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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: FY 2017-18 Q2 R&E Report

DATE: February 5, 2018

City Administrator Approval

Date:

2/15/18

RECOMMENDATION

Staff Recommends That City Council Receive An Informational Report On Fiscal Year (FY) 2017-18 Second Quarter Revenue and Expenditure Results And Year-End Summaries For The General Purpose Fund (GPF, 1010) and Eight Selected Funds; And General Purpose Fund (GPF, 1010) Carryforward for FY 2017-18; And Overtime Analysis For The General Purpose Fund (GPF, 1010) And All Funds.

EXECUTIVE SUMMARY

This report details the City of Oakland's (the "City") projected Second Quarter Financial Results for Fiscal Year ("FY") 2017-18 in the General Purpose Fund ("GPF") and other selected funds. The following points highlight key findings from the City's projected year-end results (discussed in more detail in the Policy and Analysis Alternatives section of this report beginning on page 5).

General Purpose Fund

- Revenue in the GPF is projected to exceed the FY 2017-18 Adjusted Budget by \$13.43 million of which \$6.90 million are considered one-time revenues, and \$4.73 million is growth in the Sugar Sweetened Beverage Tax (SSBT). (**Table 1**). Generally, forecasted receipt of revenue in FY 2017-18 reflects continued, but slower growth in the local economy. Notably, the market showed growth in real-estate related revenues, including property taxes, and transient occupancy taxes (**Attachment A-1**).
- The projected expenditures total \$595.95 million, which exceeds the Adjusted Budget by approximately \$11.13 million, (**Table 1**). Projections do not include the full impact of ratified and potential wage increases, however it is assumed that all funds budgeted for employee compensation (\$9.95 million) will be fully expended at fiscal year-end. Spending by department is listed in **Attachment A-2**.
- Citywide overtime (OT) expenditures across all funds is estimated to be \$60.48 million, exceeding the Adjusted Budget by \$39.90 million, of which \$34.67 million is in the GPF. Overtime spending by department is listed in **Attachment B**.

Item: _____
Finance and Management Committee
February 27, 2018

Table 1: Summary of GPF Budget to Projected Actual Results

(\$ in millions)

Description	FY 2017-18 Adopted Budget	FY 2017-18 Projected Actuals Q2	FY 2017-18 Over / Under Adjusted Budget
REVENUE			
Revenue	\$584.82	\$591.35	\$6.53
Q2 Revenue Projection - ONETIME	\$0.00	\$6.90	\$6.90
FY 2016-17 Total Revenue	\$584.82	\$598.25	\$13.43
EXPENDITURES			
Expenditures	\$584.82	\$595.95	\$11.13
Subtotal Expenditures¹	\$584.82	\$595.95	\$11.13
Estimated Contribution to Fund Balance	\$0.00	\$2.30	\$2.30

¹ The subtotal does not include estimated carryforward expenditures of \$22.79 million in FY 17-18 which are supported from prior year revenues in the GPF fund balance.

- The year-end available GPF fund balance is estimated to be a deficit \$6.11 million (**Table 2**). This balance reflects the net difference between the revenue and expenditure projections, including adjustments such as FY 2017-18 carryforward, the FY 2017-19 Adopted Budget, and reserves (**Table 8**).

Table 2: Summary of GPF Estimated Year-End Available Fund Balance

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2017-18 Adjusted Budget	Q2 Projected FYE
Beginning Fund Balance - Audited	\$78.22	\$78.22
Revenue	\$584.82	\$598.25
Expenditures	\$584.82	\$595.95
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$2.30
Subtotal Fund Balance	\$78.22	\$80.52
FY 2017-19 Obligated Fund Balance	(\$35.59)	(\$40.00)
Designated / Mandated Reserves	(\$46.22)	(\$46.63)
Estimated Ending Available Fund Balance	(\$3.59)	(\$6.11)

Non-GPF Funds

- Five (5) of the eight (8) non-GPF funds analyzed for this report have historically shown negative fund, or cash, balances (**Attachments C-1 to I-2**). The FY 2017-18 projected ending fund balance/(deficit) compared to FY 2016-17 is shown in **Table 3** below.
- The negative fund balance in the LLAD Fund (2310) continues to increase, as a result of rising costs and stagnant revenues. The Multipurpose Reserve Fund (1750) ending fund balance is projected to improved due to the informal repayment plan, as well as lower than anticipated operating expenditures. While the State Gas Tax Prop 42 Replacement Fund (2231) is estimated to deplete fund balance, the State Gas Tax Fund (2230) is projected to increase as a result of the legislation increasing the per gallon tax on gasoline which began in November 2017.
- **The Capital Reserve (5510) and Municipal Capital Improvement (5500) Funds have appropriations obligating fund balance with no revenue sources.** Administration has not provided Departments the carry forward appropriation in the MCI Fund (5500) as a result.
- The fund balance in the Self-Insurance Liability Fund (1100) is projected to continue improving primarily because of the budgeted repayment plan.

Table 3: FY 2017-18 Projected Ending Fund Balance for Non-GPF Funds:

(\$ in millions)

FUND	FY 2016-17 Audited Ending Balance	FY 2017-18 Projected Ending Balance
LLAD	(\$0.66)	(\$1.40)
State Gas Tax	\$0.18	\$0.34
State Gas Tax Prop 42	\$2.04	\$0.44
Facilities Fund	(\$8.27)	(\$2.92)
Multipurpose Reserve	(\$0.61)	(\$0.12)
Self-Insurance Liability Fund	(\$10.31)	(\$6.97)
Municipal Capital Improvement Fund ¹	(\$5.49)	(\$5.52)
Capital Reserves	(\$0.77)	(\$2.34)

¹ Projected ending fund balance assumes that the \$2.81 million of CF has been eliminated or reallocated to eligible funds and will not be paid from the MCI Fund.

The remainder of this report provides details on the projected fiscal year-end revenue and expenditures in the GPF and selected funds based on Second Quarter data (July 1, 2017 – December 31, 2017).

BACKGROUND / LEGISLATIVE HISTORY

On June 26, 2017, Council adopted the biennial FY 2017-19 Policy Budget of \$584.07 million (both revenues and expenditures) in the General Purpose Fund for FY 2017-18, and \$595.95 million in FY 2018-19. This budget includes a transfer of \$8.00 million from fund balance over the two year period.

During FY 2017-18 additional budget was added based on Council Resolutions as well as authorized carryforward. The Adjusted Budget for FY 2017-18 is the cumulative total of the Adopted Policy Budget and all other authorized additions.

This report contains the projected fiscal year-end results for FY 2017-18.

ANALYSIS AND POLICY ALTERNATIVES

GENERAL PURPOSE FUND

I. REVENUES

As reflected in **Attachment A-1**, the FY 2017-18 adjusted revenue budget is \$584.82 million. Fiscal Year-end revenues including use of fund balance are forecasted to be \$598.25 million, which represents a net increase of \$13.43 million over the FY 2017-18 Adjusted Budget.

As the Fiscal Year progresses and better data becomes available, revenue projections are updated and provided to the City Council at the end of the second and third quarter. As shown in **Table 4** below, the Fiscal Year 2017-18 year-end revenues are forecasted to be \$598.25 million. Revenues, when compared to the adjusted budget are forecasted to increase \$13.43 million, of which \$6.90 million is considered one-time revenue.

Table 4: Summary of GPF Revenue Variance to FY 2017-18 Adjusted Budget:

(\$ in millions)

Description	FY 2017-18 Revenue
FY 2017-18 Adjusted Revenue Budget	\$584.82
Increases/(Decreases):	
Property Tax	\$0.82
Business License Tax	\$2.43
Utility Consumption Tax	\$3.37
Real Estate Transfer Tax	\$1.39
Local Tax (SSBT)	\$4.73
All Other	\$0.70
Net Projected GPF Revenue Growth	\$13.43
Total FY 2017-18 Projected Revenue	\$598.25

II. EXPENDITURES

The projected year-end expenditures are estimated at \$595.95 million, which is \$11.13 million over the net Adjusted Budget Citywide (**Attachment A-2**). The overspending is primarily attributed to sworn overtime costs in the Public Safety.

Table 5: Summary of FY 2017-18 GPF Projected Expenditure Variance:

(\$ in millions)

Department	Adjusted Budget (Q2 less CF)	Projected Year-End Actuals	Year-End (Over) / Under Budget
FY 2016-17 Expenditures	\$584.82	\$595.95	(\$11.13)
MAYOR	\$2.88	\$2.82	\$0.07
CITY COUNCIL	\$5.17	\$4.91	\$0.25
CITY ADMINISTRATOR	\$15.34	\$15.29	\$0.05
CITY ATTORNEY	\$12.00	\$11.99	\$0.01
CITY AUDITOR	\$1.96	\$1.69	\$0.27
CITY CLERK	\$2.45	\$2.36	\$0.08
POLICE COMMISSION	\$2.45	\$2.45	\$0.00
PUBLIC ETHICS COMMISSION	\$0.93	\$1.02	(\$0.09)
FINANCE DEPARTMENT	\$26.19	\$25.97	\$0.22
INFORMATION TECHNOLOGY	\$9.80	\$10.45	(\$0.65)
RACE & EQUITY	\$0.43	\$0.43	\$0.00
HUMAN RESOURCES	\$5.86	\$5.65	\$0.20
DEPARTMENT OF VIOLENCE PREVENTION	\$0.26	\$0.07	\$0.20
POLICE DEPARTMENT	\$244.60	\$250.90	(\$6.30)
FIRE DEPARTMENT	\$128.95	\$136.54	(\$7.59)
OAKLAND PUBLIC LIBRARY	\$13.00	\$12.71	\$0.30
PARKS & RECREATION	\$16.53	\$15.93	\$0.60
HUMAN SERVICES	\$13.10	\$13.00	\$0.10
ECONOMIC WORKFORCE & DEVELOPMENT	\$4.06	\$3.22	\$0.85
HOUSING & COMMUNITY DEVELOPMENT	\$0.00	\$0.00	\$0.00
PLANNING & BUILDING	\$0.02	\$0.02	\$0.00
OAKLAND PUBLIC WORKS	\$1.09	\$0.64	\$0.45
TRANSPORTATION	\$11.77	\$10.96	\$0.81
NON-DEPARTMENTAL	\$64.99	\$65.95	(\$0.96)
CAPITAL IMPROVEMENT PROGRAM	\$1.01	\$1.01	\$0.00

As part of a comprehensive review of the City's financial policies and in an effort to address departmental overspending in the General Purpose Fund, staff will be returning to the Council with recommended modifications to the Consolidated Fiscal Policy during Fiscal Year 2017-18. A preliminary draft of the proposed language to limit departmental overspending is included as Attachment K. In summary, this policy will require all Department Directors to develop a plan to address budgetary overspending within 30 days of the Council's acceptance of the Second Quarter Revenue and Expenditure Report. The strategies may include, but are not limited to, the following: service-level

reductions, efficiency improvements, additional appropriation of resources to the extent available, and/or reductions in other non-personnel expenditures.

