

CITY OF OAKLAND

AGENDA REPORT

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OFFICE OF THE CITY CLERK
OAKLAND

2008 FEB 28 PM 4:45

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: City Administrator's Budget Office
DATE: March 11, 2008

RE: **Report on FY 2007-08 Second Quarter Revenue and Expenditure Results and Year-End Projections For Four Selected Funds - General Purpose Fund (1010), Telecommunications Reserve Fund (1760), Equipment Fund (4100), City Facilities Fund (4400)**

SUMMARY

This report provides information on the City's financial activity through the end of the second quarter of the fiscal year (December 31, 2007) and provides year-end projected revenues and expenditures for four selected funds - General Purpose Fund (1010), Telecommunications Reserve Fund (1760), Equipment Fund (4100), City Facilities Fund (4400).

FISCAL IMPACT

The Second Quarter Revenue & Expenditure Report includes an analysis of actual revenues and expenditures for the General Purpose Fund (GPF) and three other funds for the six-month period of July 1 through December 31, 2007 and projects year-end revenues and expenditures for these funds with highlights of significant trends. The summary table on the following page reflects the Second Quarter financial results, as follows:

In the General Purpose Fund, a \$9.52 million deficit is projected by year-end. This is mostly the result of weak real estate transfer tax revenues due to a slow down in the housing market.

In the Telecommunications Reserve/Cable Franchise Fund, a \$0.11 million surplus is projected by year-end, which will be used to draw down the negative fund balance.

In the Equipment Fund, a \$0.21 million pay back to the fund balance is projected by year-end, which is slightly lower than the \$0.62 million reflected in the current adjusted budget.

In the Facilities Fund, \$6.17 million borrowing from fund balance is projected to be required by year-end, which is a slight increase from the \$5.12 million shortfall shown in the adjusted budget.

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FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
SUMMARY (\$ in millions)

A. GENERAL PURPOSE FUND (1010)

	FY 2007-08 2nd Quarter Adjusted Budget	FY 2007-08 Projected Over/(Under)	FY 2007-08 Year-End Estimate
Revenues	\$500.62	(\$14.08)	\$486.54
Expenditures	\$502.10	(\$6.04)	\$496.06
Variance	(\$1.48)	(\$8.04)	(\$9.52)

B. TELECOMMUNICATIONS FUND (1760)

	FY 2007-08 2nd Quarter Adjusted Budget	FY 2007-08 Projected Over/(Under)	FY 2007-08 Year-End Estimate
Revenues	\$2.15	\$0.25	\$2.40
Expenditures	\$2.15	\$0.14	\$2.29
Variance	\$0.00	\$0.11	\$0.11

C. EQUIPMENT FUND (4100)

	FY 2007-08 2nd Quarter Adjusted Budget	FY 2007-08 Projected Over/(Under)	FY 2007-08 Year-End Estimate
Revenues	\$31.13	(\$0.41)	\$30.72
Expenditures	\$30.51	(\$0.00)	\$30.51
Variance	\$0.62	(\$0.41)	\$0.21

D. FACILITIES FUND (4400)

	FY 2007-08 2nd Quarter Adjusted Budget	FY 2007-08 Projected Over/(Under)	FY 2007-08 Year-End Estimate
Revenues	\$19.18	(\$1.05)	\$18.12
Expenditures	\$24.29	\$0.00	\$24.29
Variance	(\$5.12)	(\$1.06)	(\$6.17)

DISCUSSION

The information in this report is organized by fund. Each section provides an overview of actual revenues collected and expenditures incurred during the first six months of the fiscal year and projects financial activity through the end of the fourth quarter.

GENERAL ECONOMIC OVERVIEW

The U.S. Commerce Department recently released its first estimate of the fourth quarter 2007 Real Gross Domestic Product (GDP) at a 0.6 percent rate of growth, reflecting a steep drop-off from a 4.9 percent growth rate in the third quarter, and 3.8 percent in the second quarter. On an annual basis, this represents a 2.2 percent growth for 2007, as compared with 2.9 percent in 2006, and 3.1 percent in 2005. On-going economic uncertainties caused by the housing market decline and credit market problems at the end of 2007 continue to raise concerns about a spillover of these conditions into consumer spending and the probability of a recession.

The Bureau of Economic Analysis reports that the increase in real GDP growth in the fourth quarter 2007 primarily reflected increased Personal Consumption Expenditures (PCE), non-residential structures, state and local government spending, exports, and equipment and software. These increases were substantially offset by decreases from private inventory investments and residential fixed investments. Imports, which reduce GDP, increased slightly.

Consumer spending, which accounts for about 70 percent of the economy, rose at a slower annual rate of 2.0 percent in the fourth quarter, compared with an increase of 2.8 percent in the third, 1.4 in the second, and 3.7 in the first. On an annual basis, the Personal Consumption Expenditure of 2.2 percent growth for 2007 compares with 2.9 percent for 2006, and 3.1 percent for 2005. Real nonresidential fixed investment, increased 7.5 percent in the fourth quarter, compared to an increase of 9.3 percent in the third quarter. Exports of goods and services slowed in the fourth quarter, increasing 3.9 percent, as compared to an increase of 19.1 percent in the third quarter.

The housing market continues its decline as the National Association of Realtors reported a 6.0 percent year-over-year decrease in existing home median sales price from December 2006 to December 2007, and a 22 percent decrease in the number of homes sold nation-wide over the same period.

Steady employment growth, low unemployment, and rising income, which have helped to fuel consumer spending and GDP growth for most of 2007, slowed substantially at the end of the year. The U.S. Department of Labor's jobs report showed that hiring practically stalled in December 2007, adding only 18,000 jobs, and driving the nation's unemployment rate up to a two-year high of 5 percent. Job losses in construction and manufacturing offset much of the gain in other industries. Average hourly earnings rose by 7 cents, or 0.4 percent.

