CITY OF OAKLAND
COUNCIL AGENDA REPORT

TO: Office of the City Manager
ATTN: Robert C. Bobb
FROM: City Manager's Budget Office
DATE: April 8, 2003
RE: **Status Report on the Moving Oakland Forward! Recommendations from Strategy 3**

SUMMARY

This report provides the status of implementing recommendations developed by the Moving Oakland Forward! (MOF) Strategy 3. The focus of the Strategy was three-fold:

1) To link and strengthen the components of Oakland's **performance management system**, and use it to improve performance in all City operations to achieve the Mayor's and Council's strategic priorities.

2) To move from a baseline budget to a **program/performance-based budget** that is aligned with the Mayor's and City Council's strategic goals and objectives and that is understandable to the citizens of Oakland.

3) To redefine the **role of the Budget Office**, coordinate preparation of performance-based budget system, and assist the Budget Office in being the City's internal management consulting team.

Efforts of Strategy 3, and the resulting Citywide Leadership Team, have been led by Acting Budget Director Marianna Marysheva. A list of team members that participated in and contributed to the work of Strategy 3 and the Leadership Team is provided in Attachment A. A summary discussion of the key Strategy 3 recommendations, and the progress made in implementing them, is provided below, with details presented in Attachments B through D.

DISCUSSION

The MOF Strategy 3 developed a comprehensive set of recommendations concerning performance management, program / performance-based budgeting, and the role of the Budget Office. The research conducted by the Strategy 3 teams is summarized below, along with the key recommendations developed based on the research outcomes, and the progress made on implementing these recommendations.

➤ **Team 3A:** To link and strengthen the components of Oakland's performance management system, and use it to improve performance in all City operations to achieve the Mayor's and Council's strategic priorities.

Research

Team 3A conducted an internal survey of all City staff who participate in the present performance measurement program (administered by the Budget Office). Surveyed staff include a range of positions such as data entry staff, managers, analysts, and budget staff. Questions on performance measurement

C
Finance & Management Committee
April 8, 2003

were asked in focus groups, in one-on-one interviews, and a written survey conducted by these teams. The responses included the following key elements:

- *The vast majority of departments do not use performance measures in decision-making, and only some utilize them as a day-to-day or strategic management tool.* The current performance measurement system adds very little value to the City's management while requiring large amounts of staff time.

- *Departments perceive current performance measures as being: a) vague, unreliable, or irrelevant; b) too numerous; and c) difficult to change once in use.*

- *Departments feel forced to comply with the current system of measurement without much commitment to it.* They would prefer to have a different, better system which should include performance measures that: a) measure trends over time; b) are fewer in numbers; and c) are better aligned with a central set of goals for the City. Good, strong measures can be very helpful in determining the allocation of resources and "what gets measured, gets done."

In addition to the internal research, the Team surveyed a set of "best practice" cities, as recommended by the Public Strategies Group (PSG), the League of California Cities, the International City / County Management Association (ICMA), and the Government Finance Officers Association. Cities reviewed include: Phoenix, Austin, Prince William County, Sunnyvale, Charlotte, Long Beach, Milwaukee, Portland and Indianapolis.