GPF overtime expenditures exceeded the overtime Adjusted Budget by \$34.67 million (**Attachment B**), which is primarily attributed to Police and Fire. Additional details on the factors contributing to Police and Fire overtime projections are provided in two separate reports presented to the Finance Committee on February 27, 2018.

Table 6: FY 2017-18 Public Safety GPF Projected Personnel Expenditures

Department	FY 2017-18 Adjusted Budget	FY 2017-18 Projected Actuals	Year-End (Over) / Under Budget
Police Department			
Overtime (OT)	\$14.16	\$29.58	(\$15.41)
All Other Personnel (non-OT)	\$198.22	\$189.16	\$9.06
OPD Total Personnel	\$212.39	\$218.73	(\$6.35)
Fire Department			
Overtime (OT)	\$1.48	\$20.01	(\$18.52)
All Other Personnel (non-OT)	\$114.02	\$103.12	\$10.90
OFD Total Personnel	\$115.51	\$123.13	(\$7.62)

Both OPD and OFD have brought supplemental reports to Council to discuss overtime expenditures and strategies to control overtime costs in FY 2017-18.

III. FUND BALANCE

The audited FY 2017-18 GPF beginning fund balance was \$78.22 million. Importantly, this amount includes the City Council appropriated reserves discussed later in this report, as well as project and encumbrance balances carried forward.

The projected year-end available fund balance is estimated to be a deficit of \$6.11 million, after projecting for year-end revenues and expenditures, project and encumbrance carryforward, and amounts budgeted in FY 2017-19 (**Table 7**). The City's 7.5% GPF Emergency Reserve is set at \$43.86 million in FY 2017-18. Based on projected year-end results for FY 2017-18, the GPF Fund Balance will be negative \$6.11 million which would result in a reduced GPF Emergency Reserve balance of **6.45%**. If projections hold, per the City's Consolidated Fiscal Policy, the City Administrator will present a strategy to Council on how the City will achieve restoring the balance to 7.5%.

Table 7: FY 2017-18 Projected Year-End Available GPF Fund Balance

(\$ In millions)

GENERAL PURPOSE FUND (1010)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$78.22	\$78.22	
Revenue	\$584.82	\$598.25	\$13.43
Expenditures	\$584.82	\$595.95	\$11.13
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$2.30	\$2.30
Subtotal Fund Balance	\$78.22	\$80.52	
Use of Fund Balance in FY 2017-18:			
Projects Carried Forward (CF) to FY 2017-18	(\$18.09)	(\$18.09)	
Encumbrances Carried Forward (CF) to FY 2017-18	(\$4.70)	(\$4.70)	
FY 2017-19 Adopted Policy Budget	(\$8.00)	(\$8.00)	
FY 2017-18 Adopted Council Resolutions	(\$0.58)	(\$0.58)	
Mosswood Insurance Proceeds	(\$1.66)	(\$1.66)	
Equivalent Amount of Meas. HH Revenue (Net of KF 3%)	\$0.00	(\$4.41)	
25% Excess RETT for OPEB (FY16-17 True-Up)	(\$1.28)	(\$1.28)	
25% Excess RETT for Vital Services Stabilization Fund (FY16-17 True-Up)	(\$1.28)	(\$1.28)	
Subtotal Use of Fund Balance	(\$35.59)	(\$40.00)	
Designated / Mandated Reserves:			
7.5% GPF Required Reserve	(\$43.86)	(\$43.86)	
Estimated Kid's First FY 2017-18 True-Up	\$0.00	(\$0.41)	
OMERS Reversion of Assets (held with Trustee; Resolution 85098)	(\$2.36)	(\$2.36)	
Subtotal Reserves	(\$46.22)	(\$46.63)	
Estimated Ending Available Fund Balance	(\$3.59)	(\$6.11)	

IV. FY 2017-18 GENERAL PURPOSE FUND CARRYFORWARD

In September 2017, all City Departments were asked to review and provide justification for more than \$35.03 million in previously approved, but unspent project and encumbrance appropriations, referred to as "carryforwards," in the GPF (including non-departmental and capital funds). Given that departmental expenditures of carryforward drawdown available fund balance, fiscal prudence requires caution in approving GPF carryforward. The carryforward requests were further examined by finance staff and the City Administrator, and changes were made to departmental carryforward requests.

Table 8 shows the revised amount approved for carryforward by the City Administrator by department pursuant to the City's Consolidated Fiscal Policy, Ordinance No. 13279 ("CFP"). Of the \$35.67 million available for carryforward (FY 2016-17 audited), \$18.09 million of project balances and encumbrances of \$5.32 million was authorized to carryforward into FY 2017-18. Additional encumbrance balances of \$0.62 million have been identified for reduction during the Second Quarter revenue and expenditure analysis. The remainder of \$12.26 million was returned to fund balance. A more detailed list of approved GPF carryforward by project, which has already been provided to departments, is attached to this report as **Attachment J**.

Table 8: FY 2017-18 GPF Project & Encumbrance Carryforward

Department	Authorized for Carryforward by CAO
Mayor	57,094
City Council	36,135
City Administrator	1,753,453
City Clerk	44,363
Human Resources	391,190
Finance Department	536,739
Police Department	8,211,544
Fire Department	291,125
OPW & DOT	4,053,957
IT Department	109,436
Parks & Recreation	130,514
Race & Equity Department	36,045
Public Ethics	46,911
Human Services	929,773
Economic & Workforce Development	886,054
Housing	115,000
Library	182,412
Non-Departmental	281,446
Subtotal Project CF	18,093,192
Encumbrance CF	5,318,658
TOTAL AUTHORIZED CF	23,411,850
Encumbrance CF - REDUCED	(617,305)
REVISED NET TOTAL	22,794,545

V. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (*refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax*). The summary below provides the adjusted total set-asides, including any additional contributions based on the projected excess RETT in the FY 2017-18 Second Quarter results. It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups. As stated previously, the City's 7.5% GPF Emergency Reserve is set at \$43.86 million based on the FY 2017-19 Adopted Policy Budget.

Table 9: FY 2017-18 Projected Year-End Reserve Balances

(\$ in millions)	
Description	Projected FYE 2017-18 Balances
7.5% GPF Required Reserve ¹	\$43.86
Accelerate Long Term Obligations (debt, pension, OPEB, etc.) ²	\$0.00
Vital Services Stabilization Fund	\$14.15
Total Reserves	\$58.01

¹ The 7.5% GPF reserve is not a cumulative balance

² Prior set-asides and true-up used to pay down the negative fund balance in the Facilities Fund as part of the FY 2017-19 Adopted Policy Budget

Total budgeted reserves and set-asides of \$58.01 million are equivalent to just over one month of FY 2017-18 operating expenditures of \$593.46 million in GPF (9.77%). **The Government Finance Officers Association ("GFOA") recommends maintaining unrestricted budgetary fund balance in the general fund of no less than two months of operating expenditures (16.7%).**

The City's Consolidated Fiscal Policy is available in its entirety on the City's website.

GENERAL PURPOSE FUND
(Attachments A-1 and A-2)

REVENUE HIGHLIGHTS

The FY 2017-18 Second Quarter year-end projections are \$598.25 million. This represents a net increase of \$13.43 million over the FY 2017-18 adjusted budget, of which \$6.90 million is considered one-time revenue. It is important to note that \$4.73 million of the forecasted new one-time revenue is from the collection of the Sugar Sweetened Beverage Tax.

Attachment A-1 provides details of Second Quarter revenue forecast and comparison to the FY 2017-18 Adopted Budget.

Property Tax: +\$0.82 million compared to FY 2017-18 Adopted Budget

Property Tax revenues are forecasted to exceed FY 2017-18 Adopted Budget by \$0.82 million due to the forecasted receipt of additional Residual Property Tax Trust Fund ("RPTTF") revenues. Starting in FY 2011-12, the City began receiving a portion of the RPTTF as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less wind-down funding obligations, that would have gone to redevelopment agencies if they had not been dissolved. Net of RPTTF, Property Tax revenues increased 6.56% when compared to Fiscal Year 2016-17.

Table 10: Historical Property Tax Revenue: FY 2011-12 through FY 2017-18

(\$ in millions)

Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 Q2 Forecast
Property Tax	\$125.77	\$129.27	\$133.12	\$141.03	\$148.03	\$160.98	\$171.54
Property Tax - RPTTF	\$13.03	\$24.88	\$9.71	\$18.33	\$6.69	\$10.50	\$11.99
Total Property Tax	\$138.80	\$154.15	\$142.83	\$159.36	\$154.72	\$171.48	\$183.53

During the depths of the Great Recession, the City lost \$2.59 billion in assessed valuation. For the past 4 years, Oakland's assessed valuation has experienced significant growth. Since FY 2011-12, the City's assessed valuation has grown \$17.15 billion.

Table 11: Assessed Valuation: FY 2009-2010 through FY 2017-18

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
-2.91%	-3.09%	1.67%	2.15%	5.15%	5.85%	7.56%	7.47%	7.21%

Real Estate Transfer Tax: +\$1.39 million compared to FY 2017-18 Adopted Budget

Second Quarter FY 2017-18-year end real estate transfer tax (RETT) forecast is anticipated to be \$77.21 million, which is \$1.39 million above the FY 17-18 Adopted Budget. When compared to Fiscal Year 16-17, revenues derived from RETT are anticipated to decline 2.35% from \$79.07 million to \$79.21 million. **The revenue derived from baseline property sales through the Second Quarter increased 0.25% when compared to last fiscal year;** while revenue derived from larger property transactions is down 79.23% through the end of the Second Quarter (*Table 12*).

Real Estate Transfer Tax is highly volatile and revenues can increase and decrease rapidly with changing market conditions or as a result of the sale of high value properties. When certain high value commercial properties are sold, they can skew revenues upward. Furthermore, depending upon how the property is transferred and/or what type of entity is purchasing the property, the application of the City's RETT may not apply. The sale of large commercial properties listed is *Table 13*.

