. Half of this amount is expected to be received within 60 days and half is expected in Fiscal Year 2021-22. ARPA identifies the mitigation of local revenue losses as the primary purpose for these allocations. At the same time, ARPA offers welcome flexibility in the use of these funds in comparison with prior allocations under the CARES Act Relief Fund or reimbursements available from the Federal Emergency Management Administration. ARPA funds must be used to address costs incurred prior to December 31, 2024.

Staff recommends that the Council utilize these funds to restore the City's financial reserves as the first priority. Local government will continue to play a key role in any future disaster and the City's ability to fulfill this role is dependent on the availability of reserves. The City's Vital Services Stabilization Reserve was fully appropriated in the Fiscal Year 2020-21 Midcycle Budget Amendment and the General Purpose Fund Emergency Reserve has been exhausted by revenue shortfalls in excess of budgeted expectations. These shortfalls have occurred despite the closing of a \$122 million all funds gap and the suspension of many of the Council's fiscally responsible policies like negative fund repayments, payments to unfunded liabilities and transfers to the rainy day fund. The cause of this crisis is predominantly the negative fiscal impact of the COVID-19 pandemic, which has devastated many of the City's revenue streams. The City has also been experiencing overspending in some departments, notably the Police Department, as demand for services have increased in line with growth in violent crime.



The Second Quarter Revenues & Expenditure Analysis Report projected a \$40.52 million operating shortfall in the City’s GPF. After an estimated savings of \$27.3M from the administrative actions taken in December, the projected year-end fund balance is \$6.34 million. This is \$44.33 million below the mandated reserve level of \$50.67 million (inclusive of the mandated GPF reserve and the OMERS reserve). If the reserves are not restored by June 30, 2021, the City is required by the Consolidated Fiscal Policy to declare a fiscal emergency. Doing so will have immediate consequences to the City’s fiscal health. Most notably, the City’s ability to access outside capital and debt options – such as those used to enable the funding of affordable housing construction – will be frozen. The City must solve this fiscal crisis at the same time it is also developing the FY 2021-23 Biennial Budget. The Administration and the Council are faced with two looming fiscal cliffs: the immediate crisis of FY 2020-21 and the upcoming severe budget deficit of the FY 2021-23 Biennial Budget.

**ANALYSIS AND POLICY ALTERNATIVES**

The Second Quarter Revenue & Expenditure (R&E) analysis for the GPF revealed a projected year-end GPF deficit of -\$44.33 million as shown in **Table 1**.

**Table 1:** Summary of FY 2020-21 Fiscal Crisis (\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2020-21 Q2 Projected FYE
<b>Beginning Fund Balance - Audited</b>	<b>\$40.12</b>
Revenue	\$650.97
Expenditures	\$691.49
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>-\$40.52</b>
<b>Subtotal Fund Balance</b>	<b>-\$0.40</b>
FY19-20 / FY20-21 Obligated Fund Balance	-\$20.55
Mandated Emergency Reserves	-\$48.31
OMERS Reserves (Reso. No. 85098 C.M.S)	-\$2.36
<b>Estimated Ending Available Fund Balance</b>	<b>-\$71.62</b>
Estimated Savings from Administrative Actions	\$27.29
<b>Estimated Ending Available Fund Balance</b>	<b>-\$44.33</b>

The Second Quarter R&E analysis determined that the COVID-19 pandemic and department overspending are the two major contributors to the City facing a significant fiscal crisis in this

current fiscal year FY 2020-21. However, even prior to beginning FY 2020-21, the City's finances were already in jeopardy due to the loss of GPF fund balance that occurred at the end of FY 2019-20 and brought the GPF fund balance to \$19.57 million. This put the City \$31.10 million below the \$50.67 required minimum fund balance level for the City's mandated emergency reserves.

The COVID-19 pandemic is also severely constraining the City's projected revenues for the FY 2021-23 Biennial Budget. The 2021 Five Year Forecast, dated March 9, 2021, identifies a \$274.25 million operating deficit for the FY 2021-23 Biennial Budget in all funds, which includes a \$173.74 million operating deficit in the General Purpose Fund (GPF) 1010. In the past, with this scale of deficit in, service reductions would be the primary means for the City to balance the budget. The City is required by law to pass a balanced budget; therefore, any projected operating deficit endangers the City's ability to legally adopt a balanced budget.