Based on the research results, the Team determined that a meaningful performance management system must be wholistic and comprehensive with all components linked to one another, as presented on the chart below.
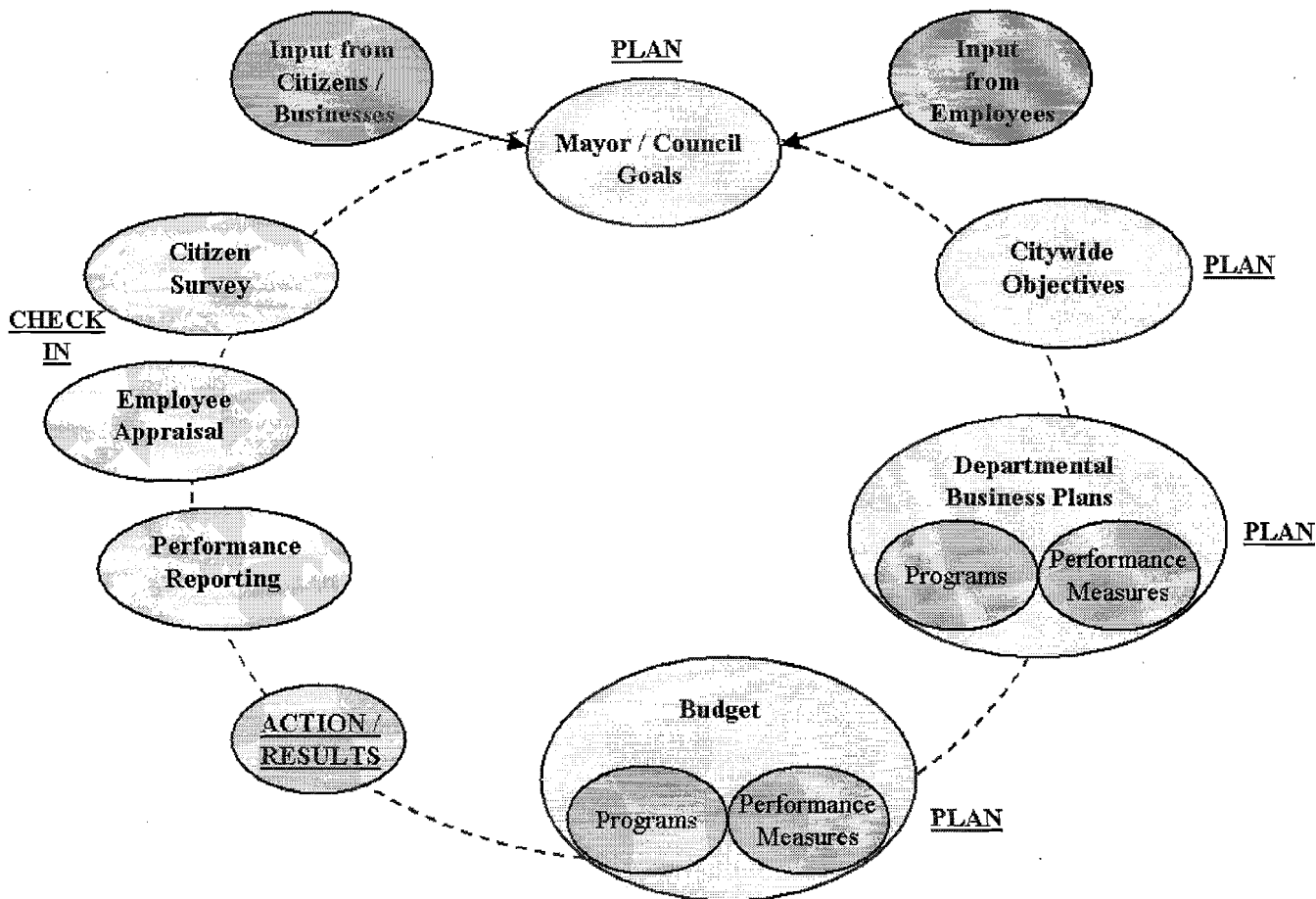
A strong performance management system ideally includes the following interrelated components:

- Goals and objectives set by the Mayor and Council;

- Meaningful and measurable objectives tied to those goals;

- A budget process driven in part by these objectives and the performance data;

- A manageable data collection and reporting system;

- An employee performance appraisal system tied to the performance management system;

- Mechanisms for regular citizen input; and

- A mechanism for assessing and evaluating the measures and the system over time.

Despite internal frustration with the City of Oakland's system and while Oakland is not a model, *the City is ahead of many other cities.* Oakland has many of the individual components in place, which, if redesigned to be more closely aligned and strengthened by being tied to clear goals, could form the basis of an integrated performance management system. It should be noted that it seems all cities have struggled to make performance measurement meaningful and all have revised their processes as they go along. These systems are not static and inevitably are changing as the systems are refined and as the needs of the cities change.

Key Recommendations

Recommendation # 1: The Mayor and City Council should establish a single set of goals that can be used to frame and drive budget development and the performance management system. The goals should be concise, broad and easily communicated to the public and employees. These goals should be reaffirmed during every two-year budget cycle.

> *Status:* The City Council established their goals for the FY 2003-05 budget cycle during the last Council retreat in November 2002. Based on these goals, Citywide objectives have been developed by the Leadership Team (see further details below), and programs developed by City agencies / departments have been linked to the Citywide objectives and Council goals.

