

CITY OF OAKLAND

AGENDA REPORT

2009 SEP -3 PM 1:08

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: September 15, 2009

RE: **Follow Up Report To The City Auditor's Performance Audit Of The Public Works Agency Regarding Funding Sources That Support Public Works Activities**

SUMMARY

At the July 14, 2009 Public Works Committee meeting (Item #8), the Committee discussed an item from the City Auditor titled, "Request for Additional Information on the General Fund Contribution Reported in the Public Works Agency Performance Audit." As an outcome of that discussion the Committee directed staff to prepare a report providing the following information:

1. Listing of funding sources used by the Public Works Agency.
2. Listing of funding sources used by the Public Works Agency fund group (General Funds, Special Revenue Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds)

This report provides the requested information.

FISCAL IMPACT

There is no direct or immediate fiscal impact related to this report. The content provided in this report is for informational purposes.

BACKGROUND

At the July 14, 2009 Public Works Committee meeting (Item #8), the Committee discussed an item from the City Auditor titled, "Request for Additional Information on the General Fund Contribution Reported in the Public Works Agency Performance Audit." Matrix Consulting Group prepared the report with the following conclusion:

While the review of this data should be cognizant of variances in makeup and organization of the public works departments in these peer cities, it should be recognized that essential services such as traffic signal maintenance, signing and striping maintenance, park maintenance, street and sidewalk maintenance are highly dependent upon general fund operating budget support. Oakland will not be able to address the essential asset management challenges without a higher level of general fund operating budget and capital budget support.

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DISCUSSION

Table 1 below lists the Public Works Agency funding sources in accordance with the FY 2009-10 Adopted Budget.

TABLE 1. FY 2009-10 Public Works Agency Budget Funding Sources¹

FUND	FY 2009-10	Percent of Total Budget
1010 - General Fund: General Purpose	\$4,450,890	3.99%
1100 - Self Insurance Liability	\$2,629,140	2.36%
1710 - Recycling Program	\$9,621,920	8.63%
1720 - Comprehensive Clean-up	\$16,950,700	15.20%
1750 - Multipurpose Reserve	\$330,000	0.30%
2141 - State Traffic Congestion Relief - Proposition 42	\$1,897,510	1.70%
2211 - Measure B: ACTIA	\$2,983,860	2.68%
2230 - State Gas Tax	\$6,243,820	5.60%
2310 - Lighting and Landscape Assessment District	\$13,709,890	12.30%
2416 - Traffic Safety Fund	\$989,620	0.89%
2990 - Public Works Grants	\$70,000	0.06%
3100 - Sewer Service Fund	\$12,244,810	10.98%
4100 - Equipment	\$16,880,360	15.14%
4400 - City Facilities	\$21,736,210	19.50%
7760 - Grant Clearing	(\$226,570)	-0.20%
7780 - Oakland Redevelopment Agency Projects (ORA)	\$980,570	0.88%
Grand Total	\$111,492,730	100.00%

It is relevant to note that the City of Oakland’s budget is presented with offsets to the Self Insurance Liability fund (1100) as budgetary appropriations. In other words, budgetary dollars within some of the funds is used to fund the Self Insurance Liability Fund. The Self Insurance Liability Fund is restricted to payments and costs associated with claims and lawsuits and cannot be used for operational expenditures. Within the Public Works Agency budget, there is a total of \$3.6 million that is directed to the Self Insurance Liability Fund, including \$2.1 million from the General Purpose fund (1010).

¹ Of the \$4.5 million of 1010 – General Fund: General Purpose, \$2.1 million is a pass through to the 1100 – Self Insurance Liability fund. In effect, the remaining \$2.4 million (or 2.2%) of the total budget is available for operational expenditures.

Table 2 below lists the Public Works Agency funding sources by Fund Group (General Funds, Special Revenue Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds).

TABLE 2. FY 2009-10 Public Works Agency Budget Funding Sources by Fund Group²

FUND GROUP	FY 2009-10	Percent of Total Budget
General Fund		
1010 - General Fund: General Purpose	\$4,450,890	
1100 - Self Insurance Liability	\$2,629,140	
1710 - Recycling Program	\$9,621,920	
1720 - Comprehensive Clean-up	\$16,950,700	
1750 - Multipurpose Reserve	\$330,000	
<i>Subtotal</i>	<u>\$33,982,650</u>	30.48%
Special Revenue Funds: Federal & State Grants		
2141 - State Traffic Congestion Relief - Prop 42	\$1,897,510	
2211 - Measure B: ACTIA	\$2,983,860	
2230 - State Gas Tax	\$6,243,820	
2310 - Lighting and Landscape Assessment District	\$13,709,890	
2416 - Traffic Safety Fund	\$989,620	
2990 - Public Works Grants	\$70,000	
<i>Subtotal</i>	<u>\$25,894,700</u>	23.23%
Enterprise Funds		
3100 - Sewer Service Fund	\$12,244,810	
<i>Subtotal</i>	<u>\$12,244,810</u>	10.98%
Internal Service Funds		
4100 - Equipment	\$16,880,360	
4400 - City Facilities	\$21,736,210	
<i>Subtotal</i>	<u>\$38,616,570</u>	34.64%
Fiduciary Funds / Trust & Other Agencies		
7760 - Grant Clearing	(\$226,570)	
7780 - Oakland Redevelopment Agency (ORA)	\$980,570	
<i>Subtotal</i>	<u>\$754,000</u>	0.68%
Grand Total	<u>\$111,492,730</u>	100.00%

SUSTAINABLE OPPORTUNITIES

This report does not directly impact economic, environmental or equity issues.

DISABILITY AND SENIOR CITIZEN ACCESS

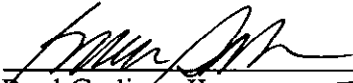
This report does not directly impact disability or senior access.

² The General Fund group figures include the 1100 – Self Insurance Liability fund and the General Purpose Fund pass through to the Self Insurance Liability fund, in effect, increasing the value of the General Fund group by approximately \$4.8 million.

RECOMMENDATION OR ACTION REQUESTED OF THE CITY COUNCIL

This report provides a listing of funding sources used by the Public Works Agency and a listing of these funding sources categorized by fund group. Staff recommends that the Committee accept the report.

Respectfully submitted,



Raul Godinéz II FOR
Public Works Agency Director

Prepared by:
Stephanie Hom, Agency Administrative Manager

APPROVED AND FORWARDED TO THE
PUBLIC WORKS COMMITTEE:



Office of the City Administrator

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