It must be emphasized that the GPF is not the only fund that has been negatively impacted in the FY 2021-23 Biennial Budget, although it is the biggest concern because the GPF deficit is the largest. A combined \$274.25 million is the projected operating deficit across all funds. Staff has identified the OPRCA Self Sustaining Fund (1820), Measure Z (2252), and Measure C (2419) as key non-GPF funds that are in jeopardy of experiencing long-term negative balances due to sustained revenue losses. Due to the nature of the type of revenue received, it is unlikely that these funds will regain lost revenues in the near future. However, these funds are essential to various vital services provided to City residents, especially parks and recreational programming, violence prevention initiatives, and cultural and arts programming. **Table 3** shows the projected deficits in current fiscal year FY 2020-21 and the upcoming FY 2021-23 Biennial Budget for the following three funds.

**Table 3:** Projected Revenue Deficits for non-GPF Funds Most Impacted by COVID-19  
 (In millions)

	FY20-21	FY21-22	FY22-23	Total
<b>OPRCA Self Sustaining -1820</b>	\$-3.39	\$-1.81	\$-2.28	<b>\$-7.48</b>
<b>Measure Z - 2252</b>	\$-4.68	\$-5.37	\$-5.55	<b>\$-15.60</b>
<b>Measure C - 2419</b>	\$-2.08	\$-0.14	\$-0.11	<b>\$-2.33</b>
<b>TOTAL</b>	<b>\$-10.15</b>	<b>\$-7.32</b>	<b>\$-7.94</b>	<b>\$-25.41</b>

The news regarding the \$192 million of ARPA aid could not have come at a better time. Over the next four months, the City must mitigate: 1) the prospect of the entire emergency reserve being drained requiring the City to declare a fiscal emergency, and 2) the massive deficit in the upcoming FY 2021-23 Biennial Budget that without ARPA aid, would require drastic service reductions to balance.

Given that the proposed federal bill has a term limit of 2024, staff is recommending that the use of ARPA funds be focused over three fiscal years in the funds identified above. The following sections will outline staff's recommendations on the most urgent priorities that need to be addressed in resolving our fiscal crises.

**Recommendation #1: Amend the Midcycle Budget adopted pursuant to Resolution No. 88174 CMS to year-end revenues as forecasted in the Second Quarter Revenue & Expenditure Report for funds 1010, 1820, 2252, and 2419 and amend expenditures in departments projected to exceed budget.**

Staff recommends that the revenues for funds 1010, 1820, 2252, and 2419, be amended in the Midcycle Adopted Budget (88174 CMS) to equal the year-end revenue projections in the Second Quarter Revenue & Expenditure Report. Staff also recommends adjusting the expenditure budgets for departments projected to overspend. Some departments are projected to overspend budgets this year largely due to a decrease in staff taking vacations and sick leave. This adjustment includes adding \$7.44 million to the Police Department, which will bring the budget closer in line with historical expenditures and public service expectations, as recommended by the City Auditor (see Exhibit 1), in addition to any further service additions or restorations the City Council approves.

**Recommendation #2: Apply for, Accept, and Appropriate American Rescue Plan Act funds in an estimated amount of \$192 million for the purpose of replacing lost City revenues and providing critical pandemic-related services.**

Given the magnitude of the fiscal crises that the City is currently experiencing due to the pandemic, it is critical that the City immediately applies for, accepts, and appropriates the estimated \$192 million in funding available to it from the ARPA. Staff recommends that a fund be created to track the revenues and expenditures from these grant funds and that funds be allocated towards covering the City's revenue losses from the COVID-19 pandemic and any critical pandemic-related services.

**Recommendation #3: Allocate ARPA to FY 2020-21 General Purpose Fund expenditures (estimated \$44.33 million) to in order to restore the City's Required Reserves to the mandated minimum levels.**

Staff recommends the first action that the City takes with ARPA aid is to restore the City's Emergency Reserves to the mandated minimum level. Currently, the City's GPF fund balance is forecasted to end the fiscal year at \$6.34 million, which is \$44.33 million below the \$50.67 mandated minimum level for the emergency reserve. The City is mandated by [Consolidated Fiscal Policy](#) to maintain a GPF Emergency Reserve that is 7.5% of the Adopted Budget. The purpose of this emergency reserve is to support the City with an internal "safety net" to pay for City operations in the case of a major emergency such as an earthquake, fire, or other kind of natural disaster, when the City is expected to provide services to residents until it receives additional aid from the federal or state government. For that reason, the emergency reserve is not meant to be spent on ongoing operations. The City is also mandated to maintain \$2.36 million for the Oakland Municipal Employees Retirement System (OMERS) Reserve, which is used for paying the outstanding liabilities of the City's former retirement system. Combined, these two reserves equal a minimum GPF fund balance of \$50.67 that is required by Council policy.

