

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office
DATE: February 23, 2010

RE: **Supplemental Report on FY 2009-10 Second Quarter Revenue and Expenditure Results and Year-End Projections For Four Selected Funds - General Purpose Fund (1010), Landscape & Lighting Assessment District Fund (2310), Equipment Fund (4100) and Facilities Fund (4400); Overtime Analysis for the General Purpose Fund (1010) and All Funds; and Status of Implementing the FY 2009-11 Budget**

SUMMARY

This supplemental report provides a *quarterly update on the financial results* in four selected funds. It discusses the actual collection of revenues and expenditures, as well as year-end projections, for the General Purpose Fund (GPF) the Landscape and Lighting Assessment District-LLAD Fund (2310), the Equipment Fund (4100) and the Facilities Fund (4400). The report discusses *spending of overtime*, and includes a *status of implementing key balancing measures* for Fiscal Year 2009-10, approved on June 30, 2009, July 28, 2009 and October 6, 2009. The highlights of the report are presented below.

In the General Purpose Fund (1010), **a deficit of \$15.3 million was projected by year end as of the second quarter. As a result of City Council action on February 16, 2010, the year-end projected gap was reduced to \$4.8 million.** The \$15.3 million second quarter gap remained after partial balancing measures of \$8.4 million to cure the initially projected deficit of \$18.9 million were approved by the City Council on December 17, 2009. A \$10.4 million deficit remained as of December, and has since increased by \$4.8 million, bringing the total projected year-end deficit to \$15.3 million. The additional deficit is due to:

- Additional revenue shortfall of \$2.8 million in regular revenues (e.g. property, sales, parking and utility consumption, offset by real estate transfer tax gain).
- A pass-through payment of \$1.2 million to Alameda County for parking citations, not made timely for last year.
- Current year set-aside of \$0.7 million for the extended NSA monitoring contract.
- Anticipated \$0.18 million under-recovery of the Central Service Overhead charge on non-GPF due to vacancies in these funds, as well as proposed reductions in the Development Services and Measure B funds.

In the Lighting and Landscape Assessment District (LLAD) Fund (2310), **a shortfall of \$0.5 million is anticipated by year-end**, increasing the negative fund balance from \$6.0 million to

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\$6.5 million. This projected deficit is mainly due to projected over-spending in the Public Works Agency of \$0.3 million. The majority of over-spending is due to overtime charges in the Tree Services division; and includes activities such as emergency tree removal related to winter storms, and preventative maintenance. Public Works is actively pursuing ways to limit overtime spending for emergency response.

In the Equipment Fund (4100), a **\$0.1 million decrease to the beginning negative cash balance**, to \$15.4 million, is projected by year-end as a result of the resumed negative fund repayment plan, implemented as part of FY 2009-11 budget adoption and careful spending.

In the Facilities Fund (4400), a **decrease of \$0.9 million in the negative cash balance** is projected by year-end, from \$31.4 million to \$30.6 million. This is due to vacancies.

Overtime spending citywide, on an all funds basis is projected to reach \$33 million by the end of FY 2009-10, exceeding budget by \$12 million. Nearly the entire overspending (\$12 million) is in the General Purpose Fund and driven by Police and Fire overtime spending. The Police Department is projected to overspend their overtime appropriation by \$2.36 million by year-end, mainly due to higher than budgeted Special Events, MOU and NSA required backfill and administrative investigations. The Fire Department, while overspending in the overtime category, will save considerably on regular salaries, overall staying within their budget by year-end.

A summary of the status of implementing FY 2009-10 budget measures is provided in **Attachment F**. The following are various issues, most with fiscal impacts:

1. A portion of "replacement revenues" Council approved after it rolled back parking meter hours from 8:00 pm to 6:00 pm will not be realized in the current year. These include:
 - *Garage automation revenues of \$0.1 million* – implementation of garage automation will occur for at least one garage by year-end, but will yield none of the anticipated revenue in FY 2009-10. This revenue loss is reflected in the second quarter projection.
 - *Opening of Pacific Renaissance garage for night use to generate \$0.08 million* – garage operator has determined that no additional revenues could materialize, as there would be additional costs to operate the garage in the evening that would not be offset by revenues. This revenue loss is reflected in the second quarter projection.
2. As staff has noted in several reports regarding the General Purpose Fund budget, the \$4.5 million Coliseum ticket surcharge anticipated in the adopted budget will likely not be materialized in FY 2009-10. This ticket surcharge is booked as an expenditure offset in Non-Departmental; which increases the apparent "overspending" by this \$4.5 million amount.
3. To date, there has been no revenue generated from the new mergers and acquisitions application to the Real Estate Transfer Tax. Nonetheless, staff believes that there will be a modest surplus in RETT by year-end due to a one-time long-term lease (see GPF revenue section of this report for discussion).

4. Issues for FY 2010-11

- *Additional revenue/expenditure savings* – for FY 2010-11, the City Council provided balancing measures for all but \$0.33 million of the revenue anticipated from extended parking meter hours. This shortfall has been reflected in the deficit calculation for FY 2010-11 that was presented in the February 16, 2010 special City Council report on budget balancing options.
- *Additional revenue enhancements and expenditure reductions to be determined to balance FY 10-11* – the resolution amending the FY 2009-11 budget (no. 82235 C.M.S.) approved by the City Council included \$3.2 million in as yet unidentified revenue enhancements and/or expenditures to balance the FY 2010-11 budget. This shortfall has also been reflected in the deficit calculation for FY 2010-11 that was presented at Council’s February 16, 2010 special meeting.

FISCAL IMPACT

The summary tables below reflect the second quarter financial results and projections for the GPF, LLAD, Equipment and Facilities Funds.

The GPF deficit is a consequence of lower than anticipated revenues, overspending by City departments and agencies, and not collecting the Coliseum ticket surcharge. Staff presented \$15.3 million in balancing measures for City Council consideration and adoption during the special budget session on February 16, 2010 (*Attachment A-3*); of this amount, Council approved \$10.5 million consisting of the following:

- Sale of assets: \$7.75 million
- Use of one-time funds: \$1.87 million
- Position changes
 - Reductions: \$0.26 million (8.0 FTEs)
 - Transfers: \$0.08 million (9.0 FTEs)
- New revenue: \$0.5 million

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)

Summary (\$ in millions)

GENERAL PURPOSE FUND (1010)

	FY 2009-10 Amended Budget	FY 2009-10 Prior Year-End Forecast, Post-Dec. 17, 2009 Balancing	FY 2009-10 Year-End Forecast	Balancing Measures Approved on Feb. 16 2010	Year-End Projection (Post Feb. 16, 2010)
Gross Fund Balance	17.61	17.61	17.61	-	17.61
Net Revenue**	420.99	415.44	412.69	8.35	421.04
Net Expenditures**	421.01	425.92	427.97	(2.11)	425.86
Carryforwards and Encumbrances	7.35	7.35	7.35	-	7.35
Surplus/(Shortfall)	(0.02)	(10.48)	(15.27)	10.46	(4.81)
Net Fund Balance	10.24	(0.21)	(5.01)	10.46	5.45

***For accounting purposes, anticipates non-recovery of Coliseum ticket surcharge (\$4.5 mill) is shown as overspending in Non-Departmental and not as a revenue*

The deficit within the LLAD fund is a direct result of overtime spending on tree services, and inability of Public Works to meet the budgeted position vacancy rate. To address the projected overspending, the Public Works management team will restrict overtime, which will result in a delayed response time to service requests. Additionally, PWA will pursue ways to limit overtime for emergency response. This will result in a delayed response time to potentially critical hazards. PWA also plans to reduce O&M spending in the miscellaneous supplies and materials category (including anticipated savings in utilities at year-end). PWA will convene a meeting to provide specific direction to divisions and then monitor progress throughout the third quarter to determine the efficacy of these measures.

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
 Summary (\$ in millions)

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)

	FY 2009-10 Amended Budget	FY 2009-10 Q2 Adjusted Budget	FY 2009-10 Year-End Forecast	Year-End \$ (Over) / Under
Gross Fund Balance	(5.98)	(5.98)	(5.98)	0.00
Net Revenue	18.24	18.39	18.36	0.12
Net Expenditures	18.39	18.39	18.75	0.37
Carryforwards and Encumbrances	0.19	0.19	0.19	0.00
Surplus/(Shortfall)	(0.15)	0.01	(0.39)	(0.24)
Net Fund Balance	(6.32)	(6.16)	(6.56)	(0.24)

Equipment Fund savings are anticipated by year-end due to position vacancies. Although a slight deficit was factored into the FY 2009-10 amended budget, this fund is expected to end the year in a somewhat improved negative cash position of \$15.4 million, versus negative \$15.5 million cash at the beginning of the fiscal year.

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
 Summary (\$ in millions)

EQUIPMENT FUND (4100)

	FY 2009-10 Amended Budget	FY 2009-10 Q2 Adjusted Budget	FY 2009-10 Year-End Forecast	Year-End \$ (Over) / Under
Gross Cash Balance	(15.54)	(15.54)	(15.54)	0.00
Net Revenue	16.68	16.68	16.63	(0.05)
Net Expenditures	16.97	16.97	16.53	(0.44)
Surplus/(Shortfall)	(0.29)	(0.29)	0.10	0.40
Net Cash Balance	(15.83)	(15.83)	(15.44)	0.40

Similarly, savings in the Facilities Fund – due primarily to position vacancies – are anticipated to yield a decrease of \$0.9 million in the negative cash balance by year-end from the beginning of the fiscal year.

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)

Summary (\$ in millions)

FACILITIES FUND (4400)

	FY 2009-10 Amended Budget	FY 2009-10 Q2 Adjusted Budget	FY 2009-10 Year-End Forecast	Year-End \$ (Over) / Under
Gross Cash Balance	(31.40)	(31.40)	(31.40)	0.00
Net Revenue	21.80	21.80	21.80	0.00
Net Expenditures	21.83	21.83	20.98	(0.85)
Surplus/(Shortfall)	(0.03)	(0.03)	0.82	0.85
Net Cash Balance	(31.43)	(31.43)	(30.58)	0.85

DISCUSSION

This report is organized by fund. Each section provides an overview of actual revenues collected and expenditures incurred during the first half of the fiscal year and projects year-end results.

