

CITY OF OAKLAND

AGENDA REPORT

2011 FEB 10 PM 8:04

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office
DATE: February 22, 2011

RE: A Status Report on the Implementation of Key Fiscal Year 2010-2011 Midcycle Budget Items

As requested by the City Council, staff has updated the FY 2010-11 Budget Implementation Tracking Report. The report summarizes Council actions to increase revenue or decrease expenditures and identifies year to date progress in achieving the Council adopted budget resolutions.

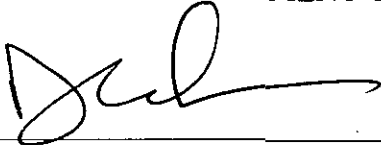
The report is purely informational; no Council action is requested at this time.

Respectfully submitted,



SABRINA LANDRETH
Budget Director

APPROVED FOR FORWARDING TO THE
FINANCE & MANAGEMENT COMMITTEE



Office of the City Administrator

Attachment:

A: Status of Implementing Key FY 2010-11 Midcycle Budget Items

Item: _____
Finance & Management Committee
February 22, 2011

ATTACHMENT A

Status of Implementing Key FY 2010-11 Midcycle Budget Items

February 2011

*Subject to monthly reporting

General Purpose Fund (GPF) Revenue Items

Budget-Item	FY 10-11 Budgeted Revenue	Savings Expected by Year End	Percent Collected	Status
June 24th Balancing (Reso. 82849)				
Vacant Office Space: Vacant 1st floors of 150 FOP or 250 FOP, 24,000 sq ft @ \$2 sq ft *Only count 50% of first year	288,000	--	--	Supply outpaces demand for downtown office space. No additional revenue is expected until the economy changes dramatically.
Finance/Parking - Install 250 Additional Parking Meters in all commercial districts Citywide, Including Areas with Fewer Meters (estimated revenue is net of costs for installation) * Only count 75% for first year	267,000	100,000	37.5%	93 meters have been installed to date and the remainder will be in place by the end of fiscal year; however necessary lead time may push some of these meters into FY 11-12. Delays in meter location approval has slowed implementation and reduced revenue.
Finance/Parking - Eliminate all free employee parking in downtown garages	235,000	120,000	51.1%	183 employees who received free parking were offered a discounted rate of \$130/month; approximately 120 employees have participated to date. Additional revenue is also expected from non-City employees utilizing freed up spaces.
Finance/Parking - Alta Bates Garage Revenue Stream	500,000	240,000	48.0%	Negotiations with Alta Bates have concluded. Revenue is expected to be approximately \$40,000 per month; due to length of negotiations only six months of revenue will be realized.
Redevelopment - Redevelopment Purchase of Fire Training Facility and other Parcels	3,000,000	3,000,000	100.0%	The surveys for the Fire Training Site and the Sod Farm 2 sites are complete and appraisals are being completed. CEDA is planning to go to City Council for ORA to purchase the two City owned sites by April, 2011.
Revenue Measure - Additional Billboard Deals (One more for 2010/2011, then 1 each year at \$1mil/each)	1,000,000	TED	--	An RFP was issued and few proposals were received. Staff is re-evaluating the potential billboard sites and determining how to proceed.
Revenue Measure - Leftover from Shorestein /City Center Property Transfer	5,000,000	5,200,000	104.0%	Shorestein revenue was collected in FY 2009-10. To offset the timing of the collection, the City booked only \$5.2 million of the \$10.4 million in deferred pension credits in FY 2009-10, and the remaining \$5.2 million will be booked in FY 2010-11.
June 24th Balancing Subtotal	\$10,290,000	\$8,660,000		