If the City does not restore the Emergency Reserves to the minimum mandated levels, the City will be required to declare a fiscal emergency. Declaring a fiscal emergency has severe and

immediate consequences to the City's operations. Most notably, the City would be at risk for the following:

- The City's credit ratings would go under scrutiny with bond rating entities;
- The City's ability to access outside capital would be frozen until further notice;
- The City's ability to submit bonds for acquiring debt would be suspended;
- The City's ability to request loans for affordable housing projects would be compromised; and
- The City's ability to fund other public-interest projects like multi-year capital improvement projects would be curtailed.

In short, failing to restore the City's GPF Emergency Reserves will have negative far-reaching ramifications for the City's ability to proceed with ongoing operations. It will compromise long-term planning for multi-year complex projects that necessitate the City's credit remain in good-standing in order for the City to access a range of beneficial loan options to complete these priorities.

While it may seem counter-intuitive to make the City's priority to be restoring the Emergency Reserves, this step is critical in order for the City to maintain vital services that residents need, namely affordable housing, capital improvement projects, and multi-purpose bond measures. Staff recommends that the City allocate ARPA funds in FY 2020-21 in an amount sufficient to meet the required levels for the Emergency Reserve and OMERS Reserve.

**Recommendation #4: Allocate ARPA to FY 2020-21 expenditures for three non-GPF funds – OPRCA Self Sustaining Revolving Fund (1820), Measure Z (2252), and Measure C (2419), so that each fund maintains a positive fund balance. In addition, amend the Midcycle Budget adopted pursuant to 88174 CMS to revenues presented in the Second Quarter Revenue & Expenditure Report for funds 1010, 1820, 2252, and 2419.**

The second action that Staff recommends the City take with the available ARPA funds is to cover this current year FY 2020-21's existing deficits in the funds most impacted from COVID-19 pandemic.

There are other non-GPF funds that have been impacted from the COVID-19 pandemic that also need immediate fiscal rebalancing. Staff has identified the following three non-GPF funds as in most need of stabilization: the OPRCA Self Sustaining Fund (1820), Measure Z (2252), and Measure C (2419). Similar to the GPF, staff recommends that ARPA funds be allocated to expenditures in these funds so that each fund can maintain a positive fund balance.

These three non-GPF funds are also experiencing significant revenue deficits. **Table 4** shows the projected deficits in current fiscal year FY 2020-21.

**Table 4:** Projected FY 2020-21 Revenue Deficits for non-GPF Funds Most Impacted by COVID-19 pandemic

*(In millions)*

	FY20-21
<b>OPRYD Self Sustaining -1820</b>	-\$3.39
<b>Measure Z - 2252</b>	-\$4.68
<b>Measure C - 2419</b>	-\$2.08
<b>Total</b>	<b>-\$10.15</b>

In total, these recommended actions would use \$2.41 million of ARPA funds (see Exhibit 2, Section B). Covering these deficits will prevent further, deeper, more painful service reductions in the coming FY 2021-2023 budget.

**Recommendation #5: Use \$2.72 million in ARPA funds to restore the most critical services in the current fiscal year FY 2020-21 that were a part of the Midyear Administrative Actions.**

The third action that Staff recommends the City take with the available ARPA funds is to restore a subset of services that were part of the package of cost-savings measures from the Midyear Administrative Reduction [Actions](#), which were shared with the City Council on December 21, 2020 (via Informational Memo) and in reports to the Finance & Management Committee on January 25, 2021 and March 8, 2021. **Table 5** shows the services recommended by the Administration to be restored.

**Table 5:** Summary of FY 2020-21 Midyear Administrative Actions to be Restored.

*(In millions)*

	FY20-21
<b>Reinstatement of Temporary Staff Positions</b>	\$0.75
<b>Restore Community Liaison Officers</b>	\$0.25
<b>Unfreeze Civilian Staff to support compliance with Police Public Records Act</b>	\$0.25
<b>Restore Sideshow Enforcement Overtime</b>	\$0.23
<b>Restore Homicide/Ceasefire Op and Warrant Service Overtime</b>	\$0.18
<b>Restore OK Program Funding</b>	\$0.19
<b>Restore Unsheltered Unit</b>	\$0.29
<b>Restore Ceasefire Unit</b>	\$0.58
<b>Total</b>	<b>\$2.72</b>

Staff recommends that the above listed services be restored and that the remainder of Midyear Administrative Reduction Actions continue to be in effect in order to curb FY 2020-21 expenditure costs. See Exhibit 2, Section C for a more detailed explanation of the \$2.72 million in Midyear Administrative Reduction Actions recommended to be restored. Also included in

Exhibit 2 are \$2.37 million Councilmember recommendations for restoration, including some items that need more information to be costed.