Recommendation #2: The City of Oakland should implement balanced scorecards to measure performance. The balanced scorecard allows organizations to measure performance in a balanced way. The scorecard offers a visual representation of an organization's strategy and is used to translate the strategy (i.e. City goals) into tangible objectives and measures. Balanced scorecards should be developed at the City level and agency / department level. The development of scorecards, to include objectives, measures and targets, should be facilitated by the Leadership Team (see Recommendation #3).

> *Status:* The City Manager formed the Citywide Leadership Team in November 2002, bringing together representatives of the elected officials, staff, and the public (see Attachment A for the list of members). The team has been meeting on a regular basis and developed 29 objectives based on the seven Council goals (see Attachment C). The objectives, along with agency / department goals linked to them, will be incorporated into the FY 2003-05 Proposed Policy Budget.

Recommendation #3: The City should appoint a Leadership Team, charged with implementing the performance management system. The Leadership Team should be given authority by the City Manager to make recommendations regarding all aspects of the performance management system, including development of the balanced scorecards and their appropriate key indicators and reporting of results.

> *Status:* See status under Recommendation 2.

Recommendation #4: The City Manager should direct the creation of agency / department Business Plans to demonstrate the alignment of City goals and strategic objectives with each department's own balanced scorecard, business activity (program, activities, services) and resource allocation decisions, using performance measures to establish targets and document progress toward objectives in an integrated system of performance management. The Business Plan is an action plan for the implementation of the Department's Balanced Scorecard. Business plans should describe the business unit's methods for achieving citywide goals, linking them to the department's operational objectives as well as the specifics of resource allocation. An agency (or department) will use the business plan to communicate how its business activities align with the goals, objectives and measurable targets described in the Balanced Scorecard, and how this alignment flows through all levels of performance management including employee performance reviews. Business Plans will be presented to the City Council for their review and confirmation.

> ***Status:*** City Departments will begin the development of their business plans at the start of the FY 2005-07 budget process. In FY 2003-05, two pilot departments – Fire and Human Services – will implement their business plans, and help train other departments on the concept.

> **Team 3B:** To move from a baseline budget to a program/performance-based budget that is aligned with the Mayor's and City Council's strategic goals and objectives and that is understandable to the citizens of Oakland.

Research

Teams 3B and 3C partnered in conducting focus groups, individual interviews and surveys of agency / departmental representatives, including the directors. The goal of the surveys was to reveal agency / departmental concerns regarding the City's current budgeting methodology. Primary findings from the internal research include the following:

- The practice of unfunded public safety overtime each year contributes to the need for position freezes and program reductions in other departments that rely on the general fund. Other departments believe they carry a disproportionate burden in balancing the general fund each year due to public safety overtime. The practice is continued through baseline budgeting.

- Departments view that they have very little discretion over what they can recommend for funding each budget cycle because of the high amount of fixed costs, the restrictions of some funds and the scarcity of the general fund.

- The last budget development cycle did not provide sufficient opportunity for departments to convey their programs and services to the City Council, and in turn to the community.

- The practice of not budgeting operational costs for capital improvements when completed is shortsighted.

- The current practice of allocating central administration / support costs (e.g. Finance, Personnel, City Attorney, etc.) is outdated and disproportionate by the way it is calculated.

In addition to the internal research, Team 3B also reviewed the following cities deemed "best practice" municipalities: Austin TX, Charlotte NC, Fresno CA, Indianapolis, IN, Milwaukee WI, Phoenix AZ, and San Diego CA. The goal of the external research was to identify the key elements that made these cities

"best in the field", with a specific focus on performance management and performance-based budgeting. The highlights of the Team's research include:

- All of the surveyed cities had strategic, long term visions with opportunities for their governing bodies to review the progress on their goals annually.

- They used either line-item or modified program budgets and had five year financial plans.

- None of the cities surveyed had a fully developed performance-based budget, although many cities had in place comprehensive program-based budgets, with performance information included in budget documents.

Key Recommendations

The summary below includes only key recommendations of Team 3B. A full listing of all recommendations, with a status, is provided in Attachment B.

Recommendation # 1: For FY 2003-05, develop and implement a modified program budget based on Mayor/City Council goals, allocations by programs reflecting actual service costs and linked to performance measures.