1. GENERAL ECONOMIC OVERVIEW

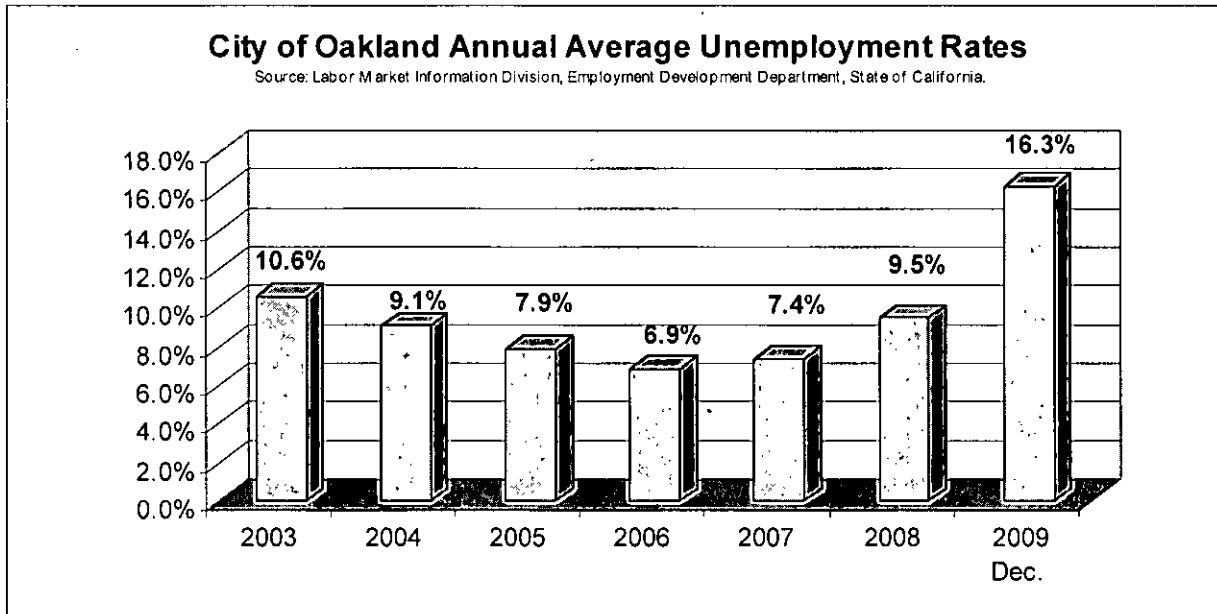
In recent months, the US economy has shown signs of recovery from the lowest depths of the 2008-09 recession. While slower than most would have hoped, growth has been stronger than anticipated. The Bureau of Economic Analysis Q4 2009 estimate of gross domestic product (GDP) reflected a robust 5.7 percent increase from the third quarter. The strong growth follows the positive 2.2 percent growth for third quarter 2009, and also reflects a reversal of four previous quarters of GDP decline. The risk to the economic recovery is the weak employment sector and lingering household debt, which is prompting some economists to predict a slow recovery.

The increase in real GDP in the fourth quarter primarily reflected positive contributions from private inventory investment, exports, and personal consumption expenditures (PCE). Imports, which are a subtraction in the calculation of GDP, increased.

Consumer Spending – Real personal consumption expenditures increased 2 percent in the fourth quarter 2009, compared with an increase of 2.8 percent in the third quarter. The positive growth of expenditures for the third and fourth quarters compare favorably with the mostly negative or flat consumption that had previously occurred between first quarter 2008 through the second quarter 2009.

Employment -- The U.S. Department of Labor’s Bureau of Labor Statistics reported US employment as relatively unchanged in January 2010, as nonfarm job losses slowed at 20,000, as

compared to losses of 85,000 in December 2009. The unemployment rate has improved somewhat, falling from 10 to 9.7 percent in January. In Oakland, the unemployment rate stood at 16.3 percent in December, nearly twice as high as it was in 2008, however, slightly lower than the 17 percent reported in the first quarter revenue and expenditure analysis.



Housing -- The housing sector, while still facing much uncertainty from the continuing foreclosure problem adds some positive news. In January 2010, the National Association of Realtors (NAR) reported existing home sales fell as expected in December after first-time buyers rushed to complete sales before the original November deadline for the federal tax credit. However, housing prices rose from December 2008 and annual sales improved in 2009. NAR had also reported that sales of existing U.S. homes rose in November for the third straight month to a seasonally adjusted pace of 6.54 million units, an increase of 7.4 percent from October, and a substantial 44.1 percent increase over the same time last year. An additional piece of positive news comes from the reduction of housing inventory. The number of homes on the market fell to 3.5 million units in November, a 1.3 percent decrease from October, and a 15.5 percent decrease from the year before. At the current sales pace, total housing inventory represents a 6.5 month supply, a decrease from a 7-month supply a month ago.

Outlook -- Economists continue to forecast a modest growth path that will be slowed considerably by high unemployment and that is expected to continue through 2010. Overall, the current 2010 US economic forecast is for continued slow economic growth at approximately 2 percent, before returning to a growth rate of about 3 percent. For California specifically, little or no growth is projected for 2010, then picking up some pace in the first half of 2011, which is anticipated to drive modest positive growth in employment.

2. CURRENT POLITICAL/LEGAL ISSUES

State Budget

The Governor declared a fiscal emergency on January 8, 2010, calling the Legislature into a special session to discuss the \$19.9 billion in solutions to address the \$6.6 billion in FY 2009-10, and the \$13.3 billion projected for FY 2010-11. His January budget did not include any budgetary actions that would look directly at local government for solutions to the major holes in the budget. The Legislative Analyst's Office reported that most of the solutions looked towards Federal funding, cutting state expenditures, and other funding shifts. The main proposals affecting local government are:

- Gas sales tax and excise tax switch. Removing sales tax on gasoline and replacing it with a per gallon excise tax.
- Shifting of some prisoners from state correctional facilities to local detention facilities
- Deployment of 500 red light cameras that can also cite drivers for speeding violations. Revenues would be split between State and local governments, 85% and 15% respectively.
- Cutting of over \$2 billion from health and human services

Proposition 1A

The State borrowed 8 percent of property taxes apportioned to cities and local governments under its emergency suspension of Proposition 1A; Oakland's share was \$11.2 million for FY 2009-10. To minimize the impact of this borrowing, the State created a joint powers authority -- the California Statewide Communities Development Authority (CSCDA) -- to allow cities to access financing up to the amount borrowed. The City of Oakland participated in the program and recently received its first installment of \$5.6 million. The second installment of \$5.6 million is expected to be received in April 2010.

Redevelopment Agency Take-Away Actions

In July 2009, the State legislature passed ABX4-26 as part of a budget package that proposes to take away a total of \$2.05 billion of redevelopment funds this year and next. The California Redevelopment Association (CRA) estimates that this raid, if legally upheld, could mean an approximately \$41 million take-away from the Oakland Redevelopment Agency in FY 2009-10 and \$8.5 million in FY 2010-11. The Agency Board approved a plan to pay this amount to the State at its October 6, 2009 meeting, mainly using available Oakland Redevelopment Agency balances. The CRA filed a second lawsuit in Sacramento Superior Court on October 20, 2009, challenging the constitutionality of ABX4-26 and will ask the Court to certify all redevelopment agencies as a class of plaintiffs in the lawsuit.

The CRA's lawsuit was heard in the Sacramento Superior Court on February 5th, along with a related case against the State brought by Los Angeles County. Though the judge rendered no decision, the Court asked attorneys to prepare additional briefing material on any cases having to do with cities or counties supplanting general fund monies with redevelopment funds to support regular services in violation of law. CRA is hopeful the Court will decide the case in April to

give agencies notice whether payments due May 10 will have to be made. In the meantime, CRA urges all agencies not to make any payments before the deadline.

A. GENERAL PURPOSE FUND FINANCIALS

(Attachments A-1 and A-2)

REVENUE HIGHLIGHTS

Through the second quarter of FY 2009-10, the City received \$159.5 million or 38 percent of the second quarter forecast. Staff's current projection indicates a \$12.8 million revenue shortfall in the GPF by year-end relative to the adjusted budget and a \$2.8 million shortfall relative to the prior revenue forecast. The only revenue that is projected to have a surplus (from the original budget) – due to a one-time transaction, from a long-term lease between the Port and the Ports America - is Real Estate Transfer Tax (RETT) revenue. Weakness is in the following categories:

- Property Tax: (\$0.36) million under-collection – no change from the first quarter forecast
- Sales Tax: (\$8.29) million under-collection – increase of \$1.6 million from first quarter forecast)
- Utility Users Tax: (\$1.48) million under-collection – no change from first quarter forecast
- Transient Occupancy Tax: (\$1.66) million under-collection – no change from first quarter forecast
- Parking Tax: (\$0.95) million under-collection – no change from first quarter forecast
- Interest Income: (\$0.36) million under-collection – no change from first quarter forecast
- Parking revenues (meters and garages): (\$0.83) million under-collection – increase of \$0.08 million from the first quarter forecast)

Attachment A-1 provides details of revenue collection and projections. Key revenue changes based on the second quarter results are discussed below.

Property Tax (\$0.36 million under budget -- no change from the first quarter forecast)

Property Tax, the largest source of revenue to the City's General Purpose Fund, is projected to end the year \$0.36 million under budget. The under-collection is due to a larger-than-anticipated decline in values in redevelopment project areas.

Sales Tax (\$8.29 million under budget – additional decline of \$1.6 million from first quarter forecast)

Due to the economic downturn driving this revenue source and its collection rate, plus the State's Triple Flip negative adjustments, staff projects sales tax to end the year at \$33.4 million -- \$8.3 million lower than the \$41.7 million budget. A major component of the sales tax decline

continues to be the State's "Triple Flip" estimate. The State is adjusting the City's FY 2009-10 payment to recover "overpayment" in the prior year and to reflect a lower payment in the current year as a result of the retail slowdown. The further decline in revenue is attributable to the dismal back-to-school sale season, which historically has been one of the most lucrative times of the year for retailers, with weakness in all sectors as compared to last year this time. Overall, the industry reported a 2.9% decline in August retail sales compared with a year ago.

Utility Consumption Tax (UCT) (\$1.48 million under budget -- no change from first quarter forecast)

Utility Consumption Tax revenue is projected to be under budget by \$1.48 million, due to lower gas prices. California natural gas prices to household consumers have been falling, and have resulted in the current average residential gas billing being down by 14 percent.

Real Estate Transfer Tax (RETT) (\$1.10 million over budget – increase from the first quarter forecast)

Real Estate Transfer Tax revenue is projected to end the year at \$28.5 million, or \$1.1 million higher than budget due to a one-time transfer tax received from the 50-year lease agreement between Ports America and Port of Oakland. Conservatively, no other such major transactions are projected for this year.

There is still uncertainty in the housing sector of the economy due to mixed news. Housing industry data by Dataquick revealed that 1,552 homes were sold in Alameda County in December 2009, a 4 percent increase from a year ago while the median sales price of \$360,000 represented a 6.5 percent gain. The increase in price may be attributed to competition among buyers for a diminishing pool of foreclosed properties. However, some industry sources believe that it is too early to say for sure whether the market has turned around when unemployment is on the rise and another wave of foreclosures is possibly looming.

Foreclosures are becoming a smaller part of the resale market, accounting for 32.3 percent of existing home sales last month in the Bay Area. That's down from 48.3 percent in December 2008 and a peak of 52 percent hit last February. Still, some observers have expressed concerns that loan modifications programs are only delaying the foreclosure process and that more bargain-priced foreclosures that are in the pipeline could push prices down.

Transient Occupancy Tax (TOT) (\$1.66 million under budget -- no change from first quarter forecast)

Transient Occupancy Tax revenue is budgeted at \$10.1 million. Collections received through the second quarter totaled \$3.6 million compared to \$5 million for the same period last year. The economic slowdown has directly affected the hotel industry, pushing rates and average daily occupancy down. According to the 2009 Smith Travel Services, Inc. report published by California Tourism in December 2009, occupancy in Oakland dropped by 11.1 percent in December from last year, while average daily room rates dropped by 12.2 percent. The Oakland Convention Visitors Bureau projects the decline in hotel utilization/occupancy rate will continue into the second quarter of 2010 (April-June). Staff projects that year-end revenue will be \$8.4 million, \$1.7 million lower than budget, the same as projected in the first quarter forecast.