Restoring these services will allow City operations to resume some level of pre-pandemic operations, especially the reversal of the release of the City's part-time staff (mostly from Oakland Public Libraries and Oakland Parks, Recreation, and Youth Development departments). Please note that only \$1.72 million of the total \$15 million in cost-saving measures for the Police Department are recommended for restoration. This will allow OPD to return to providing the most critical services to Oakland residents, while ensuring that the Department's spending remains under close monitoring to prevent any further overspending.

**Recommendation #6: Use \$0.5 million in ARPA funds to fund necessary workplace health and safety improvements to enable City workers to safely return to work and the public to safely access in-person City services due to effects of the pandemic that will be expended in the current fiscal year FY 2020-21.**

Given that the American Rescue Plan has broad allowable uses, Staff recommends the City take as the third action funding workplace improvements that can be expended in the current Fiscal Year 2020-21. The City used CARES Act dollars to make many such improvements in City facilities. There are additional needs identified as part of that work that require funding to enable employees to be able to safely return to work and the public to be able to safely access in-person City services. Exhibit 2, Section D includes the Administration's recommendation for this critical funding. That section also includes a detailed breakdown of proposed new services by Councilmembers. The Administration strongly urges the Council to defer initiating any further new programs to the upcoming budget process, where they can be considered as part of the larger prioritization process inherent in developing the FY 2021-23 Biennial Budget.

**Recommendation #7: Use the remaining \$142.13 million in ARPA funds to adjust the projected operating shortfalls in FY 2021-23 Biennial Budget in the general purpose fund and other funds most impacted from the COVID-19 pandemic.**

Staff recommends that the City reserve the remaining available ARPA funds for the projected deficits in the upcoming FY2020-21 Biennial Budget. **Table 6** breaks down how the ARPA funds could be allocated across these funds and would ultimately be enacted as part of the FY 2021-23 Biennial Budget.

**Table 6:** Projected FY 2021-23 Deficits for Funds Most Impacted by COVID-19  
(In millions)

	FY21-22	FY22-23	Total
<b>GPF - 1010</b>	\$-96.8	\$-76.94	<b>\$-173.74</b>
<b>OPRCA Self Sustaining -1820</b>	\$-1.81	\$-2.28	<b>\$-4.09</b>
<b>Measure Z - 2252</b>	\$-5.37	\$-5.55	<b>\$-10.92</b>
<b>Measure C - 2419</b>	\$-0.14	\$-0.11	<b>\$-0.25</b>
<b>Total</b>	<b>\$-104.12</b>	<b>-\$84.88</b>	<b>\$-189.0</b>

The baseline Biennial Budget includes the restoration of all cuts adopted in the FY 2020-21 Midcycle Budget, except for funding the Rainy Day fund. This includes:

- Unfreezing all positions city-wide
- Restoring temporary Operations & Maintenance (O&M) cuts
- Restoring the Other Post Employment Benefits (OPEB) contribution and negative fund repayment plan
- Restoring Measure D funding with min GPF funding for Library services

If the remaining \$142.13 million of ARPA funds were allocated to close the upcoming deficit, it is staff's opinion that many of the key critical services cut in the FY 2020-21 Midcycle Adopted Budget Amendment can be restored as of July 1, 2021.

However, it must be emphasized that using all of the ARPA funds for this purpose will still not be sufficient for closing the entirety of the FY 2021-23 All Funds operating deficit. Even after accounting for all ARPA funds, the City must still handle a \$132.12 million two-year shortfall, which it will have to balance through other cost-saving measures. For that reason, any new services being contemplated to add to the FY 2021-23 Biennial Budget must come at the expense of restoring prior services.

### **FISCAL IMPACT**

All of the recommended actions total \$192 million to close deficits in multiple funds, including the GPF, for the City's current fiscal year FY 2020-21 as well as FY 2021-23 Biennial Budget. While necessary, these balancing actions alone are insufficient to resolve the \$274.25 million estimated all funds deficit projected for the FY 2021-23 Biennial Budget. A deficit of \$132.12 million remains that will need to be addressed by further reductions in services or seeking employee concessions.

### **PUBLIC OUTREACH / INTEREST**

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

### **COORDINATION**

This report has been prepared in coordination with Departments of Finance and Human Resources, and Oakland Police Department.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The Oakland City government is a primary contributor to our local East Bay economy. Reductions in City of Oakland expenditures will have negative impacts on local economic activity. Conversely, maintenance of City services will have a positive impact.