Table 12: RETT Growth Rate Q2

RETT Growth Rate					
Category	FY13-14	FY14-15	FY15-16	FY 2016-17	FY17-18 through Q2
RETT	7.97%	15.69%	20.16%	4.03%	0.25%
RETT-Larger Commercial Properties	434.42%	-33.30%	172.52%	-61.68%	-79.23%

Table 13: FY 2017-18 YTD Large Property Sales

(\$ in millions)

Sale Quarter	Property	FY 2016-17 RETT
Quarter 1	405 Oak Tower	\$0.50
Quarter 1	505 14th St.	\$1.09
Quarter 1	1300 Clay St.	\$1.23
Quarter 2	360 22nd St.	\$0.65
Quarter 2	1955 Broadway	\$2.70
Total		\$6.17

Business License Tax: +\$2.43 million compared to FY 2017-18 Adopted Budget

Year-end revenue derived from Business Licenses Tax is forecasted to be \$82.01 million. This is \$2.43 million higher than the Adopted FY 2017-18. The forecast includes the receipt of \$2.34 million from a single taxpayer as the result of a business tax audit that was not included in the original FY 2017-18 Adopted Budget. These audit revenues are considered one-time revenues.

Utility User Tax: +\$3.37 million compared to FY 17-18 Adopted Budget

Year-end revenue derived from Utility User Tax is forecasted to be \$54.07 million, which is 2.75% increase when compared to FY 2016-17 audited receipts.

Transient Occupancy Tax: +\$1.28 million compared to FY 17-18 Adopted Budget

Year-end Second Quarter revenue derived from Transient Occupancy Tax (TOT) revenue is forecasted to be \$23.93 million. The City is still experiencing growth in this revenue category with revenues increasing 7.00% during when compared to Fiscal Year 2016-17. The increase in TOT is being felt across the Bay Area as the demand for hotel lodging increases due to the improved business climate and an influx of foreign travelers, which also increases room rates based upon simple supply and demand. Table 14 reflects year-over-year growth of Transient Occupancy Tax.

Table 14: Transient Occupancy Tax Growth Rate Q2

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY2017-18
Transient Occupancy Tax	15.99%	17.24%	18.03%	12.89%	7.00%

Sugar Sweetened Beverage Tax: +\$4.73 million compared to FY 17-18 Adopted Budget

Year-end revenue derived from Sugar Sweetened Beverage Tax is forecasted to be \$10.63 million. In 2016, the voters of Oakland passed Measure HH, Sugar Sweetened Beverage Tax (SSBT). The SSBT was approved by the voters in the November 2016 election. It places one cent per fluid ounce on the first distribution of sugar-sweetened beverages in Oakland, as well as added-calorie sweeteners that are used to make sugar-sweetened beverages.

EXPENDITURE HIGHLIGHTS

As outlined in **Attachment A-2**, the FY 2017-18 Q2 net Adjusted Budget is \$584.82 million. The fiscal year-end General Purpose Fund (GPF) expenditures are projected to be \$595.95 million, resulting in an over-spending of \$11.13 million primarily due to Public Safety personnel and overtime costs. Additionally, this attachment also summarizes department-level spending. The breakdown of projected fiscal year-end overtime spending for the General Purpose Fund and All Funds is provided in **Attachment B**. Below is a discussion of each department's estimated savings or overspending in the GPF at year-end as compared to the Adjusted Budget.

Mayor's Office

The Mayor's Office is projected to end the fiscal year with approximately \$0.07 million resulting from salary savings.

City Council

The City Council is projected to end the fiscal year with approximately \$0.25 million resulting from salary savings.

City Administrator

The City Administrator's Office is projected to end the fiscal year with an estimated savings of \$0.05 million.

City Attorney

The City Attorney is estimated to have savings of \$0.01 million primarily associated with O&M savings.

City Auditor

The City Auditor is estimated to have savings of \$0.27 million when compared to the Adjusted Budget because of vacancies.

City Clerk

The Office of the City Clerk is estimated to have savings of \$0.08 million primarily associated with salary savings.

Police Commission

The Police Commission is projected to end the fiscal year at budget.

Public Ethics Commission (PEC)

The PEC is projected to end the fiscal year with overspending of (\$0.09) million in personnel costs.

Finance Department

Finance is estimated to have savings of \$0.22 million due to salary savings from vacancies.

Information Technology Department (ITD)

ITD is projected to overspend the Adjusted Budget by (\$0.65) million which is attributed to personnel costs.

Race & Equity

The Race & Equity Department is projected to end the fiscal year at budget.

Human Resources Department (HRD)

Human Resources is projected to spend \$6.23 million compared to the Adjusted Budget of \$6.43 million, resulting in a savings of \$0.20 million due to vacancies.

Department of Violence Prevention (DVP)

DVP is projected to spend \$0.07 million compared to the Adjusted Budget of \$0.26 million, resulting in a savings of \$0.20 million. This savings is largely due to vacancies.

Oakland Police Department (OPD)

The projected overspending in OPD of (\$6.30 million) is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending is provided in a separate report presented to the Finance and Management Committee on February 27, 2018. OPD's overtime spending is projected to be \$29.58 million, compared to the adjusted overtime budget of \$14.16 million (*Attachment B*).

Oakland Fire Department (OFD)

The Fire Department is projected to end FY 2017-18 with overspending of approximately (\$7.59 million) primarily due to overtime. Details on overtime spending are provided in a separate report presented to the Finance and Management Committee on February 27, 2018. Overtime spending in OFD is estimated to be \$20.0 million at fiscal year-end, which is approximately \$18.5 million over the Adjusted Budget.

Oakland Public Library (OPL)

OPL is estimated to end the fiscal year with a savings of \$0.30 million due to salary savings.

Oakland Parks & Recreation (OPR)

OPR is projected to end the fiscal year with a savings of \$0.60 million from salary savings.

Human Services Department (HSD)

Human Services is projected to end the fiscal year with small savings of \$0.10 million primarily in personnel costs.

Economic Workforce & Development (EWD)

EWD is projected to end the fiscal year with underspending of \$0.85 million from salary savings associated with vacancies.

Housing & Community Development (HCD)

Housing is projected to end the fiscal year at budget.

Planning & Building

Planning is projected to end the fiscal year at budget.

Oakland Public Works (OPW)

OPW is projected to end the fiscal year with a savings of \$0.45 million from salary savings.

Department of Transportation (DOT)

DOT is projected to end the fiscal year with a savings of \$0.81 million from salary savings.

Non-Departmental

Non-Departmental is projected to end the fiscal year overspent by approximately \$0.96 million due to under-recovery of Central Services Overhead costs due to vacancies.

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

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), projected year-end revenue and expenditure results show a deficit of \$0.16 million (**Attachments C-1 & C2**). Additionally, when accounting for obligated amounts carried forward to FY 2017-18 and beginning fund balance deficit of \$0.66 million, the deficit increases to \$1.40 million. The LLAD had eliminated its roughly \$6.0 million negative fund balance by FYE 2014-15, however rapidly increasing costs and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining that positive fund balance. The assessment rate cannot be adjusted without voter approval; therefore, Public Works must continue to carefully manage personnel and O&M expenses throughout FY 2017-18 to mitigate any further reductions in the fund balance.

Table A: FY 2017-18 LLAD Projected Year-End Available Fund Balance

(\$ in millions)

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.66)	(\$0.66)	
Revenue	\$19.93	\$19.80	(\$0.13)
Expenditures	\$19.93	\$19.95	(\$0.03)
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.16)	(\$0.16)
Subtotal Fund Balance	(\$0.66)	(\$0.82)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$0.74)	(\$0.74)	
Budgeted Fund Balance Repayment	\$0.16	\$0.16	
Estimated Ending Fund Balance	(\$1.24)	(\$1.40)	

LLAD PROJECT CARRYFORWARD	
Project Description	CF AMOUNT
1000983 - LAKE MERRITT MNTNNC	570,636
1001588 - FY 15-17 PK PROJ PRIOR STUDY	33,417
1000640 - OAKLAND ST LIGHTING CONV PRJT	17,796
Encumbrances	121,741
Grand Total	743,590

State Gas Tax Fund

State Gas Tax Fund (2230) is revenue from a portion of a \$0.18 cent per gallon excise tax for gasoline (Sales & Use Tax Rate), which is returned to Cities based on a population formula. **This rate has remained flat since 1995.** These funds may be used for the “research, planning, construction, improvement, maintenance and operation” of public streets and roads, including sidewalks, bikeways and public transit facilities. A small amount (\$10,000 per year) must be spent on engineering costs and admin expenses related to city streets.

Revenues are projected to end the fiscal year at \$7.42 million which is \$0.13 million lower than the Adjusted Budget. Projected expenditures of \$7.13 million are less (\$0.42 million) than the net Adjusted Budget of \$7.55 million (**Attachments D-1 & D-2**) which will offset the reduction in revenue. Table B below shows the estimated available fund balance at year-end at \$0.34 million with budgeted carryforward included. In April 2017 Governor Brown signed legislation that will increase the per gallon rate from \$0.18 cents to \$0.30 cents in November 2017, which is the first increase in the rate since 1995. The anticipated revenue increases have been incorporated into the FY 2017-19 Adopted Policy Budget.

Table B: FY 2017-18 State Gas Tax Fund Projected Year-End Available Fund Balance

(\$ in millions)

STATE GAS TAX FUND (2230)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$0.18	\$0.18	
Revenue	\$7.55	\$7.42	(\$0.13)
Expenditures	\$7.55	\$7.13	\$0.42
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.29	\$0.29
Subtotal Fund Balance	\$0.18	\$0.47	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$0.13)	(\$0.13)	
Estimated Ending Fund Balance	\$0.05	\$0.34	

STATE GAS TAX CARRYFORWARD	
Project Description	CF AMOUNT
1000986 - TRAFFIC SIGNAL CONTROLLER	2,894
Encumbrances	124,503
Grand Total	127,397

State Gas Tax - Prop 42 Replacement Fund

State Gas Tax Fund (2231) serves as a replacement of Prop 42 (sales tax on gasoline). The revenue is a portion of a variable excise tax on gasoline (Motor Vehicle Fuel Tax Rate) that is returned to Cities based on a population formula. **The FY 2017-18 rate is \$0.278 cents per gallon which is a decrease from the FY 2015-16 rate of \$0.300 cents per gallon.** A downward adjustment would have a negative fiscal impact on revenues the City receives. These funds may be used for the "research, planning, construction, improvement, maintenance and operation" of public streets and roads, including sidewalks, bikeways and public transit facilities.

Revenues are projected to end the fiscal year at \$2.21 million which is \$0.51 million higher than the Adjusted Budget. Expenditures are estimated to be \$1.89 million which exceeds the Adjusted Budget by \$0.19 million (**Attachments D-1 & D-2**). Table C below shows the estimated ending available fund balance at year-end as \$0.44 million with carryforward obligations factored in.