Parking Tax (\$0.96 million under budget -- no change from first quarter forecast)

Parking tax revenue is projected to be under budget by \$0.96 million, due to continuing declines in travel and airport parking. Airport parking comprises about half of parking tax revenue.

Parking tax revenue anticipated in the FY 2009-10 budget factors in collections from enforcement of parking tax from the Coliseum (\$0.81 million) and diesel trucks (\$0.16 million) proximate to the Port of Oakland. Current projections assume full collection from these entities.

Parking revenues: meters and garages (\$0.83 million -- increase from the first quarter forecast)

Parking meter revenues – nearly one-third of the Service Charges category – are projected to be under budget by \$0.75 million, most likely due to weak local consumer spending. Meter usage in parts of downtown/uptown Oakland has declined by approximately 6% compared to the same period in the prior year.

In addition, an \$80,000 revenue assumed in the budget from the Pacific Renaissance garage nightly residential parking will not actualize, creating a shortfall in the Transfers category. Staff continues to monitor additional parking-related revenue enhancements, including installation of additional meters (\$145,750 assumed in budget), disabled placard enforcement (\$150,000 included in budget), additional revenue from parking garage automation (\$100,000 assumed in budget), and selling advertising space on back of parking receipts (\$30,000 assumed in budget). There is a probability that some of these will not actualize in the current year.

Interest Income (\$0.36 million -- no change from first quarter forecast)

Interest income is projected to be under budget by \$0.4 million due to the low cash balance available for investment and low interest rates.

Carryforwards (Drawdown of Fund Balance)

At the end of each fiscal year, the City has unspent appropriations that can potentially be carried forward into the next fiscal year. These exist either in projects or as non-project encumbrances. For the General Purpose Fund in FY 2009-10, \$7.4 million in projects and encumbrances were carried forward from FY 2008-09 and represent funds reserved in the fund balance to pay for the project activities (or encumbered items) not spent in the prior year. By year-end, it is projected that the entire \$7.4 million of project and encumbrance carryforward funding will be expended.

EXPENDITURE HIGHLIGHTS

As outlined in **Attachment A-2**, year-end spending in the General Purpose Fund (GPF) is expected to reach \$435.3 million (\$427.99 million net of carryforward spending); this amount is \$9.3 million over the adjusted budget and \$2.1 million over the prior forecast (inclusive of balancing measures adopted on December 17, 2009). **Attachment B** provides the breakdown of

overtime spending through fiscal year-end for the General Purpose Fund and All Funds. Provided below is a discussion of each agency / department projected to overspend in the GPF by year-end.

Police Services (OPD)

Police Services is expected to overspend its authorized budget by approximately \$3.7 million, including an increased projected overspend amount of \$0.7 million from the first quarter forecast. The components of this projected overspending are:

- \$2.36 million in overtime (see discussion below).
- \$1.04 million for a lateral academy to recruit and train 15 police officers
- \$0.65 million for the beginning of the Alameda County Sheriff's Academy to recruit and train 25 new police officers
- Projected overspending also includes four FTE Neighborhood Service Coordinator positions (NSC) that Council approved transferring from the GPF to anticipated grant funding as part of the FY 2009-11 Adopted Budget. This transfer was to have occurred as of October 1, 2009, to save the GPF \$0.27 million, if such funding were awarded to the City of Oakland, which it was not.
- \$0.70 million for the Independent Monitoring Team contract required by the NSA. Original IMT contract ended in January. The total two-year value of this contract is \$1.5 million. The FY 2009-11 adopted budget did not initially include funds for this new contract based on the assumption that further monitoring would not be required. The City Council approved this contract through resolution no. 82448 C.M.S. on December 8, 2009 with the understanding that these funds had not been appropriated in FY 2009-11.

The department anticipates savings from the new Memorandum of Understanding (MOU) between the City of Oakland and the Oakland Police Officers' Association (OPOA), which are expected to be realized later in the year, specifically \$1.0 million in shift pay give back and \$0.26 million in comp day award give back.

Finance & Management Agency (FMA)

The Finance & Management Agency expects to exceed its budget by \$1.7 million by year-end, including a \$1.2 million projected year-end overspend compared to the first quarter year-end estimate. Approximately \$0.5 million is due to cost recoveries incorrectly included in the budget; this overspending had been anticipated in the first quarter projection. Additionally, it has recently come to light that a \$1.2 million parking citation surcharge due to Alameda County in FY 2008-09 was neither paid nor set aside to be paid. City administration is conducting an investigation into this oversight and has implemented controls to ensure that this payment and payments like it are not overlooked again. Finally, staff is negotiating with Alameda County on payment terms seeking relief for full payment in FY 2009-10; it is prudent, however, to anticipate this entire obligation in the current year.

Non-Departmental

Expenditures in the Non-Departmental unit are projected to be over budget by \$3.9 million by year-end, net of balancing measures. In the first quarter projection, staff expected that the Coliseum ticket surcharge of \$4.5 million (budgeted as a cost offset) would not materialize, and thus not offset the City's Coliseum-related expenditures. Additionally, staff projected weakness in central service overhead (CSOH) recovery of about \$0.27 million. Balancing measures approved by Council on December 17, 2009 reduced the first quarter's year-end projection of \$4.77 million by \$1 million. However, new weakness of \$0.18 million forecasted in CSOH recovery due to anticipated reductions in the Measure B and Development Services Funds brings the revised year-end forecast to \$3.9 million.

B. OVERTIME

(Attachment B)

Attachment B provides details on Citywide overtime spending through year-end by agency / department, for the General Purpose Fund and all funds. The majority of GPF overtime spending is in public safety departments. (Fire Department spending of nearly \$5 million and Police Department spending of \$7.3 million). While *Fire* (OFD) overtime spending is greater than the budgeted amount, its overall personnel costs are anticipated to come in under budget. OFD fills mandatory shifts with overtime instead of hiring additional sworn personnel, thereby creating savings over a fully loaded salary. *Police* (OPD) spending, however, is anticipated to remain neither within its overall GPF budget nor within its overtime budget. OPD is expected to rein in some current year (FY 2009-10) overtime spending as compared to the prior fiscal year (FY 2008-09). Of the \$14.3 million projected overtime spending by OPD, 65 percent (approximately \$9 million) is mandated by either the City-Oakland Police Officers' Association Memorandum of Understanding (MOU) or the Negotiated Settlement Agreement (NSA) including the Internal Affairs Division. Higher than budgeted overtime relating to Special Events contribute to the projected overspending. This includes unreimbursed overtime expense associated with the 4th of July. The overtime expenditure forecasts is based on year-to-date activity which shows higher than budgeted Special Events activity, correspondingly reimbursement for special events may exceed the \$2.2 million budgeted revenue estimate. A more precise estimate will be available in the third quarter as the trend for the year is more clearly established.

C. LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT FUND

(Attachments C-1 and C-2)

The Landscaping and Lighting Assessment District fund (LLAD) was formed in 1989 and subsequently approved by the voters of the City. The LLAD is a "direct benefit" assessment that provides a funding source for the following Public Works Agency programs: Parks, Grounds and Medians, Ball Field Maintenance, Open Space, Custodial Services at Park Enterprise Facilities, Streetlight Outage Repairs, Tree Services, and Free Standing Restrooms at Parks and Ball Fields. The LLAD also supports activities located outside the Public Works Agency such as General Government functions, Community Gardens and Museum Landscape Maintenance.

FUND BALANCE

The LLAD Fund has a beginning negative fund balance of \$5.98 million. Without the use of one-time revenues and projected overspending, the fund balance negative is projected to grow to \$6.56 million. The structural deficit of the LLAD fund will require further cuts to services and positions in future years unless an alternative revenue source is identified. Reductions in routine services have exacerbated the use of overtime for emergency situations.

REVENUE HIGHLIGHTS

Revenues are estimated to come in just under the budgeted amount of \$18.36 million, compared to the adjusted budget of \$18.39 million.

EXPENDITURE HIGHLIGHTS

LLAD fund expenditures through the second quarter are at \$7.48 million. Year-end actual expenditures are estimated at \$18.75 million, compared to the adjusted budget of \$18.39 million. Projected overspending in LLAD is attributed to a number of factors including negative interest. Specifically, in the Public Works Agency projected overspending is attributed to two primary factors including:

1. Overtime expenditures in Tree Services. The need for emergency response has increased as a result of budget cuts which reduced the ability to do much of the routine preventative maintenance (pruning, etc). Given the reduction in routine maintenance of the City's urban forest, as well as storm-related events, an increase in emergency calls have resulted in second quarter over-expenditures of \$140,000 in Tree Services overtime. Overtime is projected to come in at approximately \$0.19 million by year-end.
2. Personnel expenditures are not meeting the five percent vacancy factor applied to Public Works. Low actual position vacancies in Public Works - 2.0 FTE of 62.60 FTE positions during the second quarter — yielded no net dollar savings.

To address the projected overspending, the Public Works management team will restrict overtime, which will result in a delayed response time to service requests. Additionally, PWA will pursue ways to limit overtime for emergency response. This will result in a delayed response time to potentially critical hazards. PWA also plans to reduce O&M spending in the

miscellaneous supplies and materials category (including anticipated savings in utilities at year-end). PWA will provide specific direction to its divisions to monitor progress throughout the third quarter to determine the efficacy of these measures.

D. EQUIPMENT FUND

(Attachments D-1 and D-2)

The Equipment Fund is an Internal Service Fund (ISF). ISFs are separate financial accounts used to record transactions provided by one agency, department, division, or unit to other agencies, departments, divisions, or units on a cost-reimbursement basis. The Equipment Fund charges users for services provided by the Equipment Services Division. The Equipment Services Division (ESD) of the Public Works Agency (PWA) is responsible for equipment services, including vehicle and equipment acquisition and disposal, maintenance and repair, governmental and environmental compliance, vehicle and equipment specification and modification development repair part acquisition, motor pool services, the purchase and management of fuel for City-owned vehicles and equipment, and specialized services such as vehicle wash and outside vehicle/equipment rental.

CASH BALANCE

Per audited actuals, the beginning negative cash balance for FY 2009-10 is \$15.54 million. This balance is expected to decrease by year-end by \$0.10 million due to position vacancies.

REVENUE HIGHLIGHTS

FY 2009-10 revenues for the Equipment Fund are budgeted at \$16.68 million; year-end actual revenues are estimated to be \$16.63 million. This is due to anticipated under collection of damage claims. The primary source of revenue for the Equipment Fund is internal service charges to outside departments. The internal service charge component is expected to realize at budget for FY 2009-10. See *Attachment D-1* for Equipment Fund revenue details.

EXPENDITURE HIGHLIGHTS

The Equipment Fund operating expenditures are budgeted at \$16.97 million; year-end expenditures are estimated to reach \$16.53 million. Projected savings are primarily attributed to position vacancies in the Equipment Services division. Eight out of fifty-eight positions are currently vacant, translating into a 13.8% vacancy rate. While position vacancies are expected to yield savings in this fund, a downside is that service delivery to internal customers has suffered. Combined with the over-aged equipment fleet, overtime restrictions, mandatory furloughs and the addition of taxi cab inspections to the workload, this team is stretched thin.