**Environmental:** There no direct environmental impacts identified as a result of these actions.

**Race & Equity:** The loss of the City's Temporary Part Time (TPT) staff had significant racial equity impacts, as most of these employees directly served the City's Black, Indigenous, People of Color (BIPOC) communities and the City's TPT staff are predominantly BIPOC themselves. On a larger scale, balancing the City's multi-year multi-fund deficits without making service reductions is essential to the City's pursuit of implementing racial equity. Service reductions overwhelmingly impact the City's BIPOC communities, and so the deficits outlined in this report represent a true threat to the City's overall efforts to advance racial equity. The ARPA funds presents the City with a rare opportunity to solve the fiscal crises while minimizing the negative impact to the BIPOC communities. Wise investment of this ARPA funds is critical for the City's underlying mission to deliver on the racial equity priorities across departments.

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council take the following actions: (1) authorizing the city administrator to take any and all action necessary to apply for and receive American Rescue Plan Act ("ARPA") funds awarded to the City of Oakland ("City"); (2) accepting and appropriating ARPA funds in an estimated amount of one hundred ninety-two million eighty-four thousand one hundred five dollars (\$192,084,105) to the ARPA fund (fund 2072); (3) amending resolution no. 88174, which adopted the fiscal year ("FY") 2020-21 midcycle budget adjustments to:

- (a) Align the General Purpose Fund (fund 1010), the office of parks and recreation cultural advisory ("OPRCA") Self-Sustaining Revolving Fund (1820), the Measure Z Violence Prevention and Safety Act of 2014 Fund (2252), and the Measure C Transient Occupancy Tax (TOT) Surcharge Fund (2419) with revenue and expenditures forecasted for said funds in the Second Quarter Revenue and Expenditure Report attached hereto as Exhibit 1;
- (b) Allocate ARPA funds in an estimated amount of forty-four million three hundred and thirty thousand dollars (\$44,330,000), but in an amount not to exceed the amount identified in the forthcoming Fiscal Year 2020-21 Fourth Quarter Revenue and Expenditure Report, to close the deficit in the General Purpose Fund (Fund 1010) and to replenish the city's emergency reserve fund and Oakland Municipal Employees' Retirement ("OMERS") reserve fund as required by the City's Consolidated Fiscal Policy (Ordinance No. 13487 C.M.S.) to avoid declaration of a fiscal emergency;
- (c) Allocate ARPA funds in an estimated of two million four hundred and seven thousand dollars (\$2,407,000) to close the deficit and replenish any required reserve amounts in the OPRCA Self-Sustaining Revolving Fund (1820), the Measure Z Violence Prevention and Safety Act of 2014 Fund (2252), and the Measure C Transient Occupancy Tax (TOT) Surcharge Fund (2419);
- (d) Allocate ARPA funds and the previously appropriated funds received from the Oakland-Alameda County Coliseum Joint Powers Authority ("JPA") to restore selected services



affected by FY 2020-21 administrative reduction actions as set forth in Exhibit 2 attached hereto; and

- (e) Allocate ARPA funds and JPA funds to fund new services that are needed to address the negative health, safety, welfare, and fiscal effects of the pandemic as set forth in Exhibit 2 attached hereto.

For questions regarding this report, please contact Margaret L. O'Brien, Interim Director of Finance, at (510) 238-7480.

Respectfully submitted,

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Margaret L. O'Brien  
Interim Finance Director

Reviewed by:  
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Prepared by:  
Bradley Johnson, Asst. Budget Administrator  
Ecaterina Burton, Principal Budget Analyst  
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**GENERAL PURPOSE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Forecast	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
PROPERTY TAX	\$ 233.15	\$ 233.15	\$ —
SALES TAX	\$ 52.55	\$ 52.55	\$ —
BUSINESS LICENSE TAX	\$ 88.00	\$ 88.00	\$ —
UTILITY CONSUMPTION TAX	\$ 52.00	\$ 52.00	\$ —
REAL ESTATE TRANSFER TAX	\$ 89.06	\$ 93.33	\$ 4.27
TRANSIENT OCCUPANCY TAX	\$ 15.91	\$ 8.24	\$ -7.66
PARKING TAX	\$ 8.85	\$ 4.50	\$ -4.36
LICENSES & PERMITS	\$ 1.68	\$ 1.68	\$ —
FINES & PENALTIES	\$ 18.34	\$ 14.04	\$ -4.30
INTEREST INCOME	\$ 0.48	\$ 0.48	\$ —
SERVICE CHARGES	\$ 61.47	\$ 51.90	\$ -9.57
GRANTS & SUBSIDIES	\$ 3.71	\$ 3.71	\$ —
MISCELLANEOUS	\$ 0.80	\$ 10.80	\$ 10.00
INTER-FUND TRANSFERS	\$ 17.55	\$ 17.55	\$ —
<b>Sub-Total Revenue</b>	<b>\$ 643.55</b>	<b>\$ 631.93</b>	<b>\$ -11.62</b>
TRANSFERS FROM FUND BALANCE (incls CF)	\$ 19.03	\$ 19.03	\$ —
<b>Total Revenue</b>	<b>\$ 662.59</b>	<b>\$ 650.97</b>	<b>\$ -11.62</b>