Budget Item	FY 10-11 Budgeted Revenue	Savings Expected by Year End	Percent Collected	Status
April 29th Balancing (Reso. 82731)				
* Lease of Scotlan to ORA/Central District or sale of other Facilities	2,000,000	2,000,000	100.0%	Although the Scotlan sublease term remains unchanged at \$4 million over 12 years, staff has determined that cash proceeds can be used for current budget needs. Accounting for leases under generally accepted accounting principles (GAAP) is straight forward, and requires the recognition of the lease revenue over the life of the lease; the lease term for Scotlan is 12 years. However, as the lease payments have been received up front, the resources are now available for appropriation. Therefore, \$4 million cash can be recognized on the budgetary basis when received, while the revenue will be deferred and recognized over time on the GAAP basis.
* Sale of Grandview Lots	150,000	150,000	100.0%	The sale closed in late October; payment has been received and revenue has been realized.
* Sale of Silveira property	600,000	TBD	--	Sale of this property has been advertised since September 2010. No offers made on this property to date. Staff continues to market this site, as well as identify alternative sites for sale. Staff recommends that recording of sale of the Silveira property be pushed off until next year. The sale of Girvin was completed and should generate roughly \$180,000 in revenue when the sale closes escrow <u>in February 2011.</u>
* Increased parking citation revenue	1,750,000	TBD	--	Higher citation revenue recovery by ACS (City's parking citation contractor) does not offset a significant projected drop in citation issuance. Staff is refining the year-end projection and will be bringing the forecast as part of the 2nd Quarter Revenue & Expenditure report.
* Proceeds from sale of billboard space	1,000,000	1,000,000	100.0%	Implemented
New grant revenue to offset personnel costs	490,000	490,000	100.0%	Fire department was awarded the SAFER grant. Full savings achieved.
* Stricter false alarm enforcement revenue	240,000	307,000	127.9%	Fire department is aggressively collecting false alarm fines and has exceeded budgeted collection.
April 29th Balancing Subtotal	\$6,230,000	\$3,947,000	63%	
GRAND TOTAL	\$16,520,000	\$12,607,000		

ATTACHMENT A

Status of Implementing Key FY 2010-11 Midcycle Budget Items

February 2011

**Subject to monthly reporting*

General Purpose Fund (GPF) Expenditure Items

Budget Item	FY 10-11 Budgeted Savings	Savings Expected by Year End	Status
June 24th Balancing (Reso. 82849)			
* 5% salary reduction for all non-represented employees (including elected officials) making over \$100k	100,000	81,000	Implemented; projected savings are \$81k; salary of Police Chief is not reduced due to existing contract, nor are salaries of elected officials (Auditor, Attorney, and Mayor for the first half of the year).
15% Reduction in Administration (Total Budget = \$7,169,520)			
1. Eliminate Federal Lobbyist Contract = \$150,000	150,000	150,000	Implemented
2. Citizen's Police Review Board - Move 1 Position to Grant Funding - \$133,140	133,140	133,140	Implemented
3. Reorganization of Administration of Cabaret, Massage Parlor and other Citywide Permits - \$100,000	100,000	100,000	Implemented
4. Transfer 0.40 FTE Deputy City Administrator to ORA - \$100,000	100,000	100,000	Implemented
5. Equal Access Program Budget - 25% reduction = \$116,385	116,385	116,385	Implemented
6. Budget Office - Eliminate 1.00 FTE - \$89,000	89,000	89,000	Implemented

Budget Item	FY 10-11 Budgeted Savings	Savings Expected by Year End	Status
* NSC Program Reorganization Into Community Outreach Division with the Following Reductions by January 1, 2010:			Vacant positions (Public Safety Coordinator and Abandoned Auto positions) have been eliminated. In addition, some layoffs have occurred. <u>Reorganization actions completed to date include:</u> *Completed a salary and classification survey of ten (10) surrounding cities *A draft job description has been completed *Civil Service Rules and Collective Bargaining Agreements have been evaluated to determine what rules or process may impact implementation *Personnel has provided administration with possible options for implementing the reorganization. <u>Next Steps:</u> *Administration, Mayor and Council to determine implementation strategy and Personnel to finalize the proposal *Meet and confer process with impacted Unions *Personnel to return to City Council and Civil Service Board for appropriate actions *Personnel to conduct examination and eligibility list and department to select candidates.
1. NSC Program - Reduce 25% - \$490,445	245,223	245,223	
2. Eliminate Public Safety Coordinator - \$180,000 (\$90,000 General Fund)	45,000	90,000	
3. 25% Reduction Oaklanders Assistance - 1.00 FTE - \$90,000	45,000	45,000	
4. CORE - No Reduction	-	-	
5. Eliminate 1.00 FTE Abandoned Auto - \$82,000	41,000	82,000	
6. Litter Enforcement - No Reduction	-	-	
City Clerk - 0.20 FTE Reduction (Total Budget: \$2,953,130)	20,000	20,000	Implemented
Contracting & Purchasing- Reduce 1.00 FTE (Total Budget \$1,920,920)	100,000	100,000	implemented
* City Council - (Elected Officials) Reduce Council Office Budget by 15% - 15% Cut to All Elected Offices (Total Budget = \$2,699,195)	404,879	404,879	Implemented.