E. FACILITIES FUND

(Attachments E-1 and E-2)

The Facilities Fund is also an Internal Service Fund (ISF). As mentioned earlier, ISFs are separate financial accounts used to record transactions provided by one agency, department, division, or unit to other agencies, departments, divisions, or unit on a cost-reimbursement basis. The Facilities Services Division provides client agencies "direct tenant services" which include all custodial services, building engineering, security access controls, monitoring air quality, responding to emergencies, and property management and leasing. This division is also responsible for preparing new building operating estimates, design, and project oversight for all minor maintenance and maintenance-related capital improvements.

The Parks and Building Services Division is primarily responsible for the park grounds and routine building maintenance of park buildings, fire stations, day care and senior centers, and other miscellaneous building structures, including parking lots. The division is responsible for the maintenance and repair of 309 City-owned facilities comprising 3,026,269 square feet of space. This includes maintenance and repair of all structural, mechanical, electrical, painting and engineering systems, including routine, emergency and vandalism-related service requests. The Environmental Services Division is responsible for managing and implementing environmental site assessments for City-owned properties and the energy conservation and efficiency program.

CASH BALANCE

Since FY 2002-03, the negative cash balance has increased from \$7.9 million to \$31.4 million due to multiple years of budgetary imbalances. The fund is currently on a "repayment schedule", and its negative balance is expected to decrease by \$0.82 million by year-end.

REVENUE HIGHLIGHTS

Revenue for the Facilities Fund is budgeted at \$21.80 million, year end revenue estimates are projected to be at budget. Beginning FY 2009-10, negative interest accruing on the negative cash balance has been incorporated in the budget appropriation. The primary source of revenue for the Facilities Fund is internal service charges to outside departments. Refer to *Attachment E-1* for Facilities Fund revenue details.

EXPENDITURE HIGHLIGHTS

As shown in *Attachment E-2*, the Facilities Fund operating expenditures are budgeted at \$21.8 million, year-end actuals are anticipated to reach \$20.9 million. The savings are attributed to position vacancies in the Park Maintenance and Custodial divisions. There are currently seven vacancies, two of which are related to the Golden Handshake. Due to these vacancies, there has been a delay in facility maintenance response time.

SUSTAINABLE OPPORTUNITIES

There are no direct sustainable opportunities associated with this report.

DISABILITY AND SENIOR ACCESS

There are no direct disability and senior access opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Accept this informational report. Staff presented a separate report proposing General Purpose Fund balancing measures for FY 2009-10 at the February 16, 2010 Special Council meeting.

Respectfully submitted,


CHERYL L. TAYLOR

Budget Director

Prepared by:

Budget Office staff

APPROVED FOR FORWARDING TO THE
FINANCE & MANAGEMENT COMMITTEE



Office of the City Administrator

Attachments:

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- A-3: *General Purpose Fund Delineation of Projected Year-End Deficit*
- B: *Overtime Analysis*
- C-1: *Landscape and Lighting Assessment District Fund Revenues*
- C-2: *Landscape and Lighting Assessment District Fund Expenditures*
- D-1: *Equipment Fund Revenues*
- D-2: *Equipment Fund Expenditures*
- E- 1: *Facilities Fund Revenues*
- E- 2: *Facilities Fund Expenditures*
- F: *Status of Implementing FY 2009-10 Budget Measures*

Item: _____
Finance & Management Committee
February 23, 2010

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2008-09 Audited Year-End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year-End Forecast	FY 2009-10 Q2 Actuals	FY 2009-10 Percent To Date (Q1 Fcst)	FY 2009-10 Q2 Year-End Forecast	Year-End \$ Over / (Under) Adj. Budg.	Year-End \$ Over / (Under) Q1 Fcst	Explanation of Over / (Under) Collection Compared to Q1 Forecast	Yr-to-Yr Growth Q2 to Q2	Yr-to-Yr Growth YrEnd to Yr-End
PROPERTY TAX	134.47	130.20	129.84	64.02	49.3%	129.84	(0.36)	(0.00)		-0.9%	-3.4%
SALES TAX	46.12	41.73	34.99	14.32	40.9%	33.44	(8.29)	(1.55)	Continuing decline in consumer spending.	-37.6%	-27.5%
VEHICLE LICENSE FEE (VLF) - TAX & BACKFILL	1.28	1.09	1.09	0.28	26.1%	1.09	0.00	0.00		-24.7%	-15.0%
BUSINESS LICENSE TAX	54.29	52.00	52.10	2.28	4.4%	52.10	0.00	0.00		16.2%	-4.0%
UTILITY CONSUMPTION TAX	52.70	54.45	54.45	21.27	39.1%	52.97	(1.48)	(1.48)	Lower natural gas prices, which have resulted in lower average residential gas billings.	-2.2%	0.5%
REAL ESTATE TRANSFER TAX	34.27	27.39	27.39	17.05	62.3%	28.49	1.10	1.10	One-time transfer tax from Ports America Lease	-3.0%	-16.9%
TRANSIENT OCCUPANCY TAX	10.60	10.10	8.44	3.55	42.1%	8.44	(1.66)	0.00		-29.1%	-20.4%
PARKING TAX	7.66	8.11	7.16	2.41	33.7%	7.16	(0.95)	0.00		-23.5%	-6.5%
LICENSES & PERMITS	1.28	1.44	1.44	0.35	24.1%	1.44	0.00	0.00		148.7%	12.7%
FINES & PENALTIES	25.72	29.52	29.67	11.98	40.4%	29.67	0.00	0.00		42.3%	15.3%
INTEREST INCOME	1.71	2.00	1.64	0.07	4.1%	1.64	(0.36)	0.00		-72.2%	-3.9%
SERVICE CHARGES	43.86	49.17	48.43	15.42	31.8%	47.68	(0.75)	(0.75)	Shortfall in Parking Meter revenue	9.9%	8.7%
GRANTS & SUBSIDIES	4.31	0.00	0.17	0.22	131.6%	0.17	0.00	0.00		-21.4%	-96.1%
MISCELLANEOUS	11.29	0.82	1.39	0.29	20.8%	1.39	0.00	(0.00)		-86.0%	-87.6%
FUND TRANSFERS	38.69	12.97	17.25	6.03	35.0%	17.17	(0.08)	(0.08)	Shortfall due to unrealized revenue from Pacific Renaissance nightly parking.	-100.0%	-55.6%
Net Revenue	468.25	\$420.99	\$415.44	\$159.54	38.4%	\$412.69	(12.83)	(2.75)		-100.0%	-11.9%
DRAWDOWN FROM FUND BALANCE ENCUMBRANCES & PROJECT CARRYFORWARDS	9.60		7.35		0.0%	7.35	7.35				-23.5%
Gross Revenue	\$477.85	\$420.99	\$422.79	\$159.54	37.7%	\$420.04	(5.48)			-100.0%	-12.1%

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2008-09 Audited Year End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year-End Forecast	FY 2009-10 Q2 Actuals	FY 2009-10 Percent To Date (Q1 Fcst)	FY 2009-10 Q2 Year-End Forecast	Year-End \$ (Over) / Under Q2 v. Adj. Budg.	Year-End \$ (Over) / Under Q2 v. Q1	Explanation of (Overspending) / Savings Compared to Q1 Forecast	Yr-to-Yr. Growth Q2 to Q2
MAYOR	2.81	1.80	2.07	0.97	46.8%	1.81	0.00	0.00		-33.5%
CITY COUNCIL	3.31	3.25	3.48	1.62	46.5%	3.48	0.00	0.00		-4.1%
CITY ADMINISTRATOR	6.95	6.50	6.98	2.93	42.0%	6.53	0.00	0.00		-27.4%
CITY ATTORNEY	5.88	3.64	3.65	3.28	89.9%	3.65	0.00	0.00		-22.1%
CITY AUDITOR	1.59	1.34	1.57	0.67	42.8%	1.57	0.00	0.00		-24.1%
CITY CLERK	1.86	2.63	3.51	1.57	44.7%	3.51	0.00	0.00		101.4%
CONTRACTING & PURCHASING	1.93	1.87	1.88	1.02	54.5%	1.88	0.00	0.00		11.8%
INFORMATION TECHNOLOGY	10.30	8.00	8.32	4.14	49.8%	8.05	0.00	0.00		-22.2%
FINANCE & MANAGEMENT	23.35	18.22	19.78	10.16	51.4%	20.99	(1.67)	(1.18)	\$1.2 million parking citation surcharge to Alameda County from prior year was unbudgeted; \$492k cost recovery will not be realized.	-14.1%
HUMAN RESOURCE	5.90	3.81	3.82	2.07	54.2%	3.82	0.00	0.00		-31.8%
POLICE SERVICES	206.28	183.32	186.88	95.54	51.1%	187.60	(3.69)	(0.68)	Overexpenditure is due primarily to overtime and planning to conduct lateral and shared academies.	-10.6%
FIRE SERVICES	105.14	97.57	98.00	49.55	50.6%	98.26	0.00	(0.00)		-6.9%
MUSEUM	6.52	6.28	6.28	2.91	46.3%	6.28	0.00	0.00		-17.1%
LIBRARY SERVICES	10.59	10.90	10.97	4.67	42.6%	9.13	0.00	0.00		-14.2%
PARKS & RECREATION	12.97	12.74	13.08	6.72	51.4%	12.58	0.00	0.00		-14.2%
HUMAN SERVICES	5.80	5.81	6.89	2.85	41.4%	6.93	0.00	0.00		-32.0%
PUBLIC WORKS	2.64	4.44	4.36	2.24	51.3%	3.86	0.00	0.00		20.0%
COMM & ECON DEVELOPMENT	2.11	3.08	2.97	1.16	38.9%	3.43	(0.00)	(0.00)		-38.6%
NON-DEPARTMENTAL	60.13	45.38	51.95	27.17	52.3%	51.12	(3.94)	(0.18)	Anticipates non-recovery of Coliseum ticket surcharge and under-recovery of CSO charges	-25.6%
SUBTOTAL	476.07	420.60	436.43	221.23	50.7%	434.47	(9.30)	(2.05)		-13.4%
CAPITAL IMPROVEMENT PROGRAM	0.77	0.41	0.85	0.33	38.7%	0.84	0.00	0.00		-60.5%
GROSS EXPENDITURES	\$476.84	\$421.01	\$437.28	\$221.56	50.7%	\$435.31	-\$9.30	-\$2.05		-13.54%
PROJECT CARRYFORWARDS			7.35	4.55	61.9%	7.35	0.00	0.00		0.00
NET EXPENDITURES	\$476.84	\$421.01	\$429.94	\$217.01	51.8%	\$427.97	-\$9.30	-\$2.05		0.00