**MEASURE Z FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
PARKING TAX	\$ 8.39	\$ 3.71	\$ -4.68
LOCAL TAX	\$ 18.00	\$ 18.00	\$ —
INTEREST INCOME	\$ —	\$ 0.01	\$ 0.01
MISCELLANEOUS REVENUE	\$ —	\$ -0.05	\$ -0.05
USE OF FUND BALANCE	\$ 3.40	\$ 3.40	\$ —
<b>Total Revenue</b>	<b>\$ 29.79</b>	<b>\$ 25.07</b>	<b>\$ -4.72</b>

**MEASURE C FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
TRANSIENT OCCUPANCY TAX	\$ 4.34	\$ 2.26	\$ -2.08
USE OF FUND BALANCE	\$ 0.08	\$ 0.08	\$ —
<b>Total Revenue</b>	<b>\$ 4.42</b>	<b>\$ 2.34</b>	<b>\$ -2.08</b>

**OPRCA FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
SERVICE CHARGES	\$ 5.70	\$ 2.37	\$ -3.34
INTERFUND TRANSFERS	\$ 1.55	\$ 1.55	\$ —
MISCELLANEOUS REVENUE	\$ 0.11	\$ 0.06	\$ -0.05
<b>Total Revenue</b>	<b>\$ 7.37</b>	<b>\$ 3.98</b>	<b>\$ -3.39</b>

**EXPENDITURES – DEPARTMENTS PROJECTED TO OVERSPEND (\$ in millions)**

Department	Adjusted Budget	Q2 Projected FYE	Year-End Over / Under Budget	Estimated Savings from Admin Actions	Estimated Year-End Over /Under Budget with Admin Reductions
CITY ATTORNEY	\$ 11.51	\$ 13.00	\$ -1.49	\$ —	\$ -1.49
PUBLIC ETHICS COMMISSION	\$ 1.32	\$ 1.36	\$ -0.04	\$ —	\$ -0.04
HUMAN RESOURCES	\$ 6.71	\$ 7.28	\$ -0.57	\$ —	\$ -0.57
POLICE DEPARTMENT	\$ 296.49	\$ 318.93	\$ -22.44	\$ 15.00	\$ -7.44
PUBLIC LIBRARY	\$ 11.66	\$ 13.12	\$ -1.46	\$ —	\$ -1.46
WORKPLACE & EMPLOYMENT STANDARD	\$ 3.29	\$ 3.64	\$ -0.35	\$ 0.01	\$ -0.34
NON-DEPARTMENTAL	\$ 34.80	\$ 44.51	\$ -9.71	\$ 5.70	\$ -4.01

EXHIBIT 2 - APPROPRIATION OF FEDERAL AID ALLOCATED BY THE AMERICAN RESCUE PLAN ACT (ARPA), ALLOCATION OF ARPA AND PREVIOUSLY APPROPRIATED FUNDS FROM THE COLISEUM JOINT POWERS AUTHORITY (JPA)

SECTION A - REVENUE ADDITION

Item #	Dept.	Description	FY 2020-21	Notes
A1	Non Departmental	Receive American Rescue Plan Act Funds	192,084,105	Latest estimate. Range is \$163M-\$192M.
<b>Subtotal Revenue Adjustments</b>			<b>192,084,105</b>	

SECTION B - ALLOCATE ARPA FUNDS TO CLOSE THE DEFICIT AND REPLENISH ANY REQUIRED RESERVE AMOUNTS IN THE GENERAL PURPOSE FUND (1010), MEASURE Z (2252), MEASURE C (2419), AND OPRCA FUND (1820).