Budget Item	FY 10-11 Budgeted Savings	Savings Expected by Year End	Status
* City Attorney - (Elected Officials) Reduce City Attorney Office Budget by 15% & Freeze Budget for Outside Counsel - 15% Cut to All Elected Offices (Total Budget = \$4,420,453)	663,068	607,812	Due to length of layoff process, only 11 months of savings will be realized. Overall, the City Attorney's Office is projected to be \$0.38 million overspent by year-end.
* City Auditor - (Elected Officials) Eliminate City Auditor Carry Forward (\$210,500) and other cuts TBD - 15% Cut to All Elected Offices (Total Budget \$1,223,094)	183,464	183,464	Implemented. Whistleblower project carryforward has been eliminated. However, the City Auditor maintains that her current staffing is essential to carry out her office's charter-mandated functions. The City Auditor's Office is projected to be \$0.14 million overspent by year-end.
* Mayor - (Elected Officials) Reduce Mayor's Office Budget by 15% - 15% Cut to All Elected Offices (Total Budget \$1,465,301)	219,795	219,795	Implemented.
Finance - Reduce Staff by 4.15 PTE's (Total Funding: \$17,870,090)	370,000	370,000	Implemented
Fire - Eliminate Assistant to Director Position - \$160,000; Eliminate Fire Protection Engineer - \$120,000; Reduce Emergency Planning Coordinator to PPT at 60% - \$40,000 Reduce O&M - \$170,000 (Total Budget: \$98,764,910)	490,000	490,000	Implemented
Human Services - Senior Centers (10% reduction in open hours) - Centers will still be open 5 days a week but not as current 8:30 - 5 (8.5 hours). Each site would have different schedules depending on when the bulk of activities are at each site. For example, two may be open 8:30 - 3 (6.5 hours) and the other two 10:30 - 5 (6.5 hours) - reclassify PTE's to 90% time (Total Budget: \$4,027,100)	132,000	132,000	Implemented

Budget Item	FY 10-11 Budgeted Savings	Savings Expected by Year End	Status
Information Technology - Eliminate 4.00 Systems Analyst III and 1.0 FTE Telephone Services Specialist (Total Budget: \$9,193,640)	720,000	720,000	Implemented
Library - Reduce General Fund Support to Measure Q Minimum Using Fund Balance (i.e., No layoffs in first year) (Total Budget: \$11,529,190)	1,750,000	1,750,000	Implemented
Non-Department - Reduce Contract for MOU Negotiations by 50%	200,000	200,000	Implemented
CEDA - Day Laborer Program (100% reduction - Cut to be Re-Organization, Total: \$82,025);	82,025	82,025	Implemented
25% Funding Suspension for the Following Programs:			
1. Symphony in the Schools (Total: \$40,000, 25% = \$10,000)	10,000	10,000	Implemented
2. Cypress Mandela Training Center (Total: \$112,000, 25% = \$28,000)	15,000	15,000	Implemented
3. Women's business Initiative (Total: \$60,000, 25% = \$15,000)	15,000	15,000	Implemented
4. Jack London Aquatic Center (Total: \$60,000, 25% = \$15,000)	15,000	15,000	Implemented
5. Human Services Academies Program (Total: \$75,000, 25% = \$18,750)	18,750	18,750	Implemented
6. AIDS Prevention and Education Initiative (Total: \$50,000, 25% = \$12,500)	12,500	12,500	Implemented
7. Hacienda Peralta (Total: \$72,000, 25% = \$18,000)	18,000	18,000	Implemented
8. City/County Collaboration on Children and Youth (Total: \$272,000, 25% = \$68,000)	37,500	37,500	Implemented
9. ArtsGrants (Can apply for TOT Funds) (Total: \$973,500, 25% = \$243,375)	243,375	243,375	Implemented

Budget Item	FY 10-11 Budgeted Savings	Savings Expected by Year End	Status
10. Oakland Asian Cultural Center (Total: \$80,000, 25% = \$20,000)	20,000	20,000	Implemented
11. Children's Fairyland (Total: \$182,000, 25% = \$45,500)	45,500	45,500	Implemented
Parks & Recreation - Eliminate 1.00 Supervisor (Vacant) and 3 Directors (Total Budget \$11,457,510)	350,000	350,000	Implemented
Police - 10% Cut to Budget Division (Total Budget: \$1,442,040)	144,204	144,204	Implemented
Redevelopment - Eliminate Staff (Example: CEDA Economic Development) Total Personnel Budget: \$28,486,660; Move other qualified staff from General Fund to Redevelopment Fund (Examples: Abandoned auto, Illegal Dumping, Real Estate)	700,000	700,000	\$700K in staff within General Government (CAO, City Attorney, FMA) have been moved from the General Purpose Fund to the Oakland Redevelopment Agency Projects Fund (7780). ORA Projects fund positions eliminated: \$85,810 Urban Economic Coordinator (6mo savings); \$77,900 Urban Economic Analyst IV (vacant Jan 2011); \$64,085 Urban Economic Analyst III (vacant); \$116,240 Development/Redevelopment Program Manager (vacant Jan 2011); \$128,174 Urban Economic Analyst III (vacant); \$227,792 Salary savings from FY09-10
Police - Eliminate Budgeted Police Academies	3,600,000	3,600,000	Implemented
June 24th Reductions Subtotal	\$11,744,808	\$11,756,552	