Table C: FY 2017-18 State Gas Tax – Prop 42 Fund Projected Year-End Available Fund Balance

(\$ in millions)

STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$2.04	\$2.04	
Revenue	\$1.70	\$2.21	\$0.51
Expenditures	\$1.70	\$1.89	(\$0.19)
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.33	\$0.33
Subtotal Fund Balance	\$2.04	\$2.37	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$1.93)	(\$1.93)	
Estimated Ending Fund Balance	\$0.11	\$0.44	

STATE GAS TAX - PROP 42 CARRYFORWARD	CF AMOUNT
Project Description	
1000830 - CITYWIDE STREET RESURF-2231	1,158,931
1000821 - CITYWIDE ST RESURFACING II	445,169
1000998 - STREET REHAB RESURFACING	322,737
Grand Total	1,926,837

Facilities Fund

This fund is reported on a cash basis. Projected fiscal year-end results for the Facilities Fund (4400) shown in Table D indicate that revenues will be higher than expenditures by approximately \$3.79 million (**Attachments E-1 & E-2**). The estimated ending cash balance will improve by roughly \$5.35 million as a result of higher revenues, lower spending, and the budgeted repayment to fund balance of \$4.23 million. Based on FY 2017-18 projections, and despite budgeted amounts carried forward to FY 2017-18 of \$2.66 million, the negative fund balance will be eliminated ahead of the scheduled repayment plan. The projected ending cash balance is a negative \$2.92 million. The FY 2017-19 Adopted Policy Budget allocates additional one-time funding (\$4.23 million) in FY 2108-19 to eliminate the remaining negative cash balance.

Table D: FY 2017-18 Facilities Fund Projected Year-End Available Cash Balance

(\$ in millions)

FACILITIES FUND (4400)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$8.27)	(\$8.27)	
Revenue	\$37.92	\$39.06	\$1.15
Expenditures	\$37.92	\$35.28	\$2.64
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$3.79	\$3.79
Subtotal Fund Balance	(\$8.27)	(\$4.49)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$2.66)	(\$2.66)	
Budgeted Fund Balance Repayment	\$4.23	\$4.23	
Estimated Ending Cash Balance	(\$6.70)	(\$2.92)	

FACILITIES CARRYFORWARD	CF AMOUNT
Project Description	
1000716 - MINOR CIP	995,610
1001520 - ADA TRNSTN PLAN SURVEY FY15-16	419,380
1001642 - ENVIRONMENTAL CMPLNCE FY05-06	319,312
1000719 - EMERGENCY MINOR CIP	136,433
1001679 - EOSC MAINTENANCE	211,943
1000988 - FY 05 06 MSC CLEAN UP	71,680
1000630 - INS-BUILDINGS	62
1003321 - TASSAFARONGA GYM WATER INTR	9,825
Encumbrances	491,258
Grand Total	2,655,502

Multipurpose Reserve Fund

The Multipurpose Reserve Fund (1750) serves as the City's off-street parking and traffic control fund. Fund 1750 is used to budget and record the gross revenue and operating expenses of the City's off-street parking facilities. Revenues are used for staff support, parking operations and maintenance, and authorized contract management services and fees.

Expenditures are projected to end the year less (\$0.14 million) than the net Adjusted Budget of \$9.39 million. Revenues at fiscal year-end are estimated to be \$10.28 million, which is \$0.89 million higher than the Adjusted Budget (**Attachments F-1 & F-2**). Table E below shows the estimated available fund balance improving by fiscal year-end to a negative \$0.12 million.

Table E: FY 2017-18 Multipurpose Reserve Fund Projected Year-End Available Fund Balance

(\$ In millions)

MULTIPURPOSE RESERVE FUND (1750)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.61)	(\$0.61)	
Revenue	\$9.39	\$10.28	\$0.89
Expenditures	\$9.39	\$9.25	\$0.14
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$1.03	\$1.03
Subtotal Fund Balance	(\$0.61)	\$0.42	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$0.80)	(\$0.80)	
Budgeted Fund Balance Repayment	\$0.27	\$0.27	
Estimated Ending Fund Balance	(\$1.14)	(\$0.12)	

MULTIPURPOSE RESERVE CARRYFORWARD	
Project Description	CF AMOUNT
1003472 - CMAQ MTC PARKING & MOBILITY MGT	183,597
1003269 - TFCA 28 ELCTRC VEH CHRNGG STNS	20,000
1000840 - OUTER DIST SURVLCE CAM NETWK	100,000
1000630 - INS-BUILDINGS	83,000
1000872 - PARKING GARAGE CONTRACT	98,569
1001416 - TELEGRAPH PLAZA	59,510
1001617 - CITY CENTER WEST GARAGE	13,043
1001559 - 409 12TH STREET	29,639
Encumbrances	213,420
Grand Total	800,778

Self-Insurance Liability Fund

The Self-Insurance Liability Fund (1100) receives contributions from the General Purpose Fund and select funds to cover costs associated with liability claims and settlements, insurance premiums, outside legal services and court costs.

Expenditures are projected to end the year at budget. Revenues at fiscal year-end are estimated to reach \$27.53 million, which is \$0.99 million higher than the Adjusted Budget (**Attachments G-1 & G-2**). Table F below shows the estimated ending available fund balance improving by fiscal year-end to a negative \$6.97 million primarily due to the budgeted fund balance repayment of \$2.35 million. This fund has maintained its repayment plan and is expected to eliminate the negative fund balance by FY 2021-22.

Table F: FY 2017-18 Self-Insurance Liability Fund Projected Year-End Available Fund Balance

(\$ in millions)

SELF-INSURANCE LIABILITY FUND (1100)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$10.31)	(\$10.31)	
Revenue	\$22.75	\$23.73	\$0.99
Expenditures	\$22.74	\$22.74	\$0.00
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.99	\$0.99
Subtotal Fund Balance	(\$10.31)	(\$9.32)	
Use of Fund Balance in FY 2017-18:			
Budgeted Fund Balance Repayment	\$2.35	\$2.35	
Estimated Ending Fund Balance	(\$7.95)	(\$6.97)	

Municipal Capital Improvement Fund

The Municipal Capital Improvement Fund (5500) no longer has any revenue source.

There are no expenditures projected for this fund at fiscal year-end. Revenues consist of a net negative \$0.03 million due to projected negative interest allocation (**Attachments H-1 & H-2**). Table G below shows the estimated ending available fund balance as a negative \$5.52 million prior to accounting for the carryforward obligations. All carryforward is on hold and must be either eliminated, or reallocated to appropriate funding sources, to ensure that the fund balance does not become more negative. **The carryforward amount on hold is \$2.81 million and comprised primarily of Pay-Go projects**

Table G: FY 2017-18 Municipal Capital Improvement Fund Projected Year-End Available Fund Balance

(\$ in millions)

MUNICIPAL CAPITAL IMPROVEMENT FUND (5500)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$5.49)	(\$5.49)	
Revenue	\$0.00	(\$0.03)	(\$0.03)
Expenditures	\$0.00	\$0.00	\$0.00
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.03)	(\$0.03)
Subtotal Fund Balance	(\$5.49)	(\$5.52)	
Estimated Ending Fund Balance ¹	(\$5.49)	(\$5.52)	

¹ This estimate does not include previously appropriated project carryforward (\$2.81 mil) that must be eliminated or reallocated to eligible funds. These carryforward amounts have not been provided to Departments because the fund is negative with no source of revenue, and therefore cannot be spent.

Capital Reserves Fund

The Capital Reserves Fund (5510) source of funding is typically from one-time revenues. Per the Consolidated Fiscal Policy (Ordinance No. 13279 C.M.S, Part C) revenues received from one-time activities shall be deposited into this fund unless otherwise directed by a majority vote of the City Council. Capital Reserve funds may be appropriated by Council to: fund emergency or major capital maintenance or repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program. No revenues have been directed to this fund since FY 2013-14.

Expenditures are all associated with carryforward (\$1.57 million) which is projected to be spent by FYE. This fund has no new revenues (**Attachments I-1 & I-2**) and is allocated negative interest. The carryforward amount of \$1.57 must be either eliminated, or reallocated to appropriate funding sources, to ensure that the fund balance does not reach the estimated negative ending balance of \$2.34 million. Table H below shows the estimated ending fund balance.

Table H: FY 2017-18 Capital Reserves Fund Projected Year-End Available Fund Balance

(\$ in millions)

CAPITAL RESERVE FUND (5510)	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.77)	(\$0.77)	
Revenue	\$0.00	(\$0.00)	(\$0.00)
Expenditures	\$0.00	\$0.00	\$0.00
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.00)	(\$0.00)
Subtotal Fund Balance	(\$0.77)	(\$0.77)	
Use of Fund Balance in FY 2017-18:			
Budgeted Amounts Carried Forward (CF) to FY 2017-18	(\$1.57)	(\$1.57)	
Estimated Ending Fund Balance	(\$2.34)	(\$2.34)	

CAPITAL RESERVE CARRYFORWARD	
Project Description	CF AMOUNT
1000450 - IT LIC-SOFTWARE-911 II C468113	1,000,000
1001403 - MOTOROLA IPSS SUP-MAINT C234620	315,373
1000551 - UPS MAIN PS SITES C453710	74,242
1000437 - IBM MASTER LEASE C468130	98,115
1001140 - IT LIC-SOFTWARE-911 I C468112	43,520
1000552 - IT LIC - SOFTWARE C468110	34,420
Grand Total	1,565,670

NEGATIVE FUND BALANCES

It is important to note that the City continued to make progress in FY 2016-17 on its funds that have negative fund balances. The City ended FY 2016-17 with audited negative balances totaling an estimated \$72.57 million, which is a slight reduction over FY 2015-16.

Over the past decade, many Non-GPF funds have been depleted creating financial pressures on the GPF. They are largely attributable to historical overspending and/or under-recovery and transfers to the GPF for budget balancing measures. It is important that the City continues to plan for this contingency and cautiously approach FY 2018-19 considering large unfunded liabilities, negative fund balances, unanticipated expenditures, economic downturn, and other risks that may impact the fund balances in future years.