Due to the risks to the economy posed by the housing and credit markets, rising energy prices, and the potential spill-over effect of these risks into the overall economy, many economists are reporting a higher probability for a recession. To underscore that concern, the Feds, while anxious about inflation risk, continued cutting interest rates several times since December 2007. The latest was another one-half point cut January 30, 2008, bringing the federal funds rate down to 3.0 percent.

Current Political/Legal Issues

The Governor's January 2008 release of the proposed State's 2008-09 budget was accompanied by a declaration of a fiscal emergency and a call to create a permanent solution to the State's structural budget deficit. To address the State's 2007-08 projected budget deficit, as well as the 2008-09 proposed budget, he called for various actions including a 10 percent cut across all state agencies and programs.

City programs and state funding that will be impacted by the Governor's proposed budget are as follows:

- Citizens Option for Public Safety (COPS) program funding is expected to be impacted by the Governor's ten percent across the board cut, decreasing funding on the approximately \$700,000 collected by the City of Oakland.
- Proposition 42, Transportation Congestion Improvement Act, is slated for full funding in FY 2008-09 estimated at \$1.485 billion. This funding would allocate \$594.2 million for the State Transportation Improvement Program (STIP), \$297.1 million to counties, \$297.1 million to cities and \$297.1 million to the Public Transportation Account.
- Highway User Tax payments for local streets and roads is expected to be delayed. The State will withhold the standard excise payments to local governments April through August and will then provide the entire lump sum in September. Oakland will be impacted by a delay in receiving \$3.3 million, but the Governor intends to continue to fully fund the program.
- State Mandates Reimbursement Funding is proposed in the amount of \$139 million for reimbursement of claims incurred prior to July 1, 2007. Of this amount \$75 million is proposed for the third payment of reimbursement claims owed to local governments for costs incurred prior to July 1, 2004. The amount of reimbursement due to Oakland under this funding program is not known at this time.

In summary, compared to many other portions of the budget, it does not appear that cities are materially affected by the State cuts, since the proposed budget continues to support various city programs.

GENERAL PURPOSE FUND

REVENUE HIGHLIGHTS

For FY 2007-08, revenues for the General Purpose Fund are budgeted at \$500.62 million. During the first six months of the fiscal year, the City received \$208.16 million or 41.6 percent of the budgeted amount. Based upon this collection data, General Purpose Fund revenues are projected to end the year at \$486.54 million, which is \$14.08 million lower than the budgeted amount. The projected shortfall is due primarily to various revenues projected to come in under-budget, such as the Real Estate Transfer Tax (-\$26.62 million) and Vehicle License Fee (-\$1.15 million). This shortfall is partially offset by the projection of higher year-end revenues originally budgeted for: Miscellaneous Revenue (\$3.35 million); Property Tax (\$4.62 million); Business License Tax

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Revenues (\$2.0 million); Interest Income (\$2.0 million); Utility Consumption Tax (\$0.82 million); and Grants and Subsidies Revenue (\$0.90 million).

The shortfall in revenues is due in large part to deteriorating economic conditions brought on by the continuing housing market slump, and sub-prime financial market problems. These economic problems have finally spilled over into consumer confidence and employment, and have slowed business and consumption activities. Property Tax Revenue and Miscellaneous Revenue are the two bright spots in the overall revenue picture. Property Tax Revenue in the second quarter came in strong, while sale of a city property boosted Miscellaneous Revenue. Attachment A-1 identifies budgeted revenues and actual revenues received through the 2nd quarter, and year-end projections for FY 2007-08.

Revenue categories within the General Purpose Fund that are projected to vary from the amount budgeted are discussed below.

Property Tax

The largest source of revenue to the City's General Purpose Fund is property tax revenue, which is projected to be \$126.34 million or \$4.62 million over the amount budgeted. This additional revenue is the result of a higher than anticipated increase in assessed valuation within the City.

Vehicle License Fee (VLF)

Vehicle License Fee revenue received through the second quarter totaled \$1.09 million, compared to the budgeted amount of \$3.04 million. Due to several factors negatively impacting this revenue, it is projected that VLF revenue will end the year at \$1.89 million, \$1.15 million lower than budget. Auto sales and new auto sales registrations are lagging, which are large components of the license fee. Additional negative factors include a large increase in the Department of Motor Vehicle administrative fees, and a shift of VLF revenues to newly incorporated cities and cities with annexed areas.

Business License Tax

Business License Tax revenue is budgeted at \$47.92 million. Second quarter collections came in at \$2.54 million compared to \$1.93 million the same period a year ago. Staff is projecting that the year-end revenue will be \$49.92 million; \$2.0 million higher than budget. The projection is in line with the actual collections received in FY 2006-07. It should be noted that third quarter collection data will provide a better basis for a year-end projection, since most of this revenue is collected in the third quarter.

Real Estate Transfer Tax (RETT)

RETT actual revenue through the end of the second quarter was \$20.26 million, which is 32.7 percent lower than second quarter collections in FY 2006-07. The \$20.26 million represents only 30.1 percent of the current budget of \$67.22 million. Based on this declining trend, revenues are projected to end the year at \$40.60 million, about \$26.62 million below budget.

This trend is consistent with the continuing real estate slowdown. Housing industry data reported by Dataquick for Alameda County revealed that the number of sales in December 2007 declined 38.1 percent as compared to December 2006, while home median prices declined by 8.3 percent.

Utility Consumption Tax

Utility Consumption Tax revenue is budgeted at \$52.18 million. Second quarter collections came in at \$25.04 million compared to \$23.81 million for the same period a year ago. Based on this higher collection rate, staff is projecting that the year-end revenue will be \$53.0 million; \$0.82 million higher than budget.

Interest Income

Interest income received through the second quarter of 2007-08 was \$1.40 million, compared to \$1.28 million received in the second quarter of 2006-07. Staff is projecting that interest income will end the year at \$2.0 million. The ending balance of interest income depends on a variety of factors, including the funds available for investments, the level of interest rates, and cash flow status of the City's funds.