Item #	Dept.	Description (Include Job Class & FTE)	FY 2020-21	Notes
B1	Non Departmental	Allocate expenditures from GPF (1010) necessary to meet required reserve levels (Emergency Reserve & OMERS) at FY 2020-21 year-end.	44,330,000	Administration Recommendation / Proposed by Vice Mayor Kaplan. Estimated amounts based on Q2 forecast. Will need to be updated with final numbers at year-end.
B2	Non Departmental	Allocate expenditures from Measure Z (Public Safety and Services Violence Prevention Act, fund 2252) necessary to maintain positive fund balance at FY 2020-21 year-end.	810,000	Administration Recommendation. Estimated amounts based on Q2 forecast. Will need to be updated with final numbers at year-end.
B3	Non Departmental	Allocate expenditures from Measure C (Hotel Tax Supplement for Culture & Tourism, fund 2419) necessary to maintain positive fund balance at FY 2020-21 year-end.	490,000	Administration Recommendation. Estimated amounts based on Q2 forecast. Will need to be updated with final numbers at year-end.
B4	Non Departmental	Allocate expenditures from OPRCA Self Sustaining Revolving Fund (Recreation Programs, fund 1820) necessary to maintain positive fund balance at FY 2020-21 year-end.	1,107,000	Administration Recommendation. Estimated amounts based on Q2 forecast. Will need to be updated with final numbers at year-end.
B5				
<b>Subtotal Expenditure Additions</b>			<b>46,737,000</b>	

**FUNDS AVAILABLE FOR PROGRAMMING 145,347,105**

SECTION C - ALLOCATE ARPA FUNDS AND THE PREVIOUSLY APPROPRIATED FUNDS RECEIVED FROM THE JPA TO RESTORE SELECTED SERVICES AFFECTED BY FY 2020-21 ADMINISTRATIVE REDUCTION ACTIONS

Item #	Dept.	Description (Include Job Class & FTE)	FY 2020-21	Notes
C1	City-wide	Reinstate Temporary Staff (mostly Parks & Recreation and Library, up to 500 employees) & other personnel reductions as necessary	750,000	Administration Recommendation
C2	Police	Incorporate cost of 2 Community Liaison Officers (Chinatown, Fruitvale)	247,750	Administration Recommendation
C3	City Attorney	Unfreeze 1 Paralegal to enhance police public records act compliance	52,531	Administration Recommendation
C4	Police	Unfreeze 4 Police Records Specialists to enhance police public records act compliance	196,344	Administration Recommendation
C5	Police	Restoration of Sideshow Enforcement - Overtime	234,208	Administration Recommendation/ Proposed by Vice Mayor Kaplan/CM Taylor
C6	Police	Homicide / Ceasefire Op and Warrant Service - Overtime	179,083	Administration Recommendation/ Proposed by Vice Mayor Kaplan
C7	Police	Funding to maintain support for OK program	186,667	Administration Recommendation/Proposed by Vice Mayor Kaplan/CM Taylor (amount needed to match new funding from County Probation)
C8	Police	Restore Unsheltered Unit	292,500	Administration Recommendation/ Proposed by Vice Mayor Kaplan
C9	Police	Restore Ceasefire Unit	578,083	Administration Recommendation/ Proposed by Vice Mayor Kaplan/CM Taylor
<b>Subtotal of Administration and Consensus Recommended Expenditure Restorations</b>			<b>2,717,167</b>	

Item #	Dept.	Description (Include Job Class & FTE)	FY 2020-21	Notes
C10	Police	Restore Remaining Foot Patrol 1 & 2	660,188	Proposed by Vice Mayor Kaplan
C11	Fire	Restore of brownout of one fire engine	840,000	Proposed by Vice Mayor Kaplan
C12	DWES	Unfreeze 1 FTE Deputy Director of Workforce and Employment Standards Position	51,768	Proposed by Vice Mayor Kaplan/CP Bas
C13	Police	Unfreeze 1 Police Evidence Technician	37,141	Proposed by Vice Mayor Kaplan
C14	Police	Unfreeze 4 Police Service Technicians	118,358	Proposed by Vice Mayor Kaplan/CM Taylor
C15	OPRYD	Unfreeze 1.0 PPT Pool Manager	882	Proposed by Vice Mayor Kaplan
C16	OPRYD	Unfreeze 1.0 PPT Water Safety Instructor	8,129	Proposed by Vice Mayor Kaplan
C17	OPRYD	Restore 1.0 PT Life Guard		Proposed by Vice Mayor Kaplan, Note: cost included in C1
C18	OPRYD	Re-open recreation centers		Proposed by Vice Mayor Kaplan, Note: cost included in C1
C19	Police	Restore Traffic Enforcement Unit	578,083	Proposed by CM Taylor
C20	EWD	Unfreeze Urban Economic Analyst III	20,370	Proposed by CM Taylor
C21	DWES	Unfreeze Compliance Officer and Administrative Analyst	56,833	Proposed by CM Taylor
C22	OPRYD	Re-open Dimond Pool		Proposed by CM Thao, Note: cost included in item C1
C23	EWD	Restore funding for Youth Employment Program if removed		Proposed by CM Taylor, Note: need more information to cost
<b>Subtotal of Expenditure Restorations</b>			<b>5,088,917</b>	