The last four (4) Adopted Policy Budgets (FY 2009-2017) included repayment plans for the City to repay itself for the use of pooled cash for both Program Funds and Internal Service Funds (ISFs). The Repayment Plan has been monitored closely by staff, and staff has also instituted more frequent draw-downs of grant funds, as well as increased oversight and management of expenditures for funds with negative balances. Since FY 2009-10, **over \$66.2 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest (Table 17). The FY 2017-19 Adopted Policy Budget allocates additional one-time funding to eliminate the remaining repayments in the Facilities Fund (4400) to achieve on-going savings across several City funds including the GPF. Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. Continued commitment to repayment is strongly encouraged to ensure the necessary financial progress as a commitment to external auditors. **Additional detail and recommendations for actions to further reduce negative fund balances is discussed in the Negative Fund Repayment Plan and Recommendations Report discussed at Finance and Management Committee February 27, 2018.**

Table 15: Negative Fund Balance Summary FY 2014-15 through FY 2017-18

Audited Ending Fund Balance (as of June 30th each FY)				
\$\$ in millions				
Negative Fund Category		FY 2014-15	FY 2015-16	FY 2016-17
1	Negative Funds with Repayment Plan	(51.74)	(34.45)	(26.90)
2	Reimbursable Negative Funds	(24.09)	(24.47)	(30.99)
3	Non-Reimbursable Negative Funds	(13.92)	(13.96)	(14.68)
Total Negative Funds		(\$89.75)	(\$72.87)	(\$72.57)

PUBLIC OUTREACH / INTEREST

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

COORDINATION

This report was prepared in coordination between the Finance Department and the City Administrator's Office and various departments.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

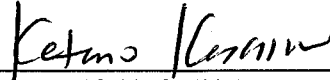
Social Equity: No social equity opportunities have been identified.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that City Council receive an informational report on the projected Fiscal Year (FY) 2017-18 Second Quarter Revenue and Expenditure results and year-end summaries for the General Purpose Fund (GPF, 1010) and eight selected funds; and General Purpose Fund (GPF, 1010) carryforward for FY 2017-18; and overtime analysis for the General Purpose Fund (1010) and All Funds.

For questions regarding this report, please contact Kirsten LaCasse, Controller, at 238-6776.

Respectfully submitted,



KATANO KASAINÉ
Finance Director, Finance Department

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Attachments (19):

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Overtime Analysis*
- C-1: *Landscape and Lighting Assessment District Fund Revenues*
- C-2: *Landscape and Lighting Assessment District Fund Expenditures*
- D-1: *State Gas Tax & Prop 42 Replacement Fund Revenues*
- D-2: *State Gas Tax & Prop 42 Replacement Fund Expenditures*
- E-1: *Facilities Fund Revenues*
- E-2: *Facilities Fund Expenditures*
- F-1: *Multipurpose Reserve Fund Revenues*
- F-2: *Multipurpose Reserve Fund Expenditures*
- G-1: *Self-Insurance Liability Fund Revenues*
- G-2: *Self-Insurance Liability Fund Expenditures*
- H-1: *Municipal Capital Improvement Fund Revenues*
- H-2: *Municipal Capital Improvement Fund Expenditures*
- I-1: *Capital Reserve Fund Revenues*
- I-2: *Capital Reserve Fund Expenditures*
- J: *GPF Project Carryforward*
- K: *Proposed Language To Limit Departmental Overspending*

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
PROPERTY TAX	182.71	83.56	45.7%	183.53	0.82	Property Tax revenues are forecasted to exceed budget due to the forecasted receipt of additional RPTTF revenues
SALES TAX	56.00	20.54	36.7%	56.00	0.00	
VEHICLE LICENSE FEES	0.00	0.00	0.0%	0.00	0.00	
BUSINESS LICENSE TAX	79.58	6.52	8.2%	82.01	2.43	The forecast includes the receipt of \$2.34 million from a single taxpayer as the result of a business tax audit that was not included in the original FY 2017-18 Adopted Budget. These audit revenues are considered one-time revenues
UTILITY CONSUMPTION TAX	50.70	21.05	41.5%	54.07	3.37	Utility User Tax is forecasted at a 2.75% increase when compared to FY 2016-17 audited receipts.
REAL ESTATE TRANSFER TAX	75.82	32.94	43.4%	77.21	1.39	
TRANSIENT OCCUPANCY TAX	22.65	10.43	46.0%	23.93	1.28	
PARKING TAX	11.13	4.88	43.8%	11.13	0.00	
LOCAL TAX	5.90	4.55	77.1%	10.63	4.73	Year-end revenue derived from Sugar Sweetened Beverage Tax is forecasted to be \$10.63 million
LICENSES & PERMITS	2.06	1.35	65.4%	2.06	0.00	
FINES & PENALTIES	22.43	7.67	34.2%	21.69	(0.74)	
INTEREST INCOME	0.74	0.06	8.7%	1.21	0.47	
SERVICE CHARGES	59.50	19.48	32.7%	59.25	(0.25)	
GRANTS & SUBSIDIES	0.12	0.56	470.7%	0.56	0.44	
MISCELLANEOUS	2.84	0.64	22.5%	2.34	(0.50)	
INTER-FUND TRANSFERS	3.96	1.98	50.0%	3.96	0.00	
Sub-Total Revenue	\$576.14	\$216.21	37.5%	\$589.57	\$13.43	
TRANSFERS FROM FUND BALANCE	8.68			8.68	0.00	
Total Revenue	\$584.82	\$216.21	37.5%	\$598.25	\$13.43	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of Overspending / Savings
MAYOR	2.94	1.32	45.0%	2.88	0.07	
CITY COUNCIL	5.23	2.16	41.3%	4.97	0.25	
CITY ADMINISTRATOR	16.35	5.75	35.2%	16.29	0.05	
CITY ATTORNEY	11.96	5.44	45.5%	11.95	0.01	
CITY AUDITOR	1.96	0.77	39.1%	1.69	0.27	
CITY CLERK	2.58	0.71	27.9%	2.48	0.08	
POLICE COMMISSION	2.45	0.89	36.2%	2.45	0.00	
PUBLIC ETHICS COMMISSION	0.94	0.48	51.2%	1.02	(0.09)	Overspending attributed to personnel costs due to full staffing; unable to achieve budgeted vacancy rate
FINANCE DEPARTMENT	27.66	11.08	40.1%	27.44	0.22	
INFORMATION TECHNOLOGY	9.83	4.94	50.3%	10.48	(0.65)	Overspending due to personnel costs
RACE & EQUITY	0.48	0.20	41.7%	0.48	0.00	
HUMAN RESOURCES	6.42	2.61	40.7%	6.22	0.20	
DEPARTMENT OF VIOLENCE PREVENTION	0.26	0.00	0.0%	0.07	0.20	
POLICE DEPARTMENT	253.93	122.89	48.4%	260.24	(6.30)	The projected overspending is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending is provided in a separate report presented to the Finance and Management Committee on February 27, 2018.
FIRE DEPARTMENT	130.02	66.30	51.0%	137.61	(7.59)	The overspending is primarily attributed to overtime. Details on overtime spending are provided in a separate report presented to the Finance and Management Committee on February 27, 2018.
OAKLAND PUBLIC LIBRARY	13.00	5.43	41.8%	12.71	0.30	
PARKS & RECREATION	16.80	6.98	41.5%	16.20	0.60	
HUMAN SERVICES	14.50	4.65	32.1%	14.41	0.10	
ECONOMIC WORKFORCE & DEVELOPMENT	4.84	1.66	34.3%	4.00	0.85	
HOUSING & COMMUNITY DEVELOPMENT	1.12	0.00	0.0%	1.12	0.00	
PLANNING & BUILDING	0.22	0.04	17.5%	0.22	0.00	
OAKLAND PUBLIC WORKS	3.39	1.08	32.0%	2.94	0.45	
TRANSPORTATION	11.55	3.70	32.1%	10.74	0.81	
NON-DEPARTMENTAL	66.02	33.02	50.0%	66.97	(0.96)	Projected to end the fiscal year overspent due to under-recovery of Central Services Overhead costs.
SUBTOTAL	604.42	282.13	46.7%	615.55	(11.13)	
CAPITAL IMPROVEMENT PROGRAM	3.19	0.69	21.5%	3.19	0.00	
Subtotal Expenditures	\$607.62	\$282.82	46.5%	\$618.75	(\$11.13)	
Amounts Carried Forward From FY 2016-17 (Project & Encumbrances)	(22.79)			(22.79)	0.00	
Total Expenditures	\$584.82	\$282.82	48.5%	\$595.96	(\$11.13)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)

OVERTIME ANALYSIS (in Dollars)

GENERAL PURPOSE FUND

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Overtime Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,960	0	0.0%	0	8,960	100.0%	
CITY COUNCIL	0	1,854	0.0%	3,782	(3,782)	0.0%	Off-set by salary savings
CITY ADMINISTRATOR	1,157	93,044	8038.7%	189,809	(188,651)	(16299.0%)	Off-set by salary savings
CITY ATTORNEY	0	946	0.0%	1,929	(1,929)	0.0%	Off-set by salary savings
CITY AUDITOR	0	1,888	0.0%	3,852	(3,852)	0.0%	Off-set by salary savings
CITY CLERK	11,570	12,067	104.3%	24,616	(13,046)	(112.8%)	Off-set by salary savings
POLICE COMMISSION	0	10,100	0.0%	20,604	(20,604)	0.0%	Off-set by salary savings
FINANCE DEPARTMENT	49,901	137,869	276.3%	281,254	(231,353)	(463.6%)	Off-set by salary savings
INFORMATION TECHNOLOGY	0	47,910	0.0%	97,737	(97,737)	0.0%	
HUMAN RESOURCES	26,390	10,587	40.1%	21,597	4,793	18.2%	Off-set by salary savings
POLICE DEPARTMENT	14,164,362	14,741,255	104.1%	29,575,087	(15,410,725)	(108.8%)	The projected overspending is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement. Additional details on overtime spending is provided in a separate report presented to the Finance and Management Committee on February 27, 2018.
FIRE DEPARTMENT	1,484,959	9,983,729	672.3%	20,007,424	(18,522,465)	(1247.3%)	The overspending is primarily attributed to overtime. Details on overtime spending are provided in a separate report presented to the Finance and Management Committee on February 27, 2018.
OAKLAND PUBLIC LIBRARY	6,260	1,708	27.3%	3,485	2,775	44.3%	Off-set by salary savings
PARKS & RECREATION	0	20,476	0.0%	41,771	(41,771)	0.0%	Off-set by salary savings
HUMAN SERVICES	0	2,870	0.0%	5,854	(5,854)	0.0%	Off-set by salary savings
ECONOMIC WORKFORCE & DEVELOPMENT	0	10,045	0.0%	20,492	(20,492)	0.0%	Off-set by salary savings
OAKLAND PUBLIC WORKS	0	12,624	0.0%	25,752	(25,752)	0.0%	Off-set by salary savings
TRANSPORTATION	34,550	67,016	194.0%	136,712	(102,162)	(295.7%)	Off-set by salary savings
TOTAL	\$15,788,110	\$25,155,987	159.3%	\$50,461,758	(\$34,673,649)	(219.6%)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
OVERTIME ANALYSIS (in Dollars)**ALL FUNDS**