Grants & Subsidies

Grant & Subsidies revenue through the end of the second quarter was \$0.35 million which included reimbursements from the State for costs incurred by the City in fulfilling state mandates. The reimbursements were not budgeted because in prior years the State has been erratic in providing reimbursement for these costs. Since it is unclear whether any additional reimbursements for State-Mandated costs will be received, Grants & Subsidies revenue is projected to end the year at \$0.95 million.

Miscellaneous Revenue

Miscellaneous revenue collected through the end of the second quarter was \$4.75 million, which represents 193.1 percent of the amount budgeted. A large one-time amount was collected from the sale of city property. Year-end revenue is projected to end the year at \$5.81 million, \$3.35 million higher than the budgeted \$2.46 million.

Carryforwards

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 2007-08, \$19.83 million in projects and encumbrances were carried forward from FY 2006-07 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 all project and encumbrance carryforward balance will be expended.

EXPENDITURE HIGHLIGHTS

As outlined in Attachment A-2, the General Purpose Fund expenditures through the end of December totaled \$254.44 million, or 50.7 percent of the amount budgeted for FY 2007-08. Total expenditures are projected to end the year at \$496.06 million, which is \$6.04 million under budget. The projected under-expenditure is the net result of a projected over-expenditure within Police Services of \$1.2 million, which is offset by under-expenditures in other agency/departmental budgets.

Provided below is a discussion of the projected over-expenditure within Police Services. Other agencies/departments are not discussed as they are projected to complete the year within or under budget.

Police Services Agency

OPD anticipates overspending the FY07-08 budget by \$1.2 million. This is primarily due to overtime over-expenditures. The majority of the over-expenditure in overtime is absorbed by salary savings. The department continues to accelerate its efforts to recruit and hire police officers, while simultaneously implementing reforms associated with the Negotiated Settlement Agreement, both of which are costly endeavors.

GPF VACANCIES BY DEPARTMENT

DEPARTMENT	VACANT FTE	TOTAL GPF FTEs	VACANCY (%)	NOTES
Mayor	1.00	21.50	4.65%	No savings are anticipated.
City Council	0.50	26.79	1.87%	Savings are expected due to vacancies during the first half of the fiscal year.
City Administrator	7.00	55.30	12.66%	Savings are expected due to vacancies.
City Clerk	1.00	13.00	7.69%	Savings are not expected due to step/merit increases not budgeted.
City Attorney	0.00	59.35	0.00%	No savings are anticipated as there are no vacancies.
City Auditor	1.00	9.00	11.11%	Salary savings from the vacant position will be spent on professional service contracts.
Finance & Management	8.00	233.95	3.42%	Salary savings are expected due to vacancies throughout the year.
Contracting & Purchasing	4.00	20.00	20.00%	Salary savings are anticipated due to vacancies. Partial savings will be used to fund one disparity study hearing, not previously budgeted.
Information Technology	5.00	77.00	6.49%	Due to recent vacancies there are no projected year-end savings.
Police Services	80.00	1106.95	7.23%	There are no savings projected in personnel due to high overtime spending.
Fire Services	44.00	567.00	7.76%	There are nominal savings projected in personnel due to high overtime spending.
Public Works	0.00	30.08	0.00%	No salary savings are anticipated as there are no vacancies.
Parks & Recreation	12.25	189.85	6.45%	Salary savings are anticipated due to vacancies.
Library Services	11.00	118.99	9.24%	Library anticipates salary savings due to vacancies.
Museum	2.50	47.83	5.23%	Salary savings are anticipated due to vacancies.
Human Services	1.00	28.49	3.51%	Savings are expected from vacancies & under-filling one position.
Community & Economic Dev	1.00	9.00	11.11%	Vacancy is in Rent Arbitration, which is restricted.
Grand Total	179.25	2,614.08	6.86%	

TRANSFERS FROM PERSONNEL TO O&M BY DEPARTMENT

Pursuant to Resolution No. 80777 C.M.S., dated July 17, 2007, staff is tracking the transfer of funds budgeted to personnel accounts. Please see Attachment E for details of such transfers in FY 2007-08, as of December 31, 2007.

BALANCING MEASURES

Due to the projected year-end deficit, staff is considering numerous actions and changes for the balance of the year. A selective hiring freeze will be observed. Recruitment in the General Purpose Fund for Non-Public Safety positions will be limited through the end of the fiscal year by allowing only internal recruitments. Additionally, transfers from personnel savings to operating accounts will not be approved within the GPF for the remainder of the fiscal year. Staff is also reviewing expenditures to ensure costs are appropriately allocated to other funds. Finally, *staff plans to analyze balances from Capital Improvement Projects to identify projects that could be recommended for deferral.* After reviewing and analyzing these and other options, staff will return to Council with additional balancing measures in the Third Quarter Revenue and Expenditure Report.

TELECOMMUNICATIONS FUND

FUND HISTORY AND PURPOSE

The City charges franchise fees for four main utility services: cable TV, gas and electric, garbage collection, and sewers. The cable TV franchise fee revenue received by the City is split between the General Purpose Fund (GPF) and the Telecommunications Fund. Revenue from the Telecommunications Fund is primarily spent on the City's telecommunication activities, with over 98 percent of revenues historically going to KTOP.

Oakland's cable television franchise was awarded to Lenfest West Inc. in 1983, and transferred to TeleCommunications, Inc. (TCI) in 1996, and then to AT&T Broadband in 1999. AT&T Broadband was subsequently purchased by Comcast.

Revenue to the Telecommunications Fund comes from quarterly payments by Comcast under terms spelled out in a contract with the City. Payments are based on the gross receipts Comcast derives from the franchise agreement. The Telecommunications Fund receives 40 percent of the cable television fees; the other 60 percent goes to the GPF. Budgeted revenue for the Telecommunications Fund is identified in Attachment B-1.