> *Status:* The Budget Office provided training on the program-based / performance-based budgeting to all City agencies / departments in November 2002. The agencies / departments were provided detailed instructions on how to develop their FY 2003-05 budget proposals using a programmatic approach. As part of their FY 2003-05 budget submissions, agencies / departments were required to identify specific programs, linked to Council goals and Citywide objectives, and develop (or select from the existing set) performance measures that will be used during FY 2003-05 to assess the performance of each program. Programs developed by agencies / departments, along with linkages to primary objectives / goals, are illustrated in Attachment D. The Mayor's / City Manager's FY 2003-05 Proposed Policy Budget will incorporate the identified programs and measures, with appropriations reflected at the program, objective and goal level (see Attachment E for a format of the Proposed Budget document).

> Agencies / departments submitted their program-based budget proposals to the Budget Office on February 18th. City Manager's / Mayor's budget "hearings" started in February and continued into March. The / Mayor City Manager's Proposed Policy Budget, containing programs based on the Council goals, will be submitted to City Council on May 2nd (Friday's agenda packet, for the May 13th meeting) , with preliminary balancing ideas provided to the Council in April.

Recommendation # 2: For FY 2005-07, develop and implement a performance budget with key performance indicators related to the results of a balanced scorecard and business plans; allocations linked to performance.

> *Status:* The performance-based budget will be developed for FY 2005-07, using as a foundation the program-based budget for FY 2003-05 and departmental business plans, and containing linkages between performance and budget allocations.

Recommendation # 5: Beginning with FY 2003-05 budget development, provide retreats for agency / department Directors and selected staff to review Mayor/City Council goals, Five Year Financial Plan and collectively identify programs to address those goals within available resources. Programs should be

collectively reviewed annually for effectiveness and possible reallocation with respect to performance and available funding.

> *Status:* For the FY 2003-05 budget process, the recommendation was implemented in October and November 2002. The Budget Office provided budget-specific training to all agency directors / department heads, and separately to key program / fiscal staff.

Recommendation # 6: Provide opportunity for community involvement during public hearings in May, for each goal area. Present programs by the goal area, and not by department. By FY 2005-07 provide opportunity for community input to the City Council while updating goals.

> *Status:* Opportunities for public involvement will be provided through Council budget hearings (starting in May), Council community meetings, and meetings of the Budget Advisory Committee. The Proposed Budget document will provide revenue, appropriation and FTE information by Council goal, as well as at the objective and program levels. Attachment E includes templates of key summary pages that will be included in the FY 2003-05 Proposed Policy Budget.

Recommendation # 8: Revise method of calculating budgeted salaries to more closely reflect actual costs.

> *Status:* The Budget Office has built the FY 2003-05 budget baseline based on the actual position costs. This approach is different from that utilized during the previous budget cycle (due to technology limitations), when position costs reflected average, and not actual, salaries. The new method is likely to result in higher than anticipated budget costs, but will more accurately reflect the actual costs of doing business.

Recommendation # 9: Complete full financial analysis on a Five-Year forecast for all funds; to be updated annually by those departments that utilize the funds and reviewed every four months for expenditure/revenues.

> *Status:* The Five-Year Financial Plan update for the General Fund is in progress.

Recommendation # 10: Identify targets for the general fund and other funds.

> *Status:* In the beginning of the FY 2003-05 budget development process, budget reduction targets were assigned to all agencies / departments. In the City's General Fund, the departments were asked to provide scenarios for the 5, 10 and 15 percent cuts from their baseline budget amounts. In other funds, the reduction targets were based on the financial status of each particular fund, with particular attention paid to imbalanced funds such as the Landscaping and Lighting Assessment District (LLAD) fund. The details will be provided to the Council as part of the FY 2003-05 Proposed Budget.

> **Team 3C:** To redefine the role of the Budget Office, coordinate preparation of performance-based budget system, and assist the Budget Office in being the City's internal management consulting team.

Research

A key component to the structure and stability of a municipal organization is its reliance on the Budget Office to direct, administer and control the municipal budget as allocated by City Council. This key

organizational relationship was noted and integrated as part of a strategy to examine the critical nature of that role, assess how that role is currently utilized, and to make recommendations about how that role can be enhanced and improved as the City of Oakland moves towards performance-based budgeting.

To accomplish this objective, Team 3C conducted internal research to identify *the current role of the Budget Office in the City of Oakland*, and surveyed other municipalities to determine *what the role of the Budget Office should be*, based on the experience of the "best practice", performance-based cities.