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Overtime Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,910	18	0.2%	37	8,872	99.6%	Off-set by salary savings
CITY COUNCIL	0	1,854	0.0%	3,782	(3,782)	0.0%	Off-set by salary savings
CITY ADMINISTRATOR	1,157	93,894	8112.2%	191,543	(190,386)	(16448.8%)	Off-set by salary savings
CITY ATTORNEY	0	2,495	0.0%	5,090	(5,090)	0.0%	Off-set by salary savings
CITY AUDITOR	0	1,888	0.0%	3,852	(3,852)	0.0%	Off-set by salary savings
CITY CLERK	11,441	31,672	276.8%	64,611	(53,170)	(464.7%)	Off-set by salary savings
POLICE COMMISSION	0	10,100	0.0%	20,604	(20,604)	0.0%	Off-set by salary savings
FINANCE DEPARTMENT	51,126	155,723	304.6%	317,675	(266,549)	(521.4%)	Off-set by salary savings
INFORMATION TECHNOLOGY	2,190	57,511	2625.6%	117,322	(115,131)	(5256.2%)	
HUMAN RESOURCES	26,390	11,840	44.9%	24,153	2,237	8.5%	Off-set by salary savings
POLICE DEPARTMENT	15,040,169	15,412,462	102.5%	30,920,750	(15,880,581)	(105.6%)	The projected overspending is largely due to overtime related to
FIRE DEPARTMENT	3,777,893	11,468,457	303.6%	22,986,365	(19,208,472)	(508.4%)	The overspending is primarily attributed to overtime. Details on
OAKLAND PUBLIC LIBRARY	6,260	2,436	38.9%	4,970	1,290	20.6%	Off-set by salary savings
PARKS & RECREATION	0	35,792	0.0%	73,015	(73,015)	0.0%	Off-set by salary savings
HUMAN SERVICES	0	13,178	0.0%	26,883	(26,883)	0.0%	Off-set by salary savings
ECONOMIC WORKFORCE & DEVELOPMENT	0	11,484	0.0%	23,428	(23,428)	0.0%	Off-set by salary savings
HOUSING & COMMUNITY DEVELOPMENT	0	42,938	0.0%	87,593	(87,593)	0.0%	Off-set by salary savings
PLANNING & BUILDING	211,813	541,952	255.9%	1,105,582	(893,769)	(422.0%)	Off-set by salary savings
OAKLAND PUBLIC WORKS	1,119,835	1,415,662	126.4%	2,887,950	(1,768,115)	(157.9%)	
TRANSPORTATION	320,011	761,389	237.9%	1,553,233	(1,233,222)	(385.4%)	
CAPITAL IMPROVEMENT PROGRAM	0	28,017	0.0%	57,154	(57,154)	0.0%	
TOTAL	\$20,577,196	\$30,100,761	146.3%	\$60,475,593	(\$39,898,397)	-193.9%	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)

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

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
TAX LEVY	19.16	9.22	48.1%	19.16	0.00	
LICENSES & PERMITS	0.05	0.06	120.6%	0.13	0.07	
INTEREST INCOME	0.00	(0.01)	0.0%	(0.02)	(0.02)	
SERVICE CHARGES	0.21	(0.01)	-3.3%	(0.01)	(0.22)	
GRANTS & SUBSIDIES	0.00	0.00	0.0%	0.00	0.00	
MISCELLANEOUS	0.00	0.02	0.0%	0.04	0.04	
INTERFUND TRANSFERS	0.51	0.26	50.0%	0.51	0.00	
Total Revenue	\$19.93	\$9.54	47.9%	\$19.80	(0.13)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS

Through Second Quarter (July 1, 2017 - December 31, 2017)

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

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent To Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
FINANCE DEPARTMENT	0.05	0.02	44.3%	0.05	0.00	
PARKS & RECREATION	3.48	1.17	33.8%	3.50	(0.03)	
HUMAN SERVICES	0.00	0.03	0.0%	0.00	0.00	
ECONOMIC & WORKFORCE DEVELOPMENT	0.00	0.00	33.0%	0.00	0.00	
PUBLIC WORKS	12.53	5.17	41.3%	12.53	0.00	
TRANSPORTATION	2.60	1.29	49.8%	2.60	0.00	
NON-DEPARTMENTAL	1.97	0.14	7.3%	1.97	0.00	
SUBTOTAL	20.63	7.84	38.0%	20.66	(0.03)	
CAPITAL IMPROVEMENT	0.04	0.00	2.7%	0.04	0.00	
Subtotal Expenditures	\$20.67	\$7.84	40.7%	\$20.70	(\$0.03)	
Amounts Carried Forward From FY 2016-17	(0.74)	0.00	0.0%	(0.74)	0.00	
Total Expenditures	\$19.93	\$7.84	40.7%	\$19.95	(\$0.03)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
GAS TAX FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
STATE GAS TAX (FUND 2230)						
GAS TAX	7.41	3.03	40.9%	7.28	(0.13)	
INTEREST INCOME	0.00	(0.00)	0.0%	(0.00)	(0.00)	
SERVICES CHARGES	0.00	0.00	87.4%	0.00	0.00	
GRANTS & SUBSIDIES	0.14	0.00	0.0%	0.14	0.00	
Total Revenue	\$7.55	\$3.03	138.5%	\$7.42	(0.13)	

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)						
FINES & PENALTIES	0.00	0.04	0.0%	0.04	0.04	
INTEREST INCOME	0.00	0.00	0.0%	0.01	0.01	
SERVICES CHARGES	0.01	0.00	0.0%	0.00	(0.01)	
MISCELLANEOUS	1.69	0.92	54.2%	2.20	0.51	
Total Revenue	\$1.70	\$0.92	54.2%	\$2.21	\$0.51	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
GAS TAX FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
STATE GAS TAX (FUND 2230)						
PUBLIC WORKS	0.47	0.17	35.2%	0.36	0.11	
TRANSPORTATION	7.17	3.79	52.9%	6.86	0.31	
NON-DEPARTMENTAL	0.04	0.02	38.8%	0.04	0.00	
CAPITAL IMPROVEMENT PROGRAM	0.00	0.00	0.0%	0.00	0.00	
Subtotal Expenditures	\$7.68	\$3.97	51.7%	\$7.26	\$0.42	
Amounts Carried Forward From FY 2016-17	(0.13)	0.00	0.0%	(0.13)	0.00	
Total Expenditures	\$7.55	\$3.97	51.7%	\$7.13	\$0.42	

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)						
PUBLIC WORKS	0.15	0.01	4.5%	0.01	0.14	
TRANSPORTATION	1.69	0.77	45.4%	2.02	(0.33)	
NON-DEPARTMENTAL	0.01	0.00	41.2%	0.01	0.00	
CAPITAL IMPROVEMENT PROGRAM	1.77	0.10	5.7%	1.77	0.00	
Subtotal Expenditures	\$3.63	\$0.88	24.2%	\$3.81	(\$0.19)	
Amounts Carried Forward From FY 2016-17	(1.93)	0.00	0.0%	(1.93)	0.00	
Total Expenditures	\$1.70	\$0.88	24.2%	\$1.89	(\$0.19)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	0.00	(0.02)	0.0%	(0.04)	(0.04)	
SERVICE CHARGES	0.55	0.31	56.1%	0.62	0.07	
INTERNAL SERVICE	33.04	11.28	34.2%	33.85	0.81	
MISCELLANEOUS	0.10	0.20	198.7%	0.41	0.31	
INTERFUND TRANSFERS	4.23	4.23	100.0%	4.23	0.00	
Total Revenue	\$37.92	\$16.00	42.2%	\$39.06	\$1.15	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	FY 2017-18 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
HUMAN RESOURCES	0.11	0.08	76.2%	0.11	0.00	0.00%	
PUBLIC WORKS	35.48	13.46	37.9%	32.89	2.59	7.31%	
TRANSPORTATION	0.05	0.00	0.0%	0.00	0.05	100.00%	
NON-DEPARTMENTAL	4.33	0.04	0.8%	4.33	0.00	0.00%	
CAPITAL IMPROVEMENT PROGRAM	0.61	0.17	28.1%	0.61	0.00	0.00%	
Subtotal Expenditures	\$40.57	\$13.75	33.9%	\$37.93	\$2.64	6.51%	
Amounts Carried Forward From FY 2016-17	(2.66)	0.00	0.0%	(2.66)	0.00		
Total Expenditures	\$37.92	\$13.75	33.9%	\$35.28	\$2.64	6.51%	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
MULTIPURPOSE RESERVE FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
FINES & PENALTIES	0.00	0.00	0.0%	0.00	0.00	
INTEREST INCOME	0.00	0.00	0.0%	0.00	0.00	
SERVICES CHARGES	9.39	4.79	51.0%	9.59	0.19	
MISCELLANEOUS	0.00	0.35	0.0%	0.69	0.69	
Total Revenue	\$9.39	\$5.14	51.0%	\$10.28	\$0.89	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)

MULTIPURPOSE RESERVE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.06	0.03	48.6%	0.06	(0.00)	
FINANCE DEPARTMENT	2.90	1.49	51.5%	2.90	(0.00)	
ECONOMIC WORKFORCE & DEVELOPMENT	0.40	0.17	43.2%	0.40	0.00	
PUBLIC WORKS	0.35	0.00	0.1%	0.17	0.18	
TRANSPORTATION	3.56	0.32		3.60		
NON-DEPARTMENTAL	2.90	1.45	50.0%	2.90	0.00	
CAPITAL IMPROVEMENT PROGRAM	0.02	0.00	0.0%	0.02	0.00	
Subtotal Expenditures	\$10.20	\$3.46	33.9%	\$10.05	\$0.18	
Amounts Carried Forward From FY 2016-17	(0.80)	0.00	0.0%	(0.80)	0.00	
Total Expenditures	\$9.39	\$3.46	33.9%	\$9.25	\$0.18	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
SELF-INSURANCE LIABILITY FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	0.00	(0.02)	0.0%	(0.03)	(0.03)	
SERVICES CHARGES	0.00	0.00	0.0%	0.00	0.00	
MISCELLANEOUS	0.00	1.02	20684.1%	1.02	1.02	
INTER-FUND TRANSFERS	22.74	11.37	50.0%	22.74	0.00	
Total Revenue	\$22.75	\$12.38	20734.1%	\$23.73	\$0.99	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
SELF-INSURANCE LIABILITY FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
HUMAN RESOURCES	0.01	0.00	12.8%	0.01	0.00	
POLICE DEPARTMENT	5.80	0.81	14.0%	5.80	0.00	
FIRE DEPARTMENT	0.94	0.00	0.2%	0.94	0.00	
PARKS & RECREATION	0.41	0.02	3.7%	0.41	0.00	
PUBLIC WORKS	4.85	0.58	12.1%	4.85	0.00	
NON-DEPARTMENTAL	10.74	2.35	21.8%	10.74	0.00	
Total Expenditures	\$22.74	\$3.76	16.5%	\$22.74	\$0.00	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
MUNICIPAL CAPITAL IMPROVEMENT FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	0.00	(0.01)	0.0%	(0.03)	(0.03)	
MISCELLANEOUS	0.00	(0.00)	0.0%	(0.00)	(0.00)	
Total Revenue	\$0.00	(0.01)	0.0%	(0.03)	(0.03)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
MUNICIPAL CAPITAL IMPROVEMENT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
FIRE DEPARTMENT	0.00	0.00	0.0%	0.00	0.00	
PUBLIC WORKS	0.00	0.00	0.0%	0.00	0.00	
CAPITAL IMPROVEMENT PROGRAM	0.00	0.00	0.0%	0.00	0.00	CF NOT POSTED
Subtotal Expenditures	\$0.00	\$0.00	0.0%	\$0.00	\$0.00	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
CAPITAL RESERVE FUND REVENUES (\$ in millions)