**GENERAL PURPOSE FUND
DELINEATION OF PROJECTED YEAR-END DEFICIT**

	FY 09-10
Pre-December 17th Budget Deficit	(18.87)
Explanation of Deficit	
Projected revenue shortfall:	
Parking Tax	(0.96)
Other General Tax revenues (PTAX, STAX, TOT, Interest)	(9.12)
Additional spending reduction or revenue enhancement (adopted as part of July 28th budget amendment)	-
Doubtful collection of entertainment surcharge	(4.50)
Projected over-spending:	
Police management reductions net of Police overspending	(3.00)
Other Departments	(1.29)
Balancing Measures Approved by Council on December 17, 2009	
Use of unspent insurance proceeds	3.20
Use of unspent COPs	0.90
Use of TRAN savings	1.00
Use of Non-GPF fund balances	2.84
Departmental balancing	0.50
Subtotal	8.44
Post-December 17th Budget Deficit	(10.43)
Additional Anticipated Shortfalls	
Additional revenue shortfall (Property, sales, parking and utility consumption), offset by one-time real estate transfer gain	(2.75)
Parking meter hours roll-back	
Parking citation pass-through payment to Alameda County - prior year	(1.20)
Set aside necessary for the new NSA monitoring contract	(0.70)
Net additional cost of Police academies (participation in Alameda County Sheriff's academy)	-
Increase in PERS retirement rate (for Civilian and Sworn employees)	-
Increase in Self-Insurance Liability cost based on the Phoenix Model analysis	
Additional loss in central services overhead recovery due to vacancies and reduced revenues in non-general funds (mainly Development Services and Measure B Funds)	(0.18)
Subtotal	(4.83)
February 16, 2010 Anticipated Budget Deficit	\$ (15.26)

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
Citywide/Non-Departmental					
Eliminate or reduce grants and subsidies:					
Vietnamese Senior Services					Action would zero out grant.
Chabot Space & Science Subsidy					Action would zero out grant.
Chabot Science Center					Action would zero out grant.
Cypress-Mandela Training Center					Action would zero out grant.
Hacienda Peralta					Action would zero out grant.
Oakland Asian Cultural Center					Action would zero out grant.
School of the Arts					Action would zero out grant.
Symphony in the Schools Program					Action would zero out grant.
Women's Business Initiative					Action would zero out grant.
Day Laborer Program					Action would zero out grant.
Art Grants					Represents 50% reduction
Zoo subsidy					Represents 25% reduction
Jack London Aquatic Center project					Action would zero out grant.
Human Services -- Academies Program					Action would zero out grant.
Subtotal	-	-	-	\$ -	
Cancel carryforward:					
FEMA grant match				0.30	
Head Start waiver (FY 07-08 and FY 08-09)				0.87	Prior years' waivers; not needed
Subtotal	-	-	-	\$ 1.17	
Sale of Assets					
Lease of Scotlan to ORA/Central District or Sale of Other Facilities (\$2 mill / year); repayment of Oak Center debt (\$1 mill / year 1 only)				3.00	This would leave no funds for a loan to the CityWalk developer and purchase of the Valdez property site
Sale of Alta Bates Garage OR sale of City properties to ORA					Reflects the \$5 mill appraised value less closing costs
Sale of City property to ORA/Coliseum				3.50	Represents City's interest in the Malibu site.
Sale of Coliseum tract to ORA				1.00	
Sale of Grandview Lots				0.25	
Sale of City properties to ORA - various areas					
Sale of Henry J. Kaiser Convention Center					
Subtotal	-	-	-	\$ 7.75	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
<i>New revenues and Other financing</i>					
Guaranteed new parking citation contract revenue				0.50	Reflects revenue guaranteed by the contractor recommended by staff for the parking citation management contract
Proceeds from sale of billboard space					One-time proceeds from sale of billboard space, along with \$0.4 million per year is anticipated from arrangement with Clear Channel Inc.
<i>Subtotal</i>	-	-	-	\$ 0.50	
<i>Possible Ballot Measure Alternatives - Requires Council action by March 2, 2010 for the June 2010 ballot; action by early August 2010 for the Nov 2010 ballot</i>					
Public Safety parcel tax					Special tax levy requires 2/3 vote of electorate; must be placed on ballot by March 2, 2010 on the June 2010 ballot for collection during FY 10-11. Single family residential parcel assessment would be approximately \$90 annually, or \$7.50 per month.
Transactions and Use Tax -- proceeds to be set aside for public safety and prevention programs*					Temporary 1/4 cent sales tax increase. Requires 2/3 voter approval if earmarked for a special purpose. *NOTE: This option not reflected in subtotals or grand total.
Utility Consumption Tax -- temporary 0.5% increase and possible expansion to other utilities*					General tax requires a majority affirmative ("yes") vote for approval. *NOTE: This option not reflected in subtotals or grand total.
<i>Subtotal</i>	-	-	-	\$ -	
<i>Other Savings for Further Research</i>					
Cell phone tower leasing					Over the years there have been various cell phone providers who have expressed interest in leasing City property for the installation of cell phone transmission towers. The Real Estate Division of CEDA has been exploring the feasibility of pursuing such leasing.
Monetizing City garages					Monetizing garages could generate significant upfront revenue to the City. Public assets capable of generating revenues in excess of maintenance and operation costs could be of interest to investors seeking a long-term income stream. Staff is researching the feasibility of monetizing the City garages
<i>Subtotal</i>	-	-	-	\$ -	
<i>Citywide/Non-Departmental Subtotal</i>				\$ 9.42	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
City Attorney					
Position reductions					
Subtotal	-	-	-	\$ -	
Contracting and Purchasing					
Revenue increases through fees, recoverables, fines					Revenue increase activities: fee for certification (\$0.03); fee for plans-specs (\$0.02); fee registration iSupplies (\$0.02); fee increase LCP tracker usage (\$0.01); non-compliance violations fine (\$0.01); ARRA Reveune (\$0.09); department revenue (\$0.05)
Subtotal	-	-	-	\$ -	
Information Technology					
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	There would be significant delay in replacing and or troubleshooting damaged software or hardware for computer equipment citywide. Documentation of computer equipment inventory would be affected as well.
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	There would be a significant and severe delay in the response to failures on systems used by the Libraries and the Museum which would negatively impact downtime. There would also be significant delay in computer replacments and on troubleshooting damaged computer equipment.
Delete Microcomputer Systems Specialist III	1.00		1.00	0.04	There would be significant delay on the response to network related issues. Daily logs would not be monitored as frequent as they should be, possibly on a weekly rotation. Coordination of network services related to relocation of staff and office rearrangements would be delayed significantly as well.
Subtotal	3.00	-	3.00	\$ 0.10	
Finance and Management					
Eliminate Revenue Assistant	1.00		1.00	0.02	Slowdown in collections
Subtotal	1.00	-	1.00	\$ 0.02	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
Personnel Resource Management					
Eliminate Admin Analyst II		1.00	1.00	0.03	Loss of bill-paying, payroll, other fiscal functions
Subtotal	-	1.00	1.00	\$ 0.03	
Police Services					
Restructure Personnel Management					
Eliminate Admin Analyst II		1.00	1.00	0.03	
Eliminate Abandoned Auto Detail					
Eliminate Police Service Technicians					-Eliminating Abandoned Auto Detail may result in a loss of \$115K of revenue-
Other					
Eliminate Rangers	2.00		2.00	0.08	
Transfer Cadet Program to Asset Forfeiture fund	9.00		9.00	0.08	
Subtotal	11.00	1.00	12.00	\$ 0.19	
Fire Services					
Utilize one-time Metropolitan Medical Response System Funds				0.30	
Utilize balance of funds from Measure N				0.20	
Utilize balance of funds from Alameda County for Emergency Medical Dispatch				0.10	
SAFER Grant for 3 Firefighters				-	
Stricter False Alarm Enforcement Revenue				-	
Subtotal	-	-	-	\$0.60	
Museum					
Debt service shift				-	Museum would partially cover debt service that totals \$3.7 million/year.
Subtotal	-	-	-	\$0.00	
Library					
Utilize available Measure Q fund balance					Initial analysis shows adequate fund balance remaining for FY 10-11
Subtotal	-	-	-	\$0.00	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated	Impacts
	Filled	Vac	Total	FY 09-10	
Parks and Recreation					
Transfer revenues to GPF from Golf Fund				0.10	Added revenue from Lake Chabot & Montclair Courses
Subtotal				\$0.10	
Human Services					
Eliminate Linkages Grant Match				-	State grant funding of \$200k annually is proposed for elimination in FY 10-11 as part of State budget balancing. Elimination of the local grant match would terminate base program services for adults with disabilities, which currently serves approximately 372 clients. With City GPF funding the program could continue serving a base number of clients.
Eliminate Homeless Mobile Outreach/California Hotel grant match				-	Reduces outreach efforts by 2 (two) days from the current 5 (five) days. Currently part of PATH program to do outreach to encourage and engage homeless people in work activities and access to housing. Would need 30 days notice to modify the contract.
Subtotal				\$0.00	
TOTAL SOLUTIONS	15.00	2.00	17.00	10.45	
Subtotal surplus/(deficit)				(4.81)	

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)

OVERTIME ANALYSIS (in Dollars)

GENERAL PURPOSE FUND

Agency / Department	FY 2008-09 Q2 Adjusted Overtime Budget	FY 2008-09 Q2 Overtime Actuals	FY 2008-09 Overtime Percent To Date	FY 2008-09 Audited Year-End Overtime Actual	FY 2009-10 Amended Budget	FY 2009-10 Q2 Overtime Actual	FY 2009-10 Percent Exp To Date	FY 2009-10 Year End Overtime Estimate	Year-End \$ (Over) / Under Adjusted Budget	Explanation of Over / (Under) Spending
MAYOR	8,414	0	0.0%	0	8,960	0	0%	0	8,960	
CITY COUNCIL	0	113	0%	113	0	0	0%	0	0	
CITY ADMINISTRATOR	0	19,529	0%	25,969	0	3,615	0%	7,148	(7,148)	Overtime spending is associated Comp time earned in the Citizen's Police Review Board division
CITY ATTORNEY	(534)	15,420	-2890.2%	19,746	(570)	5	-0.9%	0	(570)	Spending associated with legal assistance; spending estimated within overall budget
CITY AUDITOR	0	1,551	0%	2,350	0	0	0%	0	0	
CITY CLERK	44,895	9,809	21.8%	30,091	46,280	10,325	22.3%	46,280	0	
CONTRACTING & PURCHASING	0	1,984	0%	2,540	0	464	0%	464	(464)	Overspending due to procure to pay system implementation
INFORMATION TECHNOLOGY	1,856	33,086	1782.7%	55,927	2,040	18,830	923.0%	37,232	(35,192)	Overtime spending is associated with the Public Safety network support and maintenance
FINANCE & MANAGEMENT	88,750	59,667	67.2%	112,657	98,220	69,912	71.2%	139,824	(41,604)	Spending associated with vacancies and workload issues in the cost- covered areas of liens collections and parking enforcement.
HUMAN RESOURCES	23,849	3,381	14.2%	3,295	26,390	281	1.1%	1,407	24,983	
POLICE SERVICES	15,120,285	9,966,292	65.9%	16,633,760	11,669,430	7,298,909	62.5%	14,343,958	(2,674,528)	Higher than budgeted overtime relating to Special Events contribute to the projected overspending. Also exceeding their allocation are Targeted Enforcement and Special operation due to crackdown on gangs, guns and drugs.
FIRE SERVICES	3,048,333	6,624,004	217.3%	12,195,926	135,990	4,960,256	3647.5%	9,834,389	(9,698,399)	Overspending in OT covered by savings to personnel costs, department will stay within GPF budget
MUSEUM	17,706	18,703	105.6%	28,513	19,250	12,746	66.2%	25,492	(6,242)	Spending is associated with security and custodial services; met with salary savings due to museum closure
LIBRARY SERVICES	5,662	1,702	30.1%	2,174	6,260	3,123	49.9%	6,246	14	Spending is associated with Branch and Main Library services; will remain within overall budget authority
PARKS & RECREATION	0	7,747	0%	14,779	0	3,320	0%	6,640	(6,640)	Spending is associated with security services; anticipated to remain within overall budget authority
HUMAN SERVICES	(4,579)	10,147	-221.6%	6,764	0	6,872	0%	13,589	(13,589)	Overtime spending is associated with Accounting functions related to audit(s), and events at Senior Centers.
PUBLIC WORKS	27,351	8,224	30.1%	32,586	27,480	52,842	192.3%	105,684	(78,204)	Overtime spending is attributed to maintenance services; primarily Tree Services.
COMMUNITY & ECONOMIC DEV	0	1,281	0%	1,246	0	2,073	0%	0	0	
NON-DEPARTMENTAL	500	408	81.6%	408	0	0	0%	0	0	
CAPITAL IMPROVEMENT PROGRAM	0	130	0%	130	0	0	0%	0	0	
TOTAL	\$18,382,490	\$16,783,177	91.3%	\$29,168,974	\$12,039,730	\$12,443,575	103.4%	\$24,568,353	(\$12,528,623)	