The Telecommunication Fund has, over the years, accumulated a negative fund balance due to revenue under-collection and/or overspending. For example, the FY 2007-08 Adopted Budget estimated revenues of \$1.05 million (not including the fund transfer) and expenditures of \$2.24 million, which creates a structural deficit of \$1.30 million. As part of the FY 2005-07 Adopted Policy Budget, Council approved a rebalancing of the Fund over the next ten years. This gradual repayment of the negative balance will continue to require contributions from the GPF. Absent these contributions, the structural operating deficit would grow.

REVENUE HIGHLIGHTS

Interest Income

The Telecommunications Fund has generated negative interest charges of \$0.03 million through the end of December 2007 due to the negative fund balance discussed above. The negative interest is projected to reach \$0.06 million by year-end.

Service Charges (Franchise Fees)

Franchise revenue received through December 31st totaled \$0.31 million of the \$1.01 million budget. Revenue activity represents only one quarter of Comcast payments, due to the approximate one-month lag in remittances. Based on the cable franchise agreement and historical trends, year-end revenue is projected to reach \$1.23 million.

Miscellaneous

These are revenues generated through the operation of KTOP studio and other production services. Based on a high year to date actuals till December 31st, year-end revenue is projected to reach \$0.12 million which is \$0.09 million higher than the Adjusted Budget.

Fund Transfers

For the FY 2007-08, the fund is scheduled to receive \$0.49 million in fund transfers from the GPF. For the second quarter, the Telecommunications Fund has collected \$0.25 million, or 50%, and all transfers are expected to be fully realized.

EXPENDITURE HIGHLIGHTS

The FY 2007-08 budget contains appropriations for three departments within the Telecommunications Fund: City Administrator's Marketing Division (KTOP unit), Oakland Public Library, and Non-Departmental. The FY 2007-08 appropriation totals \$2.15 million, of which \$1.45 million is dedicated to KTOP for operating expenditures, \$0.06 million is budgeted for the Public Library and \$0.05 million is budgeted for Non-Departmental payments related to the Cable Franchise Contract. An additional \$0.59 million is appropriated to the Capital Improvement Program for KTOP capital improvements. A summary of the Telecommunication Fund budget is provided as attachment B-2.

Through the end of the second quarter of FY 2007-08, approximately \$0.84 million, or 39.2 percent of the approved budget had been expended. Year-end spending is projected to be \$2.29 million or \$0.14 million over budget due to overspending in KTOP personnel charges.

EQUIPMENT FUND

FUND HISTORY AND PURPOSE

The Equipment Fund is an Internal Service Fund. Revenue to an Internal Service Fund, in the form of charges to users, should be sufficient to cover the cost of providing the service.

The Equipment Fund supports the maintenance and replacement of the City's motorized vehicles. The activities involved include determining fleet requirements, performing preventive maintenance and repairs, providing fuel, purchasing new and disposing of surplus vehicles. Services are provided by the Equipment Services Division within the Public Works Agency.

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As described above, annual department payments to the Equipment Fund should be at a level sufficient to cover the Fund's annual costs. However, for the past several fiscal years, the Equipment Services Division's costs have exceeded actual revenues, which have resulted in an operating deficit.

The Equipment Fund's FY 2007-08 original adopted budget includes \$16.37 million in budgeted revenue and \$15.75 million in new appropriations, which results in a surplus budget. Council approved an increase to the Equipment Fund rates, and a rebalancing of the Fund over a ten-year period to eliminate the deficit over time. The imbedded surplus is intended to aid the elimination of the deficit.

REVENUE HIGHLIGHTS

Fines & Penalties, Interest, Internal Service and Miscellaneous Revenues

Equipment Fund revenue through the second quarter was \$2.11 million, representing 11.2 percent of the FY 2007-08 budget. While recorded revenues are considerably low for the quarter, staff anticipates that revenues will be recorded in the second half of the fiscal year. The subtotaled year-end revenue (excluding carryforwards) is projected to be roughly at budget. (Please see *Attachment C-1* for details).

Carryforward Revenue

At the end of each fiscal year, the City has many unspent appropriations that can potentially be carried forward into the next fiscal year. These exist either in projects or as non-project encumbrances. In FY 2007-08, \$12.38 million in project appropriations and non-project encumbrances were carried forward from FY 2006-07 in the Equipment Fund.

EXPENDITURE HIGHLIGHTS

The Public Works Agency spent \$14.16 million or 46.4 percent of its \$30.51 million budget in the Equipment Fund through the end of December 2007. The vast majority of these expenditures are related to the Equipment Services Division (see *Attachment C-2* for expenditure details). The department anticipates spending at budget.

The Capital Improvement Program spending to-date in the Equipment Fund is roughly \$2.25 million. By year-end, the Equipment Fund's CIP budget is anticipated to be spent on vehicle lease-purchases.

FACILITIES FUND

FUND HISTORY AND PURPOSE

The Facilities Fund is an Internal Service Fund. Revenue to an Internal Service Fund, in the form of charges to users, should be sufficient to cover the cost of providing the service.

The Facilities Fund accounts for maintenance of all City facilities which house programming and administrative staff, including the Police Administration Building, fire stations, Civic Center Complex, and various other City offices and facilities. The Fund also provides maintenance to

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all park facilities, including tot-lots and swimming pools. Services include janitorial, security, building design, and building retrofits to comply with applicable regulations. The services are provided by the Public Works Agency. The Fund does not support the custodial services of park and recreational facilities, senior centers, Head Start centers and libraries.

Over the past several years, the Facilities Fund, similar to the Equipment Fund (and for the same reasons), has had budgeted appropriations greater than budgeted revenues, and actual expenditures greater than actual revenues. For FY 2007-08, budgeted new revenue was \$18.57 million, while original adopted expenditures were \$23.58 million, creating an operating deficit.

To address the structural deficit, the City Council approved an increase to Facilities Fund rates, and a rebalancing of the Fund. Without these changes, the ongoing structural deficit would be even greater.