Revenue Category	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	0.00	(0.00)	0.0%	(0.00)	(0.00)	
MISCELLANEOUS	0.00	(0.00)	0.0%	(0.00)	(0.00)	
Total Revenue	\$0.00	(0.00)	0.0%	(0.00)	(0.00)	

FY 2017-18 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2017 - December 31, 2017)
CAPITAL RESERVE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2017-18 Adjusted Budget	FY 2017-18 Q2 YTD Actuals	FY 2017-18 Percent to Date	FY 2017-18 Year-End Estimate	FY 2017-18 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
CAPITAL IMPROVEMENT PROGRAM	1.57	0.29	18.7%	1.57	0.00	
Subtotal Expenditures	\$1.57	\$0.29	18.7%	\$1.57	\$0.00	
Amounts Carried Forward From FY 2016-17	(1.57)	0.00	0.0%	(1.57)	0.00	
Total Expenditures	\$0.00	\$0.29	18.7%	\$0.00	\$0.00	

DEPARTMENT	PROJECT	Authorized Carryforward	JUSTIFICATION
CITY COUNCIL	1000894 - D6 GRANTS EVENTS PRGMS	24,275	Reserve to cover the purchase of chairs for the Fire House
CITY COUNCIL-CIP	1003603 - DISTRICT 1 - PAY-GO	5,360	For PayGo projects
CITY COUNCIL-CIP	1003607 - DISTRICT 5 - PAY-GO	4,730	For PayGo projects
CITY COUNCIL-CIP	1003609 - DISTRICT 7 - PAY-GO	984	For PayGo projects
CITY COUNCIL-CIP	1003608 - DISTRICT 6 - PAY-GO	286	For PayGo projects
CITY COUNCIL-CIP	1003605 - DISTRICT 3 - PAY-GO	267	For PayGo projects
CITY COUNCIL-CIP	1003606 - DISTRICT 4 - PAY-GO	131	For PayGo projects
CITY COUNCIL-CIP	1003610 - AT-LARGE - PAY-GO	102	For PayGo projects
CITY COUNCIL TOTAL		36,135	
CLERK	1000126 - ELECTION FUNDING	44,363	The carryforward provides for funding to support anticipated onboarding of hosted scheduling software, support for unfunded administrative elections support for candidate and measure processing; and necessary supplemental staffing.
CITY CLERK TOTAL		44,363	
LIBRARY	1003352 - OPL POPUP MOBILE VEHICLE ACQ	182,412	Reso # 86658. Project funded by the City Council to increase our service to youth in Oakland. Spending in process.
LIBRARY TOTAL		182,412	
PUBLIC ETHICS	1000466 - PUBLIC CAMPAIGN FINANCING	46,911	O.M.C. section3.13.060(C), which states that unspent funds "shall remain in the [Election Campaign] Fund and accrue for disbursement to candidates eligible for public financing in future elections"
PUBLIC ETHICS TOTAL		46,911	
CAO	1000107 - LABOR NEGOTIATIONS Total	316,553	Set-aside for open union negotiations and Renne Solan Sakai contract
CAO	1000105 - CANNABIS COOPERATIVE Total	620,663	To support administration and increased workload volume related to expected growth of Cannabis permitting
CAO	1001207 - DISPARITY STUDY Total	554,512	Obligated towards Mason Tillman Associates contract
CAO	1000106 - CPRB-INVESTIGATIONS Total	100,540	Earmarked for CPRB Database and Case Mgmt system
CAO	1000101 - PUBLIC INFORMATION-MEDIA PROJ Total	54,021	Offset funding shortfall of project to migrate Oaklandnet.com to the new oaklandca.gov website
CAO	1000108 - CITY-WIDE TRAINING Total	49,717	Provide citywide training and staff development to employees scheduled for FY17/18
CAO	1000891 - EQUAL OPP PRGM-ONE TIME FUNDS Total	30,564	Contingency for contractual and on-call services that EOPD does not have an on-going budget for
CAO	1000118 - WEBSITE REDESIGN Total	15,000	Offset funding shortfall of project to migrate Oaklandnet.com to the new oaklandca.gov website
CAO	1000120 - ANIMAL SHELTER DONATIONS Total	9,298	Donations obligated for Animal Services Expenditures
CAO	1000119 - ANIMAL POPULATION CONTROL Total	1,646	Allocated for Animal Services expenditures to East Bay SPCA
CAO	1000121 - IMPOUND SPAY AND NEUTER Total	941	Allocated for Animal Services Spay and Neuter expenditures
CAO TOTAL		1,753,453	
MAYOR	1001131 - MAYOR'S OFFICE ADMIN SUPPORT Total	55,094	Funding will support two Temporary Contract Service Employees that will provide administrative support in the Mayor's Office
MAYOR	1000503 - MAYOR'S MENTORING PROGRAM Total	2,000	Funds used for Mayor's Office mentoring program activities
MAYOR TOTAL		57,094	

DEPARTMENT	PROJECT	Authorized Carryforward	JUSTIFICATION
RACE & EQUITY	1000124 - RACE & EQUITY-FY15-17	36,045	Funding for start up and development of the Department of Race and Equity, which has limited operating funds
RACE & EQUITY TOTAL		36,045	
HUMAN RESOURCES	1001246 - BACKGROUND CHECK BACKLOG	200,790	Ongoing for Police Officer Trainee Background checks
HUMAN RESOURCES	1000395 - RECRUITMENT SUPPORT SERVICES	190,400	Ongoing for Citywide Recruitment Support
HUMAN RESOURCES TOTAL		391,190	
FINANCE	1000054 - BUDGET SYSTEM-PURCH AND IMPL	205,899	Hyperion updates, training, oracle etc.
FINANCE	1000052 - FIN MGMT AUDITS	206,343	To support audit services and other service contracts
FINANCE	1000055 - OMERS ADMIN SUPPORT	124,497	Ongoing OMERS support and funding for renovation for the retirement workspace
FINANCE TOTAL		536,739	
PARKS & RECREATION	1001496 - OPR GRANTS-SCHOLAR LOW INC YTH	56,755	Transportation costs for the summer youth programs
PARKS & RECREATION	1000799 - WEST OAK YTH CTR	39,869	West Oakland Youth Center Contract Costs
PARKS & RECREATION	1001508 - WOYC MENTORNG FEE FY16-17	27,022	West Oakland Youth Center Contract Costs
PARKS & RECREATION	1000623 - WEST OAKLAND MENTORING FEE	7,379	West Oakland Youth Center Contract Costs
PARKS & RECREATION	P43000 - YOUTH POLICY INITIATIVE	(512)	To clean up negative
PARKS & RECREATION TOTAL		130,514	
OPW & DOT	1001465 - PARKING METERS MGMT SYSTEM	1,381,574	For contract costs per Reso #84804 for single space meters, multi space meters and parking kiosks conversions from Cale to IPS.
OPW & DOT	1001537 - BUS RAPID TRANSIT 1010	1,000,000	Funds needed to pay existing businesses to sustain operations during and after the BRT construction.
OPW & DOT	1000964 - WOODMINSTER PH II ADA IMPVT	995,669	Reso 85195 litigation and settlement agreement scope. On-going project - Construction to begin Oct. 2017.
OPW & DOT	1001488 - ENHANCED PARK MAINTENANCE	235,461	The funding will be used to purchase equipment that supports citywide park maintenance efforts. Equipment includes: <ul style="list-style-type: none"> • Mini Packer truck with tipster - \$120,000 • Crew cab truck with dump bed - \$60,000 • Bobcat (skid steer) loader for green waste management - \$55,000
OPW & DOT	1000834 - MUSEUM MINOR CIP	106,667	Funding is allocated to the Oakland Museum for minor projects per the City's lease agreement. The carryforward is being used to cover the Museum's pending projects.
OPW & DOT	1001565 - ON CALL ADA CIP	106,200	ADA funding for staff support/assistance on ADA projects.
OPW & DOT	1001002 - CALDECOTT FROG PARK	85,800	ADA funding for play area safety surface. On-going project spearheaded by community.
OPW & DOT	1000994 - LION TMSCAL POOL ADA UPGRDS	70,925	For repair work to the Lion Temascal Pool to make it ADA compliant.
OPW & DOT	1000975 - ADA TRNSITION PLAN SVY FY14-15	53,487	To extend contract for mandated as-needed sign language interpretation services; no appropriation for these services provided in FY 17-19 budget.
OPW & DOT	1000702 - ASTRO PARK TOT LOT IMPROV	8,032	ADA funds for safety surface scope - project construction funding for final payment and balance project funding before close out.