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)

OVERTIME ANALYSIS (in Dollars)

ALL FUNDS

Agency / Department	FY 2008-09 Q2 Adjusted Overtime Budget	FY 2008-09 Q2 Overtime Actuals	FY 2008-09 Overtime Percent To Date	FY 2008-09 Audited Year-End Overtime Actual	FY 2009-10 Amended Budget	FY 2009-10 Q2 Overtime Actual	FY 2009-10 Percent Exp To Date	FY 2009-10 Year End Overtime Estimate	Year-End \$ (Over) / Under Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,414	0	0.0%	0	8,960	0	0.0%	0	8,960	
CITY COUNCIL	0	113	0%	113	0	0	0%	0	0	
CITY ADMINISTRATOR	200	57,378	28689.1%	116,357	0	50,770	0%	100,386	(100,386)	Overtime spending is associated with Citizen's Police Review Board activities, KTOP production and "Weed and Seed" under Neighborhood Services
CITY ATTORNEY	(534)	15,420	-2890.2%	19,746	(570)	769	-134.8%	1,537	(2,107)	Spending associated with legal assistance; spending estimated within overall budget
CITY AUDITOR	0	1,570	0%	2,369	0	0	0%	0	0	
CITY CLERK	44,895	9,809	21.8%	30,091	46,280	15,401	33.3%	46,280	0	
CONTRACTING & PURCHASING	2,712	4,576	168.7%	4,627	2,890	1,098	38.0%	2,196	694	Spending associated with procure to pay implementation and purchasing functions; spending estimated within overall budget authority
INFORMATION TECHNOLOGY	10,002	54,527	545.2%	87,506	10,710	36,264	338.6%		10,710	
FINANCE & MANAGEMENT	91,087	68,498	75.2%	126,234	100,710	101,639	100.9%	177,868	(77,158)	Spending associated with vacancies throughout FMA
HUMAN RESOURCES	23,849	10,662	44.7%	10,065	26,390	1,999	7.6%	9,995	16,395	
POLICE SERVICES	18,023,754	11,099,573	61.6%	18,582,955	12,542,210	8,279,389	66.0%	17,229,414	(4,687,204)	
FIRE SERVICES	7,160,809	8,780,640	122.6%	16,533,656	4,256,520	7,143,906	167.8%	13,993,678	(9,737,158)	Overspending in OT covered by savings to personnel costs, department will stay within budget
MUSEUM	58,917	20,862	35.4%	30,844	63,120	16,047	25.4%	32,093	31,027	Spending is associated with security and custodial services; met with salary savings due to museum closure
LIBRARY SERVICES	5,662	5,095	90.0%	7,719	6,260	5,022	80.2%	10,044	(3,784)	Spending is associated with Branch and Main Library services; will remain within overall budget authority
PARKS & RECREATION	0	8,169	0%	15,223	0	4,295	0%	8,589	(8,589)	Spending is associated with security services; anticipated to remain within overall budget authority
HUMAN SERVICES	(4,579)	24,220	-528.9%	37,638	0	10,007	0%	20,014	(20,014)	Overtime spending is associated with Accounting functions related to audit(s), and events at Senior Centers.
PUBLIC WORKS	804,120	741,687	92.2%	1,337,760	1,036,230	727,400	70.2%	1,454,799	(418,569)	Overtime spending is attributed to maintenance services; primarily Tree and Sewer maintenance, and graffiti abatement
COMMUNITY & ECONOMIC DEV	384,789	373,004	96.9%	576,927	405,630	210,299	51.8%		405,630	
NON-DEPARTMENTAL	500	408	81.6%	408	0	0	0%		0	
CAPITAL IMPROVEMENT PROGRAM	0	130	0%	130	0	0	0%		0	
TOTAL	\$26,614,597	\$21,276,342	79.9%	\$37,520,368	\$18,505,340	\$16,604,302	89.7%	\$33,086,893	(\$14,581,553)	

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT REVENUES (\$ in millions)

Revenue Category	FY 2008-09 Audited Year-End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year-End Forecast	FY 2009-10 Q2 Actuals	FY 2009-10 Percent To Date (Q1 Fcst)	FY 2009-10 Q2 Year-End Forecast	Year-End \$ Over / (Under) Adj. Bud.	Year-End \$ Over / (Under) Q1 Fcst	Explanation of Over / (Under) Collection	FY 2009-10 Percent To Date	Yr-to-Yr Growth Q2 to Q2	Yr-to-Yr Growth Yr-End to Yr-End
Tax Revenues	19.99	18.21	18.21	9.24	50.7%	18.21	0.00	0.00		100.0%	-0.45	-1.78
Licenses and Permits	0.02	0.01	0.02	0.01	47.0%	0.01	0.00	0.00		110.7%	0.00	0.00
Interest	0.00	0.00	-0.04	(0.02)	45.0%	(0.03)	(0.03)	0.00		0%	0.09	-0.03
Service Charges	0.15	0.02	0.17	0.03	19.1%	0.17	0.00	0.00		100.0%	-0.03	0.02
Internal Service	0.00	0.00	0.00	0.00	0%	0.00	0.00	0.00		0%	0.00	0.00
Other	-0.03	0.00	0.00	0.02	0%	0.00	0.00	0.00		0%	0.03	0.03
Operating Transfers	0.00	0.00	0.00	0.00	0%	0.00	0.00	0.00		0%	0.00	0.00
NET REVENUE	\$20.12	\$18.24	\$18.36	\$9.28	50.56%	\$18.36	-\$0.03	\$0.00		-99.8%	-\$0.37	-\$1.76
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES	0.00	0.00	0.13	0.00	0.0%	0.19	0.00	0.06		N/A	0.00	0%
GROSS REVENUE	\$20.12	\$18.24	\$18.49	\$9.28	50.20%	\$18.55	-\$0.03	\$0.06		0.0%	-\$0.37	-\$1.57

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT EXPENDITURES (in \$millions)

Agency / Department	FY 2008-09 2nd Qtr Adjusted Budget	FY 2008-09 2nd Qtr Actuals	FY 2008-09 Percent To Date	FY 2008-09 Audited Year-End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year- End Forecast	FY 2009-10 Q2 Actuals	FY 2009- 10 Percent To Date (Q1, Fcst)	FY 2009-10 Q2 Year-End Estimate	Year-End \$ (Over) / Under Q2 v. Adj. Bud.	Year-End \$ (Over) / Under Q2 v. Q1	Explanation of (Overspending) / Savings	Yr-to-Yr Growth YrEnd to YrEnd
CITY ADMINISTRATOR	0.11	0.03	27.6%	0.11	0.10	0.10	0.06	62.2%	0.10	0.00	0.00		-2.4%
CITY ATTORNEY	0.16	0.09	52.5%	0.16	0.17	0.17	0.08	50.9%	0.17	0.00	0.00		1.8%
FINANCE AND MANAGEMENT AGENCY	0.14	0.07	52.0%	2.08	0.02	0.02	0.00	0.7%	0.02	0.00	0.00		-98.9%
MUSEUM	0.31	0.20	65.8%	0.35	0.21	0.22	0.14	65.2%	0.28	(0.07)	(0.06)	Overspending projected in personnel	-19.7%
PUBLIC WORKS	14.74	8.10	54.9%	15.94	13.71	14.44	6.18	42.8%	14.20	(0.30)	0.24	Overspending projected in personnel	-10.9%
DEPARTMENT OF INFORMATION TECHNOLOG	0.01	0.02	287.3%	0.01	0.00	0.00	0.00	0%	0.00	0.00	0.00		-100.0%
OFFICE OF PARKS AND RECREATION	3.32	1.73	52.1%	3.41	4.17	4.12	1.10	26.6%	4.17	0.00	(0.05)		22.2%
GROSS EXPENDITURE	\$18.66	\$10.24	54.9%	\$22.07	\$18.39	\$19.07	\$7.57	39.7%	\$18.94	(\$0.37)	0.13		-14.2%
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES	0.00	0.00	0%	0.00	0.00	0.13	0.00	0.0%	0.19	0.00	(0.06)		
NET EXPENDITURE	\$18.66	\$10.24	54.9%	\$22.07	\$18.39	\$18.94	\$7.57	40.0%	\$18.75	(\$0.37)	0.19		-15.0%

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
EQUIPMENT FUND REVENUES (\$ in millions)

Revenue Category	FY 2008-09 Audited Year-End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year-End Forecast	FY 2009-10 2nd Qtr Actuals	FY 2009-10 Percent To Date (Q1 Fcst)	FY 2009-10 Q2 Year-End Forecast	Year-End \$ Over / (Under) Adj. Bud.	Year-End \$ Over / (Under) Q1 Fcst	Explanation of Over / (Under) Collection
FINES & PENALTIES	0.00	0.00	0.00	0.00	0%	0.00	0.00	0.00	
INTEREST INCOME	-0.33	-0.96	-0.96	(0.03)	3.36%	(0.96)	0.00	0.00	
INTERNAL SERVICE	20.93	16.60	16.60	4.79	28.83%	16.60	0.00	0.00	
LICENSES & PERMITS	0.00	0.08	0.05	0.02	29.83%	0.03	(0.05)	(0.02)	Projected low issuances of permits related to sidewalk and curb encroachments.
SERVICE CHARGES	0.00	0.16	0.16	0.18	114.62%	0.16	0.00	0.00	
MISCELLANEOUS	0.16	0.80	0.80	0.05	6.69%	0.80	0.00	0.00	
NET REVENUE	\$20.76	\$16.68	\$16.65	\$5.00	30.05%	\$16.63	(0.05)	(0.02)	
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES	0.00	0.00	2.86	0.00	0.00%	2.86	0.00	0.00	
GROSS REVENUE	\$20.76	\$16.68	\$19.51	\$5.00	25.64%	\$19.49	-\$0.05	-\$0.02	