Budget Item	FY 10-11 Budgeted Savings	Savings Expected by Year End	Status
April 29th Balancing (Reso. 82731)			
Reduce grants and subsidies: City Institutions - 25% reduction; Oakland Zoo (\$160,000), Chabot Space & Science Center (\$120,000)	280,000	280,000	Implemented
Related City Institutions - 50% reduction; AIDS Prevention Education Initiative (\$50,000); Hacienda Peralta (\$70,000); City/County Collab. On Children & Youth (\$150,000)	270,000	270,000	Implemented
Non-Profit Organizations - 50% reduction; Cypress-Mandela Training Center (\$110,000); Symphony in the Schools (\$40,000); Women's Business Initiative (\$60,000); Jack London Aquatic Center (\$60,000); Human Services - Academies Program (\$80,000); Day Laborers Program (\$80,000)	430,000	430,000	Implemented
Other prior Grantees - 100% reduction; Oakland School for the Arts	140,000	140,000	Implemented
Mayor - Eliminate Mayor's PSE 14 (2.00 FTE; \$220,000); Reduce operations and maintenance budget (\$50,000)	270,730	270,730	Implemented
City Council - Eliminate Senior Council Policy Analysts (Legislative Analysts) 4.05 FTE, \$490,000	487,836	487,836	Implemented
City Attorney - Eliminate Deputy City Attorney III (2.00 FTE, \$420,000); Eliminate Paralegal (1.00 FTE, \$110,000); Savings from paying Deputy City Attorney II lower than budgeted amount (\$20,000)	546,490	546,490	Implemented
City Auditor - Senior Performance Auditor (1.00 FTE, \$110,000); Performance Auditor (1.00 FTE, \$90,000)	200,830	-	The budget has been reduced by this amount. However, the City Auditor maintains that her current staffing is essential to carry out her office's charter-mandated functions.

Budget Item	FY 10-11 Budgeted Savings	Savings Expected by Year End	Status
Information Technology - Eliminate 1.00 Microcomputer Systems Specialist I (1.00 FTE, \$100,000); 1.00 Microcomputer Systems Specialist I (1.00 FTE, \$100,000); 1.00 Microcomputer Systems Specialist III (1.00 FTE, \$140,000)	341,180	341,180	Implemented
Finance and Management - Eliminate Revenue Assistant (1.00 FTE, \$80,000)	84,120	84,120	Implemented
Personnel Resource Management - Eliminate Admin Analyst II (1.00 FTE, \$100,000)	103,390	103,390	Implemented
Police Services - Restructure Personnel Management Eliminate Admin Analyst II (1.00 FTE, \$90,000)	90,000	90,000	Implemented
Police Services - Eliminate Rangers (2.00 FTE, \$280,000)	280,000	280,000	Implemented
Police Services - Transfer Cadet Program to Asset Forfeiture Fund (9.00 FTE, \$270,000)	270,000	270,000	Implemented
Library - Utilize available Measure Q fund balance	540,000	540,000	Implemented
Parks and Recreation - Transfer revenues to GPF from Golf Fund	200,000	200,000	Implemented
Human Services - Eliminate Linkages Grant Match (\$190,000);	190,000	190,000	Implemented
Human Services - Eliminate Homeless Mobile Outreach/California Hotel grant match (\$140,000)	140,000	140,000	Implemented
April 29th Balancing Subtotal	\$4,864,576	\$4,663,746	
March 16th Balancing (Reso. 82646)			
A 15% reduction of the GPF budget of all elected officers, including the City Council (\$487,774), Mayor (\$270,733), City Attorney (\$546,486), and City Auditor (\$200,826)	1,505,819	1,505,819	Implemented
March 16th Balancing Subtotal	\$1,505,819	\$1,505,819	
GRAND TOTAL	\$18,115,203	\$17,926,117	