**SECTION D - ALLOCATE ARPA FUNDS AND JPA FUNDS TO FUND NEW SERVICES THAT ARE NEEDED TO ADDRESS THE NEGATIVE HEALTH, SAFETY, WELFARE, AND FISCAL EFFECTS OF THE PANDEMIC**

Item #	Dept.	Description (Include Job Class & FTE)	FY 2020-21	Notes
D1	Public Works	COVID workplace investments (air purifiers, shields, etc.)	500,000	Administration Recommendation
<b>Subtotal of Administration Recommended Expenditure Additions</b>			<b>500,000</b>	
D2	TBD	Community Safety Ambassadors	480,000	Proposed by Vice Mayor Kaplan/CM Fife/CP Bas
D3	EWD	Lake Merrit Vendor Program	300,000	Proposed by Vice Mayor Kaplan/CP Bas
D4	TBD	Seed funding for Hotel Rooms for Homeless	400,000	Proposed by Vice Mayor Kaplan
D5	Non Departmental	Ballot measure analysis to fund vital needs and close funding gaps at direction of City Council	100,000	Proposed by Vice Mayor Kaplan
D6	Police	Unfreeze 5 Police Service Technicians and 1 Police Evidence Technician frozen in Midcycle Amendment	180,494	Proposed by Vice Mayor Kaplan
D7	HCD	Funds to acquire Merritt Lodge (92 Unit) Harrison and DTO. Former YMCA. Women's Only Shelter, \$11 Travelors Hotel (392 units. SRO)	22,000,000	Proposed by CM Fife, Note: ongoing costs (renovations, long-term operating expenses) not included. This may be better funded by the second round of Operation Homekey funding.
D8	Police	Shotspotter Expansion to underserved areas of East Oakland	223,200	Proposed By CM Taylor and VM Kaplan, Note: probably cannot be implemented in the last 3 months in FY. Should be considered in biennial budget.
D9	EWD	Akoma Market Vendor Program	300,000	Proposed By CM Taylor
D10	EWD	Youth Summer/Job Programs	200,000	Proposed by Vice Mayor Kaplan
D11	DOT	Staff/funding for neighborhood traffic circle/roundabout placement at 8th and Willow.	100,000	Proposed by CM Fife
D12	DOT	Traffic calming measures on Frontage Road		Proposed by CM Fife, Note: could cost between \$75K and several million dollars depending on scope of such measures. Should be considered in the CIP.
D13	DVP	Restore funding for Violence Interrupters, if removed		Proposed by CM Taylor, Note: need more information to cost
D14	DVP	Violence Prevention Program	500,000	Proposed by Vice Mayor Kaplan
D15	Fire	Add 1.0 FTE Fire Prevent Bureau Inspect, Civil.PS142	45,214	Proposed by Vice Mayor Kaplan
D16	Fire	Fire Prevention Prep	500,000	Proposed by Vice Mayor Kaplan
D17	TBD	East Oakland Safety Initiative	800,000	Proposed by Vice Mayor Kaplan

Item #	Dept.	Description (Include Job Class & FTE)	FY 2020-21	Notes
D18	TBD	COVID Community Support and access/information for vaccination	250,000	Proposed by Vice Mayor Kaplan
D19	TBD	Hold for additional position preservation/gap filling pending further info/action	2,000,000	Proposed by Vice Mayor Kaplan
D20	City Council	Add Budget Analyst		Proposed by Vice Mayor Kaplan; Note: need more information to cost
D21	Public Works	Add 3.0 FTE Environmental Enforcement Officer	109,207	Proposed by Vice Mayor Kaplan
D22	Public Works	Restoring encampment clean-ups. 2-3 public works crews for clean-ups 2x per week		Proposed by CM Fife, Note: not frozen, should be considered in biennial budget.
<b>Subtotal of Expenditure Additions</b>			<b>28,988,115</b>	

**SECTION E - RESERVE REMAINING AID TO ADDRESS THE FY 2021-23 BUDGET DEFICIT IN THE GENERAL PURPOSE FUND AND OTHER FUNDS**

<b>BASED ON ADMINISTRATION EXPENDITURE RECOMMENDATIONS</b>				
Item #	Dept.	Description (Include Job Class & FTE)	FY 2020-21	Notes
E1	TBD	Towards FY 2021-23 Budget Deficit	142,129,938	Administration Recommendation
<b>Subtotal of Expenditure Additions</b>			<b>142,129,938</b>	

<b>FY 2021-23 UNRESOLVED GPF DEFICIT</b>	<b>(31,870,062)</b>
<b>FY 2021-23 UNRESOLVED ALL FUNDS DEFICIT</b>	<b>(132,120,062)</b>