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
EQUIPMENT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2008-09 Audited Year-End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year- End Forecast	FY 2009-10 2nd Qtr Actuals	FY 2009-10 Percent To Date (Q1 Fcst)	FY 2009-10 Q2 Year-End Forecast	Year-End \$ (Over) / Under Q2 v. Adj. Bud.	Year-End \$ (Over) / Under Q2 v. Q1	Explanation of (Overspending) / Savings	Yr-to-Yr Growth Q1 to Q1	Yr-to-Yr Growth YrEnd to YrEnd
INFORMATION TECHNOLOGY	0.00	0.09	0.08	0.05	58.1%	0.10	0.00	-0.01		0%	0%
FIRE SERVICES	2,324.08	0.00	0.00	0.00	0%	0.00	0.00	0.00		-100.0%	-100.0%
PUBLIC WORKS	20.13	16.88	19.64	8.72	44.4%	19.29	0.45	0.35	Savings attributed to position vacancies.	-40.0%	-4.2%
PARKS & RECREATION	2,099.41	0.00	0.00	0.00	0%	0.00	0.00	0.00		-100.0%	-100.0%
COMMUNITY & ECONOMIC DEV	90.00	0.00	0.00	0.00	0%	0.00	0.00	0.00		-100.0%	-100.0%
NON-DEPARTMENTAL	(2.35)	0.00	0.00	0.00	0%	0.00	0.00	0.00		0%	-100.0%
CAPITAL IMPROVEMENT PROGRAM	0.31	0.00	0.00	0.00	0%	0.00	0.00	0.00		-100.0%	-100.0%
GROSS EXPENDITURE*	\$18.10	\$16.97	\$19.72	\$8.77	44.5%	\$19.39	\$0.44	\$0.34		-40.3%	7.1%
Less: CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES			2.86	0.00	0.0%	2.86	2.86	0.00			
NET EXPENDITURE	\$18.10	\$16.97	\$16.87	\$8.77	52.0%	\$16.53	\$0.44	\$0.34		-40.3%	-8.7%

*Gross expenditure includes carryforwards and prior year encumbrances of \$3.34 million in the adjusted budget; approximately \$3.04 million of carryforward and encumbrances from prior years is reflected in the actual expenditures above.

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2008-09 Audited Year-End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year-End Forecast	FY 2009-10 2nd Qtr Actuals	FY 2009-10 Percent To Date (Q1 Fcst)	FY 2009-10 Q2 Year-End Forecast	Year-End \$ Over / (Under) Adj. Bud.	Year-End \$ Over / (Under) Q1 Fcst	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q1 to Q1
INTEREST INCOME	(0.59)	(1.56)	(1.50)	(0.07)	4.35%	(1.56)	0.00	(0.06)		-83.0%
SERVICE CHARGES	0.14	0.21	0.15	0.05	35.28%	0.21	0.00	0.06		-60.1%
INTERNAL SERVICE	18.53	23.15	23.15	5.89	25.44%	23.15	0.00	0.00		-36.0%
MISCELLANEOUS	(0.16)	0.00	0.00	0.09	0%	0.00	0.00	0.00		-551.3%
GRANTS & SUBSIDIES		0.00	0.00	0.00	0%	0.00	0.00	0.00		0%
NET REVENUE	\$17.92	\$21.80	\$21.80	\$5.96	27.35%	\$21.80	\$0.00	\$0.00		-33.3%
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES	0.00	0.00	0.11	0.00	0.00	0.54	0.00	0.44		0%
GROSS REVENUE	\$17.92	\$21.80	\$21.90	\$5.96	27.22%	\$22.34	0.00	0.44		-33.3%

FY 2009-10 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2009 through December 31, 2009)
FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2008-09 Audited Year-End Actuals	FY 2009-10 Amended Budget	FY 2009-10 Q1 Year- End Forecast	FY 2009-10 Q2 Actuals	FY 2009-10 Percent To Date (Q1 Fcst)	FY 2009-10 Q2 Year-End Forecast	Year-End \$ (Over) / Under Q2 v. Adj. Budo.	Year-End \$ (Over) / Under Q2 v. Q1	Explanation of (Overspending) / Savings	Yr-to-Yr Growth YrEnd to YrEnd
INFORMATION TECHNOLOGY	0.10	0.09	0.09	0.03	35.6%	0.06	0.03	0.03		-38.1%
POLICE	0.14	0.00	0.00	0.00	102.7%	0.00	(0.00)	(0.00)		-97.0%
PUBLIC WORKS	22.39	21.74	21.72	10.40	47.9%	21.46	0.82	0.26	Projected savings attributed to position vacancies.	-4.2%
NON-DEPARTMENTAL	(0.33)	0.00	0.00	0.00	0%	0.00	0.00	0.00		-100.0%
CAPITAL IMPROVEMENT PROGRAM	0.01	0.00	0.00	0.00	0%	0.00	0.00	0.00		-100.0%
GROSS EXPENDITURE	\$22.33	\$21.83	\$21.82	\$10.44	47.9%	\$21.53	\$0.85	\$0.29		-3.6%
Less:										
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES			0.54	0.00	0.0%	0.54	0.00	(0.00)		
Depreciation			-	-	-	-	-	-		
Use of Trustee Cash			0.02	-	-	-	-	-		
Addbacks:										
Debt payment			0.35	-	-	0.35	-	-		
NET EXPENDITURE	\$22.33	\$21.83	\$21.27	\$10.44	49.1%	\$20.98	\$0.85	\$0.29		-6.0%

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Revenue Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Revenue	FY 10-11 Budgeted Revenue	FY 09-10 Revenue To-Date (through December 31, 2009)	Percent Collected	Status
July 21 special election results and their impact on the FY 2009-11 budget.	Yes		3,603,929	3,659,006	187,300	5%	Ballot measures passed. \$300K; Cannabis Tax (collect in 3rd qtr.) \$550K; RPTT Mergers & Acq. (no collection yet). \$2.75M; Hotel Tax (Non-GPF fund - YTD collections \$187.3K)
New revenue collection programs (business tax amnesty program and collection; enhanced tax collection).	Yes		725,000	225,000	325,516	45%	Business Tax Amnesty has been implemented; recruitment is underway for Tax Auditor III, who is anticipated to help collect additional enforcement revenue (\$225K).
Anticipated Coliseum Parking Tax Revenue (September 1 implementation)		Yes	810,833	973,000	211,529	26%	Collection from July through November 2009.
Entertainment Fee -- Impose 10% surcharge on all tickets at the Coliseum and Arena		Yes	4,500,000	9,000,000	-	0%	Collection not likely in the current year
<i>Parking revenues:</i>							
Accept proposed California Vehicle Code fine increases (except bus zone violation)	Yes	Yes	170,000	170,000	85,000	50%	Implemented.
Double fines for illegal truck parking	Yes	Yes	33,000	33,000	16,500	50%	Implemented.
Include anticipated diesel truck parking tax revenue (9-months only, per Council direction 6/16/09)		Yes	162,000	216,000	-	0%	Revenue Division is pursuing collection

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Revenue Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Revenue	FY 10-11 Budgeted Revenue	FY 09-10 Revenue To-Date (through December 31, 2009)	Percent Collected	Status
Implement vehicle "boot" program		Yes	500,000	800,000	337,071	67%	Program began; revenue collected through December 2009 is \$337K
Raise parking meter rate \$1.50 to \$2.00 / hour		Yes	2,200,000	2,200,000	1,041,700	47%	Implemented.
Extend meter hours to 8 pm	Yes	Yes	330,000	330,000	-	100%	
Revenue to replace the revenue loss from the rollback of the extended meter hours			1,000,000	1,000,000			Parking Meter budget revised from \$1.33M to \$0.33M to reflect 10/6/09 Council action of rolling back parking enforcement hours from 8pm to 6pm.
Additional revenue from the authorization of future billboard agreements			\$494,250	\$494,250	\$0		Terms are being finalized with EBMUD, the land owner.
Add 250 metered stalls to locations citywide	Yes		\$145,750	\$145,750	\$0		Pending Council approval of additional meter locations; item rescheduled to the March 23, 2010 Finance Committee

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Revenue Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Revenue	FY 10-11 Budgeted Revenue	FY 09-10 Revenue To-Date (through December 31, 2009)	Percent Collected	Status
Create a program with OPD and Parking Enforcement to Increase enforcement against illegal use of disabled parking placards	Yes		\$150,000	\$150,000	\$0		Two sting operations have been performed, revenue collection is yet to be determined. Proposal to add and increase fines for disabled placard violation will be discussed at the 2/23/10 Finance Committee.
Re-direct a portion of the revenue from parking garage automation to the General Fund	Yes		\$100,000	\$100,000	\$0		No additional revenue from garage automation is anticipated in the current year. Garage automation is expected by the end of the current fiscal year for at least one garage.
Open the Pacific Renaissance garage for residential use at night			\$80,000	\$80,000	\$0		Revenue will not be realized as additional funding will be required to operate residential nightly parking.
Sell advertising space on the back of parking receipts			\$30,000	\$30,000	\$0		Staff researching options; RFP would be required.

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Revenue Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Revenue	FY 10-11 Budgeted Revenue	FY 09-10 Revenue To-Date (through December 31, 2009)	Percent Collected	Status
Additional revenue/expenditure savings			\$0	\$330,000	\$0		To be identified revenue/expenditure savings; included in calculation of FY 2010-11 shortfall.
Lake Merritt Parking Change proposal to \$2 for 2-hrs and \$10 for all day parking on weekdays, \$5 for all day pass on the weekends.		Yes	(40,000)	(40,000)	(40,000)	100%	New rates have been implemented; revenue budget adjusted.
Increase off-street parking lot hourly rates to the same as the meters and selected garage hourly fees (Clay St. and Dalziel garages)		Yes	300,000	300,000	-	0%	Implementation in progress: Funds to be transferred from Fund 1750 in February 2010.
Public education regarding parking enforcement.		Yes	-	-			Press release issued and Frequently Asked Questions developed; flyers distributed.

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Expenditure Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Savings	FY 10-11 Budgeted Savings	Savings Achieved through December 31, 2009	Percent To-Date	Status
Implementation of position reductions and layoffs included in the budget.	Yes	Yes	3,600,000	3,600,000	3,600,000	100.0%	Implemented. A total of 213 employees have been affected, with 64 released through layoff or termination.
Implementing retirement 5% pick up included in union contracts.	Yes		3,300,000	3,300,000	1,650,000	50.0%	In process.
Implementing the Citywide mandatory business shutdown.	Yes		3,440,000	3,440,000	2,580,000	75.0%	Mandatory shutdown days (MBS) have been scheduled for FY09-10. Nine MBS days have lapsed as of Jan 31, 2010 (Aug 14, Sept 8, Oct 23, Nov 30, Dec 28/29/30/31 and Jan 15).
Status on the Golden Handshake retirement program.	Yes	Yes	2,265,812	2,265,812	1,029,237	45.4%	Golden Handshake program completed.
Status on the COPS grant fund	Yes		6,582,372	6,582,372	6,582,372	100.0%	Awarded \$19,747,117 for three years.
Status on the Byrne Memorial Justice Assistance Grant (JAG) grant funding and impact on OPD budget.	Yes		828,000	N/A	681,585	82.3%	City Council Reso. Indicates seeking \$3.3M for 4 years or (\$828K/year). Funding received was \$681,585 for one year.