REVENUE HIGHLIGHTS

Interest, Service Charges and Internal Service Revenues

Revenues for the Facilities Fund through the second quarter are at \$9.53 million or 51 percent of the adopted revenue budget. The Internal Service (work order) revenue through the second quarter was \$9.56 million. The subtotaled year-end revenue (excluding carryforwards) is projected to be under budget, reaching \$17.63 million, due to negative interest earnings. (see *Attachment D-1* for revenue details).

Carryforward Revenue

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. In FY 2007-08, \$0.49 in project appropriations and non-project encumbrances were carried forward from FY 2006-07 in the Facilities Fund. All of the carryforward is projected to be spent by year-end.

EXPENDITURE HIGHLIGHTS

Agencies within the Facilities Fund have spent \$12.15 million or 50 percent of its \$24.29 million adjusted budget through the end of December 2007. Nearly all (99 percent) of these expenditures were related to the Department of Facilities & Environment, and within the Facilities Services and Park & Building Maintenance Divisions. (see *Attachment D-2* for expenditure details).

The Facilities Fund has only one Capital Improvement Project budgeted, a project to replace a Heating, Ventilation and Air Conditioning (HVAC) system at one of the Edgewater buildings. This project will be completed by year-end.

Given spending to date and accounting for anticipated changes in future spending patterns, the Facilities Fund is projected to spend at budget.

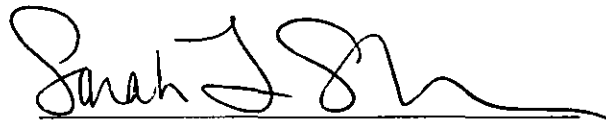
RECOMMENDATION(S) AND RATIONALE

Staff requests the City Council accept this report and provide direction for Departments that are projected to overspend per Resolution No. 78615 C.M.S., adopted on June 15, 2004 (Attachment E).

ACTION REQUESTED OF THE CITY COUNCIL

Accept this report and provide direction for Departments that are projected to overspend.

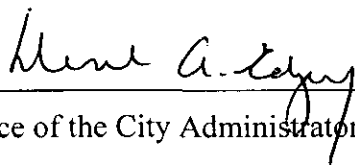
Respectfully submitted,



SARAH T. SCHLENK
Budget Director

Prepared by:
Kiran Bawa
Principal Financial Analyst

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*
- B-1: Telecommunications Fund Revenues*
- B-2: Telecommunications Fund Expenditures*
- C-1: Equipment Fund Revenues*
- C-2: Equipment Fund Expenditures*
- D-1: Facilities Fund Revenues*
- D-2: Facilities Fund Expenditures*
- E: Transfer from Personnel to O&M*
- F: Resolution No. 78615 C.M.S.*

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FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actuals	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q2 to Q2
PROPERTY TAX	109.14	55.32	50.7%	116.47	\$121.72	\$62.67	51.5%	\$126.34	\$4.62	Higher than budgeted assessed valuation.	13.3%
SALES TAX	44.41	23.92	53.9%	46.69	\$48.96	\$26.15	53.4%	\$48.96	\$0.00		9.3%
VEHICLE LICENSE FEE (VLF) - TAX & BACKFILL	2.13	1.60	75.1%	2.27	\$3.04	\$1.09	35.8%	\$1.89	(\$1.15)	Lower auto sales, increase in DMV admin fees, and reallocation of revenue to cities with annexation.	-31.9%
BUSINESS LICENSE TAX	47.80	1.93	4.0%	50.33	\$47.92	\$2.54	5.3%	\$49.92	\$2.00	Based on strong revenue collections in FY 2006-07.	31.6%
UTILITY CONSUMPTION TAX	51.46	23.81	46.3%	51.43	\$52.18	\$25.04	48.0%	\$53.00	\$0.82	Based on stronger than budget 2nd quarter collections.	5.2%
REAL ESTATE TRANSFER TAX	63.23	30.11	47.6%	61.50	\$67.22	\$20.26	30.1%	\$40.60	(\$26.62)	Continuing housing downtrend.	-32.7%
TRANSIENT OCCUPANCY TAX	10.01	6.16	61.5%	11.82	\$12.36	\$6.68	54.0%	\$12.36	\$0.00		8.4%
PARKING TAX	9.00	4.33	48.1%	8.89	\$9.45	\$4.43	46.9%	\$9.45	\$0.00		2.3%
LICENSES & PERMITS	1.30	0.34	26.2%	1.06	\$1.23	\$0.58	47.1%	\$1.23	\$0.00		70.6%
FINES & PENALTIES	26.45	11.69	44.2%	25.98	\$27.75	\$11.08	39.9%	\$27.75	\$0.00		-5.2%
INTEREST INCOME	0.00	1.28	N/A	3.18	\$0.00	\$1.40	N/A	\$2.00	\$2.00		9.4%
SERVICE CHARGES	47.28	14.20	30.0%	45.37	\$46.27	\$13.58	29.3%	\$46.27	\$0.00		-4.4%
GRANTS & SUBSIDIES	0.53	0.07	13.2%	5.42	\$0.05	\$0.35	65.4%	\$0.95	\$0.90	Unbudgeted State Mandate Reimbursements.	400.0%
MISCELLANEOUS	2.06	1.85	89.8%	12.33	\$2.46	\$4.75	193.1%	\$5.81	\$3.35	Proceeds from sale of property.	156.8%
FUND TRANSFERS	48.10	18.49	38.4%	49.89	\$40.17	\$12.24	30.5%	\$40.17	\$0.00		-33.8%
SUBTOTAL	462.90	195.10	42.1%	492.63	\$480.79	\$192.84	40.1%	\$466.71	(\$14.08)		-1.2%
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES	17.05	10.76	63.1%	N/A	\$19.83	\$15.32	77.3%	\$19.83	\$0.00		42.4%
TOTAL	479.95	205.86	42.9%	492.63	\$500.62	\$208.16	41.6%	\$486.54	(\$14.08)		-1.1%

FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actual Spending	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year-End \$ (Over) / Under	Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings	Yr-to-Yr Growth Q2 to Q2
MAYOR	2.33	1.03	44.2%	2.67	\$3.15	\$1.61	51.0%	\$3.15	\$0.00	0.04%	Mayor is anticipated to spend within their budget.	55.9%
CITY COUNCIL	4.92	2.30	46.7%	3.73	\$4.33	\$2.27	52.5%	\$4.12	\$0.21	4.86%	Council is anticipated to save in personnel due to vacancies.	-1.2%
CITY ADMINISTRATOR	9.37	4.41	47.1%	9.40	\$9.30	\$4.49	48.3%	\$8.78	\$0.51	5.52%	CAO is anticipated to save in personnel due to vacancies.	1.8%
CITY ATTORNEY	8.75	4.21	48.1%	8.89	\$9.45	\$4.49	47.5%	\$9.05	\$0.40	4.23%	Estimated savings due to underspending in the Vehicle Seizure program.	6.7%
CITY AUDITOR	1.29	0.44	34.1%	0.96	\$1.34	\$0.62	46.5%	\$1.34	\$0.00	0.00%	Auditor is anticipated to spend at budget with the anticipated outside contract services effort yet to be expended.	41.4%
CITY CLERK	2.80	1.34	47.9%	2.81	\$2.77	\$0.99	35.6%	\$2.52	\$0.25	9.02%	Clerk is expected to spend at budget except the amount allocated to Instant Runoff Voter education.	-26.3%
CONTRACTING & PURCHASING	N/A	N/A	N/A	N/A	\$2.34	\$0.90	38.6%	\$2.19	\$0.15	6.41%	DCP anticipates underspending due to salary savings.	N/A
INFORMATION TECHNOLOGY	N/A	N/A	N/A	N/A	\$11.13	\$5.91	53.1%	\$11.13	\$0.00	0.00%	DIT will spend at budget.	N/A
FINANCE & MANAGEMENT	37.02	17.65	47.7%	36.23	\$32.62	\$14.68	45.0%	\$31.34	\$1.28	3.92%	FMA is anticipated to spend under budget due to salary savings and deferred projects.	-16.8%
POLICE SERVICES	187.79	96.93	51.6%	194.23	\$190.74	\$95.46	50.0%	\$191.93	(\$1.19)	-0.62%	OPD will overspend due to overtime costs.	-1.5%
FIRE SERVICES	105.44	50.61	48.0%	101.67	\$109.35	\$52.87	48.3%	\$106.85	\$2.50	2.29%	Estimated savings mostly due to operational efficiencies.	4.5%
MUSEUM	6.13	3.00	48.9%	11.44	\$6.76	\$3.56	52.8%	\$6.49	\$0.27	4.00%	The Museum anticipates salary savings due to vacancies.	18.8%
LIBRARY SERVICES	12.38	6.12	49.4%	12.15	\$12.90	\$5.80	44.9%	\$12.39	\$0.51	3.95%	The Library is anticipated to spend under budget due to salary savings and deferred acquisition of Electronic/Digital media and security & network equipment until FY 2008-09.	-5.3%
PARKS & RECREATION	13.53	7.25	53.6%	13.72	\$15.13	\$8.43	55.7%	\$14.79	\$0.34	2.25%	OPR anticipates salary savings due to vacancies; spending in the 1st Qtr is usually higher than normal due to summer programs.	16.3%
HUMAN SERVICES	7.88	3.16	40.1%	6.55	\$8.11	\$3.87	47.7%	\$7.88	\$0.23	2.81%	DHS will spend under budget due to savings in personnel and project funds.	22.5%
PUBLIC WORKS	4.13	1.00	24.2%	2.59	\$2.91	\$1.26	43.3%	\$2.79	\$0.12	4.21%	PWA will spend under budget due to savings in facilities management.	26.1%
COMM & ECON DEVELOPMENT	5.40	2.43	45.0%	2.49	\$5.31	\$2.14	40.3%	\$4.85	\$0.46	8.59%	CEDA is anticipated to spend under budget due to savings in Real Estate and other project funds.	-11.9%
NON-DEPARTMENTAL	64.19	25.31	39.4%	61.45	\$65.90	\$40.46	61.4%	\$65.90	\$0.00	0.00%		59.9%
SUBTOTAL	473.35	227.19	48.0%	470.98	\$493.53	\$249.82	50.6%	487.49	\$6.04	1.22%		10.0%
CAPITAL IMPROVEMENT PROGRAM	6.44	0.12	1.9%	1.83	\$8.57	\$4.63	54.0%	\$8.57	\$0.00	0.00%		3755.0%
TOTAL	\$479.79	\$227.31	47.4%	472.81	\$502.10	\$254.44	50.7%	498.06	\$6.04	1.20%		11.94%

FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
TELECOMMUNICATIONS FUND REVENUES (\$ in millions)

Revenue Category	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actuals	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q2 to Q2
INTEREST INCOME	0.00	(0.05)	N/A	(0.08)	0.00	(0.03)	N/A	(0.06)	(0.06)	Negative interest income due to negative Fund Balance.	-777.8%
SERVICE CHARGES	1.01	0.30	29.9%	1.22	1.01	0.31	30.4%	1.23	0.22	Represents only one quarter of Comcast payments; lag in collection/recording of payments.	N/A
MISCELLANEOUS	0.04	0.02	44.3%	0.05	0.03	0.07	217.7%	0.12	0.09	Marketing fee collections are higher than expected.	301.7%
FUND TRANSFERS	0.29	0.14	50.0%	1.15	0.49	0.25	50.0%	0.49	0.00	Fund transfers are expected to come at target.	N/A
TOTAL	1.34	0.42	31.3%	\$2.34	\$1.54	\$0.60	38.9%	\$1.79	\$0.25		42.7%
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES					0.61	0.00	0.0%	0.61	0.00		
TOTAL	\$1.34	\$0.42	31.3%	\$2.34	\$2.15	\$0.60	27.8%	\$2.40	\$0.25		

FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
TELECOMMUNICATIONS FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actual Spending	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year-End \$ (Over) / Under	Year-End (Over) / Under as % of Adjusted	Explanation of (Overspending) / Savings	Yr-to-Yr Growth Q2 to Q2
CITY ADMINISTRATOR	1.28	0.72	56.3%	1.46	1.45	0.83	56.9%	1.64	(0.19)	-13.03%	Overspending in personnel (KTOP is fully staffed).	14.8%
LIBRARY SERVICES	0.06	0.02	33.3%	0.03	0.06	0.01	24.9%	0.03	0.02	39.58%	Saving due to vacant Library Assistant PPT.	-29.6%
PUBLIC WORKS	0.00	0.00	N/A	0.03	0.00	(0.03)	N/A	-0.03	0.03	N/A	Payment from PWA for TVSeries (Doing Green Thing).	N/A
NON-DEPARTMENTAL	0.05	0.07	140.0%	0.06	0.05	0.00	0.0%	0.05	0.00	0.00%	Spend within budget.	-100.0%
SUBTOTAL	1.39	0.81	58.3%	1.59	1.56	0.81	52.0%	1.70	(0.14)	-8.77%		0.0%
CAPITAL IMPROVEMENT PROGRAM	1.09	0.00	0.0%	0.01	0.59	0.03	5.3%	0.59	0.00	0.00%	Spend within budget.	N/A
TOTAL	\$2.48	\$0.81	32.7%	1.59	\$2.15	\$0.84	39.2%	\$2.29	(\$0.14)	-6.36%		3.9%

FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
EQUIPMENT FUND REVENUES (\$ in millions)

Revenue Category	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actuals	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q2 to Q2
FINES & PENALTIES	0.10	0.00	0.0%	0.01	0.04	0.00	0.0%	0.04	0.00		N/A
INTEREST INCOME	0.00	(0.07)	N/A	(0.21)	2.38	(0.28)	-11.7%	1.96	(0.43)	Negative interest is anticipated on a negative fund balance.	298.3%
INTERNAL SERVICE	15.58	10.27	65.9%	17.60	16.26	2.30	14.2%	16.26	0.00		-77.6%
MISCELLANEOUS	0.32	0.00	0.0%	(1.51)	0.06	0.08	130.9%	0.08	0.02		N/A
SUBTOTAL	\$16.00	\$10.20	63.8%	15.89	18.75	2.11	11.2%	18.34	(0.41)		-79.3%
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES	13.11	8.63	65.8%	0.00	12.38	0.00	0.0%	12.38	0.00		-100.0%
TOTAL	\$29.11	\$18.83	64.7%	\$15.89	\$31.13	\$2.11	6.8%	\$30.72	(\$0.41)		-88.8%

FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
EQUIPMENT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actual Spending	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year-End \$ (Over) Under	Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings	Yr-to-Yr Growth Q2 to Q2
INFORMATION TECHNOLOGY	0.00	0.00	N/A	0.90	0.09	0.00	0.2%	0.09	0.00	N/A	DIT will spend its appropriation by years end.	N/A
PARKS & RECREATION	0.00	0.00	N/A	0.04	0.00	0.00	N/A					
PUBLIC WORKS	28.13	13.40	47.6%	16.07	28.17	14.16	50.3%	28.17	0.00	0.01%	PWA is expected to spend at budget.	5.7%
NON-DEPARTMENTAL	0.00	0.91	N/A	0.00	0.00	0.00	N/A	0.00	0.00	N/A		N/A
CAPITAL IMPROVEMENT PROGRAM	2.62	0.26	9.9%	5.29	2.25	0.00	0.0%	2.25	0.00	0.00%	The CIP budget is expected to be spent on Vehicle replacements.	-100.0%
TOTAL	\$30.75	\$14.57	47.4%	\$22.30	\$30.51	\$14.16	46.4%	\$30.51	0.00	0.01%		-2.8%

FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actuals	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q2 to Q2
INTEREST INCOME	0.00	(0.39)	N/A	(0.86)	0.25	(0.26)	-105.9%	(0.91)	(1.16)	Negative interest is anticipated on a negative fund balance.	-32.1%
SERVICE CHARGES	0.61	0.31	50.8%	0.02	0.03	0.01	26.3%	0.03	0.00		-97.4%
INTERNAL SERVICE	17.71	4.48	25.3%	18.03	18.29	9.56	52.3%	18.29	0.00		113.5%
MISCELLANEOUS	0.00	0.00	N/A	N/A	0.12	0.23	186.9%	0.23	0.11	Revenue increase is due in part to the Solar Power Lease project.	N/A
OPERATING TRANSFERS IN	0.00	0.00	N/A	0.00	0.00	0.00	N/A	0.00	0.00		N/A
SUBTOTAL	18.32	4.40	24.0%	17.19	18.69	9.53	51.0%	17.63	(1.05)		116.6%
CARRYFORWARDS & PRIOR YEAR ENCUMBRANCES	0.00	0.00	N/A	0.00	0.49	0.00	0.0%	0.49	0.00		N/A
TOTAL	\$18.32	\$4.40	24.0%	\$17.19	\$19.18	\$9.53	49.7%	\$18.12	(\$1.05)		116.6%

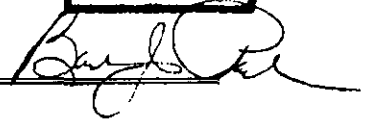
FY 2007-08 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2007 through December 31, 2007)
FACILITIES FUND EXPENDITURES (\$ in millions)