DEPARTMENT	PROJECT	Authorized Carryforward	JUSTIFICATION
OPW & DOT	1001030 - PAYGO D2 MADISN SQ PORTA POTTY	5,232	The Pay go funds were previously used to fund maintenance equipment used to help remove waste from the geese population at Lake Merritt. In the past few years the funding has been used to pay for portable toilets at Madison Park since there are no permanent restrooms there.
OPW & DOT	1003319 - BELLEVUE AVE PATHWAYS	3,573	On-going project in construction. CF to balance project costs.
OPW & DOT	1001594 - ADA AUX AIDES- SERVC PROJECT	1,011	Funds used for fulfilling requests for reasonable accommodations and conducting ADA complaint remediation activities; federally mandated.
OPW & DOT	1001669 - ADA REASONABLE ACCOMODATIONS	325	Funds used for fulfilling requests for reasonable accommodations and conducting ADA complaint remediation activities; federally mandated.
OPW & DOT TOTAL		4,053,957	
HUMAN SERVICES	1000327 - FY1617 HEAD START GPF SUBSIDY	-	To absorb FY16/17 personnel expenditures related to transition of Eastmont Head Start site closure that were erroneously charged to other funding source.
HUMAN SERVICES	1001097 - RETAINED RENTAL REV EOSC	234,965	Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities
HUMAN SERVICES	1003804 - OAKLAND PROMISE	150,000	Obligated for Oakland Promise program
HUMAN SERVICES	1001119 - HOMELESS PILOT PROGRAM	118,703	Funding for FY17/18 for a pilot sanctioned encampment project
HUMAN SERVICES	1000558 - FY1617 OUTRCH SEXEXPLTD MINRS	100,000	Funds needed to provide training to City staff in direct contact with youth in awareness of and response to Commercially Sexually Exploited Minors.
HUMAN SERVICES	1000564 - HSD-CEASEFIRE 1010	76,239	To support case management for participants referred through the City's Ceasefire efforts to reduce violent crimes.
HUMAN SERVICES	1001133 - OABTWS GPF MATCH FY1516	62,631	To secure funding for a robust winter shelter response, considering increase in unsheltered homeless individuals.
HUMAN SERVICES	1001317 - SVCS SXLY EXPL CHILDREN	55,000	To fund contract in place which provides transitional housing for exploited youth with case management services
HUMAN SERVICES	1001464 - CTY-CNTY NEIGHB INIT	44,418	Authorized by Resolution No. 86861 to fund contracts that support a public health and safety initiative focused on impoverished neighborhoods.
HUMAN SERVICES	1000317 - RETAINED RENTAL REV NOSC	37,337	Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities
HUMAN SERVICES	1000324 - CHILDCARE CENTER	35,191	Funds to be used to improve Head Start Arroyo-Viejo site.
HUMAN SERVICES	1001484 - COC FIT SS THP 2015 FY1617	30,766	Match funds for a HUD CoC grant which is on a different grant year cycle through the end of March 2018.
HUMAN SERVICES	1000318 - RETAINED RENTAL REV WOSC	10,907	Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities
HUMAN SERVICES	1001116 - HESG 2014 HMOP FY1415	2,618	Allocated for Hope Housing lease payments and several consultant contracts end-dated 06/30/19 and after. Residual funds will be reallocated to Thanksgiving dinner, which does not have a designated funding source.
HUMAN SERVICES	1000520 - HUNGR PRGM MAYOR FY1516	257	Fund shortfall in Brown Bag/Hunger program's budget to prevent reduction of brown bag distributions.
HUMAN SERVICES	1000434 - HMLESS PTH HIGH PRT	(9,571)	Required for project clean-up

DEPARTMENT	PROJECT	Authorized Carryforward	JUSTIFICATION
HUMAN SERVICES	1000316 - RETAINED RENTAL REV DOSC	(19,688)	Authorized by Resolution# 72914 which allows for retention of rental revenues for senior activities
HUMAN SERVICES TOTAL		929,773	
DIT	1000438 - IBM2 ORACLE R12UPGRADE C468132	126,000	Obligated for outstanding Oracle R12 project expenditures
DIT	1001120 - IPSS PHASE II P467920	247,738	Authorized by Resoution No 85222 to fund IPAS2 Project to develop database that enables OPD to maintaince compliance with NSA
DIT	1000440 - ORACLE R12 UPGRADE C468150	(264,302)	Funds needed to clean-up project
DIT TOTAL		109,436	
FIRE	1000746 - ACCELA PLATFORM C501910 Total	259,672	Funds obligated for Accela contract
FIRE	1000745 - WF DIST FORMATION A468515 Total	31,015	Allocated for Wildfire District formation
FIRE	1000607 - AFG WELLNESS GRT-MH G475420 Total	438	To complete project reconciliation and closure
FIRE TOTAL		291,125	
POLICE	1000790 - DEEMED APPROVED	438,897	Needed for ABAT Unit in order to update outdated database and office/field technology, replace two aging vehicles, and provide outreach and education to merchants
POLICE	1001353 - 2015 COPS HIRING PROGRAM	1,471,997	Required for COPS Grant Match
POLICE	1003260 - 2016 COPS HIRING PROGRAM	1,099,792	Required for COPS Grant Match
POLICE	1001177 - COMPLIANCE DIRECTOR CONTRACT Total	1,090,279	Needed for Police Performance Solutions and Chief Warshaw contracts/Court Orders
POLICE	1001178 - REDUCE GUN VIOLENCE Total	681,725	Funding tied to three positions in Gun Violence Reduction program which allowed 18-months for each position from hire date.
POLICE	1000787 - 176TH POLICE ACADEMY Total	677,475	Fund a number of outstanding invoices associated with this academy (range, polygraph and medical bills).
POLICE	1000762 - 2014 COPS OPERATIONS MATCH Total	625,814	Match funds for grant ending 12/31/17
POLICE	1001377 - OPD WELLNESS UNIT Total	450,000	Obligated for Michael Palmertree contract authorized by Resolution 86213
POLICE	1000752 - SHOTSPOTTER PHASES II - III Total	461,477	Fully executed contract completed in August 2017. Funds needed to pay outstanding invoices.
POLICE	1001473 - 2015 COPS OPERATIONS MATCH Total	459,122	Matched funds to support 2015 COPS O&M. Not baselined and needed for the 36 months plus retention year.
POLICE	1001225 - COMPLIANCE DIRECTOR - RACIAL Total	250,000	Needed for Dr. Eberhardt (Eberhardt Consulting) new contract (\$249,999 from September 1, 2017 - August 31, 2018).
POLICE	1000788 - 177TH POLICE ACADEMY Total	245,293	Current academy. Needed for upcoming and outstanding invoices.
POLICE	1000789 - SHOTSPOTTER Total	132,446	Fully executed contract completed in August 2017. Funds needed to pay outstanding invoices.
POLICE	1000780 - TASER PROJECT Total	94,781	Funds for OPD Tasers upgrade. Will be fully spent on necessary Tasers as soon as budget is available.
POLICE	1001414 - DOJ FINGERPRINT FEE TRUST Total	20,194	Funds used to pay DOJ fingerprint bills.
POLICE	1000764 - MISC GRANT HONOR GUARD	12,253	Tied to Misc. Grant funds
POLICE TOTAL		8,211,544	
HOUSING	1001463 - RAP SOFTWARE PROG	115,000	Rent Adjustment Program Funds appropriated with Reso #86250. Funds will be spend on software modification.
HOUSING TOTAL		115,000	

DEPARTMENT	PROJECT	Authorized Carryforward	JUSTIFICATION
ECONOMIC & WORKFORCE DEV.	1000898 - BUSINESS ATTRAC 1010-P58520	264,975	Authorized by Resolution 86821 and used as balancing offset in FY17/18 budget
ECONOMIC & WORKFORCE DEV.	1000187 - MSJP GPF 1010-P474710	114,508	Needed for Workforce Service Provider contract with Private Industry Council (PIC) authorized by Resolution 86250
ECONOMIC & WORKFORCE DEV.	1000235 - SURP PROP 1010-P47010	64,450	Required for Asset Mgt Plan and related appraisal services
ECONOMIC & WORKFORCE DEV.	1000864 - MURALS-GREEN WALLS	256,220	Set-aside for Council anti graffiti funding
ECONOMIC & WORKFORCE DEV.	1000166 - CULTL ATS GNT FND 1010-P385310	150,105	Funding provides support to planned arts grants to non-profit and individual artists.
ECONOMIC & WORKFORCE DEV.	1003241 - GPF YU SUM 1617 1010-G505720	22,377	Needed for Workforce Service Provider contract with Youth Uprising authorized by Resolution 86250
ECONOMIC & WORKFORCE DEV.	1000879 - YTH SUM JOB 16-17 1010-A501310	6,440	Needed for Youth Summer Jobs Program authorized by Resolution 86250
ECONOMIC & WORKFORCE DEV.	1000040 - PIC NCCW 16-17 1010-A501510	5,909	Needed for Workforce Service Provider contract with Private Industry Council (PIC) authorized by Resolution 86250
ECONOMIC & WORKFORCE DEV.	1003240 - GPF YEP SUM 1617 1010-G505710	1,069	Needed for Workforce Services Provider contract with Youth Employment Partnership authorized by Resoution 86250.
ECONOMIC & WORKFORCE DEV TOTAL		886,054	
NON-DEPARTMENTAL	1000465 - EMPLOYEE RECOGNITION	12,071	Funds various Employee Appreciation activities during the year
NON-DEPARTMENTAL	1001347 - CAO CONTINGENCY	85,673	Support unforeseeable citywide/ non-departmental expenditures
NON-DEPARTMENTAL	1000462 - CITY COUNCIL CONTINGENCY	76,502	Support unforeseeable Council Contingency expenditures
NON-DEPARTMENTAL	1000507 - NATIONAL NIGHT OUT	13,056	Allocated for National Night Out promotions activities in the City of Oakland
NON-DEPARTMENTAL	1000472 - CIVIC DESIGN LAB-1TYM FND15-17	10,110	Civic Design Lab build is not completed and funding is set aside for this purpose
NON-DEPARTMENTAL	1001123 - CHORUS	1,011	Funds support the City Employee Chorus annual Holiday Concert
NON-DEPARTMENTAL	1000470 - GRAFFITI EVIDENCE AND ENF PROG	83,025	Required to execute graffiti evidence and enforcement program
NON DEPARTMENTAL TOTAL		281,446	
GRAND TOTAL		18,093,192	

PROPOSED LANGUAGE TO LIMIT DEPARTMENTAL OVERSPENDING

Excerpt from Consolidated Fiscal Policy

[...]

Part I. Alterations to the Budget

Substantial or material alterations to the adopted budget including shifting the allocation of funds between departments and substantial or material changes to funded service levels, shall be made by resolution of the City Council.

The Finance Department will include departmental expenditure projections in the General Purpose Fund in the Second Quarter Revenue & Expenditure Report. Each department that is forecast to overspend its adjusted GPF budget in the Second Quarter Revenue & Expenditure Report shall:

1. **Within 30 days following the City Council's acceptance of the Second Quarter Revenue & Expenditure Report, submit a plan of corrective action to the City Administrator.**
2. **If the corrective action plan requires City Council approval pursuant to provisions in this ordinance or if the corrective action plan is not accepted by the City Administrator, the department shall submit a plan of corrective action within 60 days following the City Council's acceptance of the Second Quarter Revenue & Expenditure Report to the City Council.**

Corrective actions may include, but are not limited to, the following:

1. **Service-level reductions;**
2. **Hiring freezes and/or delays;**
3. **Efficiency enhancements with quantifiable cost savings;**
4. **Permanent reductions in other non-personnel expenditures (such as Operations & Maintenance); and,**
5. **Identify resources for appropriations to the extent allowable (i.e., recommended increases to fees, etc.)**

[...]