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Expenditure Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Savings	FY 10-11 Budgeted Savings	Savings Achieved through December 31, 2009	Percent To-Date	Status
Savings from budgeted vacancy rates.	Yes	Yes	2,300,000	2,370,000	1,150,000	50.0%	Vacancy factors of 3.5% for small departments and 5% for large departments (excluding sworn positions) is assumed in the budget. The actual vacancy rate for all departments was 8.5% in December 2009, the last month for which the vacancy rate was calculated. Staff will be returning to the Finance and Management Committee on March 23, 2010 with an updated vacancy report.
Rangers -- Reinstated two		Yes	(260,000)	(260,000)	(260,000)	100.0%	Implemented.
Parks & Recreation -- Restore Oakland Fine Arts programs (one-year only)		Yes	(50,000)	-	(50,000)	100.0%	Implemented.
Library -- Do not accept proposed Branch pairing		Yes	(380,000)	(380,000)	(380,000)	100.0%	Implemented: Council did not accept branch pairing. Funding restored.
Public Works -- Addback PWA FTEs (4 Tree, 3 gardener crews that will perform litter pick-up)		Yes	(1,200,000)	(1,200,000)	(192,198)	100.0%	Implemented.
Library -- Reduce book budget by 10%, transfer FY 08-09 carryforward for supplies to Measure Q (one-time) in order to offset materials reduction		Yes	260,000	-	260,000	100.0%	Implemented.
Library -- Rent out 2nd Start facility		Yes	90,000	90,000	-	0.0%	Has not yet been rented. Real Estate is focusing on higher value rentals in this difficult real estate market.
Public Works -- Forego \$1.45m in new vehicle purchases; transfer \$200k to ORA		Yes	1,650,000	2,000,000	412,500	100.0%	Implemented.

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Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Expenditure Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Savings	FY 10-11 Budgeted Savings	Savings Achieved through December 31, 2009	Percent To-Date	Status
Public Works -- Removal of 100 vehicles; eliminate vacant Equipment Mechanic and vacant Automotive Equipment Service Worker		Yes	294,160	294,160	294,160	100.0%	Implemented. A total of 126 vehicles have been removed to date. Positions have been eliminated.
Eliminate Take-Home Vehicles for OPD except for Commanders, Tactical Team Leaders and Intel Officers; Downgrade two Accountant III positions to Account Clerk III; Reduce O&M		Yes	80,000	80,000	80,000	100.0%	Take-Home vehicles have been turned in and position downgrade has been processed.
Police -- Eliminate Field Training Officer (FTO) Premium Pay (one-year only) due to delayed academies		Yes	916,430	-	821,930	89.7%	This was implemented and removed from the budget, however approximately \$94,500 will be needed for FTO pay for Lateral Academy Training Officers.
Police -- Transfer 4 NSCs out of GPF October 1st if City receives anticipated grant funding		Yes	270,000	360,000	-	0.0%	Grant funding did not materialize. FTEs remain funded by the General Purpose Fund.
Police -- Eliminate Facilities Manager		Yes	110,000	110,000	110,000	100.0%	Implemented.
Fire -- Employee Concessions (subject to negotiations)		Yes	6,100,000	6,100,000	6,100,000	100.0%	Implemented.
Mayor's Office -- 20% reduction out of exempt positions budget, and elimination of FY 09-10, FY 10-11 and prior year Pay-Go		Yes	411,454	367,008	134,000	32.6%	The Mayor's office is continuing to work on identifying possible reductions in order to meet target savings.
City Attorney's Office -- 10% reduction		Yes	714,790	714,790	714,790	100.0%	Reductions made for 2.0 FTE Deputy City Attorneys
Auditor -- 4.4% reduction		Yes	66,630	66,630	66,630	100.0%	Reduction in budget made.

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Expenditure Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Savings	FY 10-11 Budgeted Savings	Savings Achieved through December 31, 2009	Percent To-Date	Status
City Administrator -- Eliminate Asst to the City Administrator (Measure Y) and authorize \$76,760 Measure Y dollars for staff support for the Measure Y Committee.		Yes	-	-	-	100.0%	Budgeted FTE reduction has been implemented.
Elected Officials -- Voluntarily take 10% annual pay compensation reduction		Yes	106,000	106,000	21,858	21%	Most of elected officials have opted for pay compensation reduction.
City Council -- 20% reduction (including elimination of FY 2009-11 Pay-Go)		Yes	430,600	280,000	107,650	100%	Implemented.
Human Resources -- Eliminate 5 FTEs (Public Service Rep, 1 HR Analyst, 2 HR Clerks, HR Mgr)		Yes	484,110	484,110	484,110	100.0%	Implemented.
Eliminate Human Rights Commission (currently inactive)		Yes	50,000	50,000	50,000	100%	Implemented.
Marketing -- Increase Cultural Funding Program Coordinator position from 0.5 FTE to 1.0 FTE and reduce arts grants by \$55k to offset and make revenue neutral		Yes	-	-	-	100%	Implemented.
Special Events & Festivals -- Do not restore		Yes	171,500	171,500	171,500	100%	Implemented.
One Work Place Business Incentive Agreement (revenue anticipated if deal approved as proposed)		Yes	400,000	400,000	-	-	Alameda sales office has relocated to Oakland; Q2 revenue data will be first indication whether target is being met.
City/County Collaboration -- Eliminate unspent carryforward from 08/09 (one-year only)		Yes	265,000	-	265,000	100%	Implemented.
Reduce Contingency Reserves (Council and City Administrator's) by 50%		Yes	200,000	200,000	200,000	100%	Implemented.
Prefund Miscellaneous Employee portion of PERS		Yes	(422,288)	(422,288)	(104,655)	100%	Implemented.
Reduce supplies across all agencies by 20% (Finance Committee to track)		Yes	1,300,000	1,300,000	1,300,000	100.0%	Implemented.

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Expenditure Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Savings	FY 10-11 Budgeted Savings	Savings Achieved through December 31, 2009	Percent To-Date	Status	
Renegotiate outstanding contracts for 5-10% reduction (Finance Committee to track)		Yes	532,000	432,580	66,000	12.4%	Letters seeking contract concessions have been sent to all City contractors and vendors, as well as follow-up reminder and thank you letters. Nonetheless, savings achieved to date are only \$66,000 in GPF and \$1,122,000 across all funds	
Suspend repayment on old negative fund balances (one-year only)		Yes	3,000,000	-	3,000,000	100%	Implemented.	
Zoo -- Reduce subsidy 10%		Yes	100,000	100,000	100,000	100%	Implemented, subsidy agreements executed.	
Boating Center -- Reduce subsidy 10%		Yes	17,000	17,000	17,000	100%		
Chabot Space & Science -- Reduce subsidy 10%		Yes	59,500	59,500	59,500	100%		
School of the Arts -- Reduce subsidy 50%		Yes	175,000	175,000	175,000	100%		
Hacienda Peralta -- Reduce subsidy 10%		Yes	18,000	18,000	18,000	100%		
Vietnamese Senior Services -- Reduce subsidy 10%		Yes	6,000	6,000	6,000	100%		
Cypress-Mandela Training Center -- Reduce subsidy		Yes	28,000	28,000	28,000	100%		
Symphony in the Schools -- Reduce subsidy 10%		Yes	10,000	10,000	10,000	100%		
Women's Business Initiative -- Reduce subsidy 10%		Yes	15,000	15,000	15,000	100%		
Oakland Asian Cultural Center -- Reduce subsidy 10%		Yes	10,000	10,000	10,000	100%		
CEDA -- Day Laborers Program -- Reduce 10%		Yes	19,000	19,000	19,000	100%		Implemented.
Human Services -- Academics Program -- Reduce 25%		Yes	50,000	50,000	50,000	100%		Implemented. The budget has been eliminated.
IT -- Restore City Administrator Analyst (Web Support)		Yes	(128,556)	(131,187)	(36,680)	100%	Implemented.	

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

General Purpose Fund (GPF) Expenditure Items

Budget Item	Mayor Proposal?	Council Amendment?	FY 09-10 Budgeted Savings	FY 10-11 Budgeted Savings	Savings Achieved through December 31, 2009	Percent To-Date	Status
City Administrator -- Include initial funding for "OakStat" Performance Management system. Scheduled for September discussion in Finance Committee		Yes	(20,000)	(20,000)	(20,000)	100%	Funding has been included in adopted budget.
Resolution that before an Early Retirement position can be filled, City Administrator to come to CC for approval		Yes	-	-			Implemented per resolution 82236 C.M.S. on July 28, 2009.
Analysis of consolidation and implementation plan of Police and Fire 911 dispatch		Yes	-	-			At the September 29th Public Safety Committee meeting, the Committee directed staff to search for potential grant funding opportunities to study the issue of efficiency in combining the Dispatch centers
Parks & Recreation -- Increase fees at Studio One in order to become cost covering		Yes	-	-			City Council granted OPR/Studio One the authority to increase fees. OPR is developing fee structures.
City Administrator to direct Port, as a department of the City, to move forward with prefunding PERS for misc. employees		Yes	-	-	-		Implemented.
Transfer Oaklanders Assistance Center from the Mayor's Office to the City Administrator's Office		Yes	-	-	-	N/A	Implemented. A total of 5.0 FTE have been transferred to the City Administrator's Office.
Funding for Instant Runoff Voter education to be added in the fall, if necessary, after more information available from the County and State		Yes	-	-			Voters passed Rank Choice Voter initiative; community education/outreach to be implemented.
Analysis of transfer of traffic control activities from OPD to Parking Control scheduled to Committee for discussion		Yes	-	-			Request withdrawn by Council member Reid.

ATTACHMENT F

Status of Implementing Key FY 2009-11 Adopted & Amended Budget Items

Changes to Other Funds

Budget Item	Mayor Proposal?	Council amendment?	FY 09-10 Budgeted Savings	FY 09-10 Savings To-Date (through December 31, 2009)	Percent To-Date	Status
Relocate City employee parking from Clay Street and Dalziel to City Center West		Yes	233,000	-	-	As reported to the Finance & Management Committee on October 27th, employees in categories II, III, and IV will be reassigned to the basement of the Clay Street garage or Dalziel; employees in categories V and VI will be assigned to City Center West, Dalziel garage, or Clay Street basement level. Updated justification and authorization are required for all employees with reduced or free parking.
Implementing budget changes in Park Maintenance Funds	Yes					In process.
Implementing budget changes in Traffic & Transportation Funds	Yes					In process.
Clearing negatives in all funding sources.	Yes					Staff presented status report on clearing negative funds to the September 15th Finance & Management Committee meeting. Staff to return with semiannual report in March 2010. Internally, Finance & Management Agency and Budget Office staff are meeting with departments quarterly to monitor progress and provide assistance on clearing negative balances.

Organizational Restructuring

Create the Department of Human Resources						Implemented.
Move the Oaklanders Assistance Center to the City Administrator's Office						Implemented.
Move Marketing to the Community and Economic Development Agency.						Implemented.