Agency/Department	FY 2006-07 2nd Qtr Adjusted Budget	FY 2006-07 2nd Qtr Actuals	FY 2006-07 Percent To Date	FY 2006-07 Year-End Actuals	FY 2007-08 2nd Qtr Adjusted Budget	FY 2007-08 2nd Qtr Actual Spending	FY 2007-08 Percent To Date	FY 2007-08 Year-End Estimate	Year- End \$ (Over)/ Under	Year-End (Over)/ Under as % of Adjusted Budget	Explanation of (Overspending) / Savings	Yr-to-Yr Growth Q2 to Q2
INFORMATION TECHNOLOGY	0.00	0.00	N/A	0.00	0.09	0.05	51.6%	0.09	0.00	0.00%		N/A
POLICE	0.12	0.01	8.3%	0.11	0.13	0.01	7.6%	0.13	0.00	0.00%	OPD is anticipated to fully charge for staff.	-3.6%
PUBLIC WORKS	22.66	10.39	45.9%	22.36	24.07	12.09	50.2%	24.07	0.00	0.00%		16.3%
NON-DEPARTMENTAL	0.00	0.00	N/A	-0.06	0.00	0.00	N/A	0.00	0.00	N/A		N/A
CAPITAL IMPROVEMENT PROC	0.08	0.00	0.0%	0.01	0.00	0.00	100.0%	0.00	0.00	0.00%		N/A
TOTAL	\$22.86	\$10.40	45.5%	22.42	\$24.29	\$12.15	50.0%	\$24.29	\$0.00	0.00%		16.8%

TRANSFERS FROM PERSONNEL TO O&M
(ADOPTED BUDGET to MIDYEAR)

Agency / Department	FY 2007-08 ADOPTED PERSONNEL		VARIANCE (BY \$)		VARIANCE (BY %)
	All Funds	GPF	All Funds	All Funds	All Funds
MAYOR	3,129,227	-	0		0.00%
CITY COUNCIL	4,510,052	(3,300)	(6,600)		-0.15%
CITY ADMINISTRATOR	11,699,982	(19,622)	(19,622)		-0.17%
CITY CLERK	1,425,420	-	0		0.00%
CITY ATTORNEY	14,099,255	-	0		0.00%
CITY AUDITOR	1,232,184	(54,316)	(54,316)		-4.41%
FINANCE & MANAGEMENT	29,565,687	(174,350)	(174,350)		-0.59%
CONTRACTING AND PURCHASING	2,976,705	(33,000)	(33,000)		-1.11%
INFORMATION TECHNOLOGY	13,330,151	-	0		0.00%
POLICE SERVICES	183,475,937	-	(273,675)		-0.15%
FIRE SERVICES	108,214,891	(38,402)	(85,126)		-0.08%
PUBLIC WORKS	62,496,249	-	(71,493)		-0.11%
PARKS & RECREATION	12,832,727	-	0		0.00%
LIBRARY SERVICES	19,531,711	-	0		0.00%
MUSEUM	5,124,716	(10,159)	(10,159)		-0.20%
HUMAN SERVICES	18,762,382	(29)	(24,074)		-0.13%
COMM & ECON DEVELOPMENT	48,211,879	-	(213,321)		-0.44%
NON-DEPARTMENTAL	-				
CAPITAL IMPROVEMENT PROGRAM	-				
Total	540,619,155	(333,178)	(965,736)		-0.18%

OAKLAND CITY COUNCIL

REVISEDFILED
OFFICE OF THE CITY CLERK
OAKLANDResolution No. 78615 = C.M.S.

2004 JUN -3 PM 7:45

RESOLUTION REQUIRING THE CITY ADMINISTRATOR TO SEEK CITY COUNCIL DIRECTION ON PROJECTED YEAR-END OVERSPENDING OF ANY CITY AGENCY / DEPARTMENT, AS REFLECTED IN QUARTERLY REVENUE AND EXPENDITURE REPORTS

WHEREAS, the City Council adopts a biennial budget of the City of Oakland, including specific appropriations for all City agencies / departments; and

WHEREAS, the City's budget, including individual appropriations of City agencies / departments is adjusted throughout the fiscal year, as a result of appropriating new revenues, accepting grants, transferring programs, and utilizing previously appropriated but unspent project and encumbrance carryforwards; and

WHEREAS, the City Administrator's Budget Office reports quarterly to the City Council on the year-to-date and projected year-end revenue collection and spending by City agencies / departments, in the General Purpose Fund, Telecommunications Fund, Contract Compliance Fund, Equipment Fund, and Facilities Fund; and

WHEREAS, the Budget Office's quarterly reports indicate whether overspending is projected by year-end for any City agencies / departments, and whether such projected overspending will be covered by savings in other agencies / departments, or through additional revenues; now, therefore, be it

RESOLVED: that the City Administrator seek City Council direction if the Budget Office's quarterly reports for the General Purpose Fund project overspending (from the current Adjusted Budget) by year-end in any agency / department of the City, even though such overspending may be covered by savings or additional revenues outside of the agency / department; and be it further

RESOLVED: that the City Council may direct the City Administrator to reduce the rate of spending in particular City agencies / departments to minimize or avoid year-end overspending; the City Council may request specific cost-cutting measures or leave it to the City Administrator's discretion; and be it further

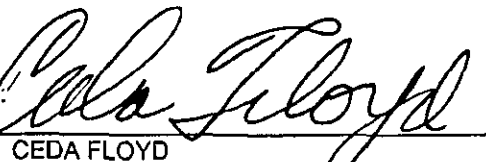
RESOLVED: that the City Administrator return to the City Council with a report on the specific measures put in place in order to minimize or avoid year-end overspending in the specific agencies / departments as requested by the Council, and the outcomes of such measures.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 15 2004, 2004

PASSED BY THE FOLLOWING VOTE:
AYES- BROOKS, BRUNNER, CHANG, NADEL, REID, QUAN, WAN, AND
PRESIDENT DE LA FUENTE 8

NOES- 0
ABSENT- 0
ABSTENTION- 0

ATTEST:



CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California