As components of the internal research process, the team surveyed the City's key budget coordinators/participants/contributors and conducted one-on-one interviews with agency directors / department heads and key budget managers as well as held "focus groups" providing the opportunity for participation by all staff from all city agencies. The objective of this methodology was to create an environment in which all contributors were comfortable in sharing openly their issues and concerns about the role of and the present working relationship with the Budget Office. The team also wanted to gather suggestions for redefinition of the role of the Budget Office. Based upon feedback from internal surveys, some organizational challenges to the current systems and processes became evident. The top three findings of the *internal research* included:

- Citywide, program/performance-based, departmental driven budget planning is needed to support city operations.

- Departments should be responsible and accountable for their own budgets.

- A more interactive partnership relationship needs to be established between the Budget Office and the departments that it supports.

For the external research, the surveyed cities included: Austin TX; Portland OR; Long Beach CA; Phoenix AZ; and Sunnyvale CA. Interviews were conducted with budget directors and managers to assess the role of their budget offices. The top three findings of the *external research* included:

- Best practices cities tie agency / departmental budgets to performance measures and/or performance appraisals in order to drive performance and allocate budget funding.

- They have high levels of accountability for budget / spending at the agency / department level.

- They provide comprehensive, continuous, directed and focused training at all organizational levels.

- The agency / departmental accountability is enforced by the Budget Office; over time, this enforcement evolves into a consultative relationship between the Budget Office and agencies / departments.

Key Recommendations

The summary below includes only key recommendations of Team 3C. A full listing of all recommendations, with a status, is provided in Attachment B.

Recommendation # 1: Provide multiple citywide training sessions utilizing the "How To" manual as a guide; include agency directors / department heads, mid-level managers and fiscal staff in the training process.

Status: For the FY 2003-05 budget process, the recommendation was implemented in October and November 2002. The Budget Office provided budget-specific training to all agency directors / department heads, and separately to key program / fiscal staff.

Recommendation # 4: Assure that budgets are linked to agency / department performance measures and to agency directors' / department heads' performance appraisals.
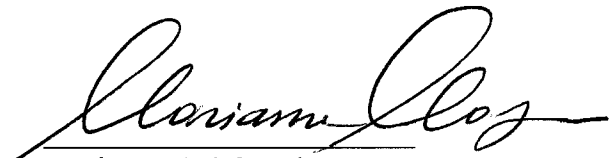
Status: The recommendation is being implemented by the Budget Office (on performance measures) and City Manager's Administration as part of the FY 2003-05 budget process.

CONCLUSION / RECOMMENDATION

This report is for informational purposes and requires no Council action at this time. The programs developed by departments as part of their budget submission will be included in the Mayor / City Manager Proposed Policy Budget for FY 2003-05. The Proposed Budget will also incorporate the format recommendations included in the resolution proposed by Councilmember Danny Wan and discussed by the Finance & Management Committee on March 25, 2003. The Citywide objectives developed by the Leadership Team, agency / departmental programs, and the format of the proposed budget document are included for the Committee's review (see Attachments C through E).

Staff recommends that the City Council accept this report.
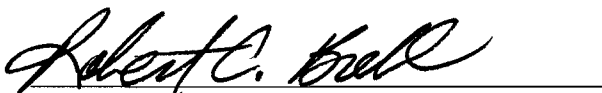
Respectfully submitted,

Marianna A. Marysheva
Acting Budget Director

On behalf of the Moving Oakland Forward!
Strategy 3, and the City of Oakland
Leadership Team

APPROVED FOR FORWARDING TO THE
FINANCE & MANAGEMENT COMMITTEE

OFFICE OF THE CITY MANAGER

Attachments:

      Attachment A: List of Strategy 3 and Leadership Team Members

      Attachment B: Status of Implementing Strategy 3 Recommendations

      Attachment C: Leadership Team Objectives, with Linkages to Council Goals

      Attachment D: Citywide Programs, with Linkages to Goals and Objectives

      Attachment E: Format of the Proposed Budget Document

FINANCE & MANAGEMENT CMTE.

APR 8 2003

1. STRATEGY 3 MEMBERS

Strategy Champion: Marianna Marysheva, Acting Budget Director

Team 3A:

Co-Chairs:	Sara Bedford - Department of Human Services and Kelly Sessions - Oakland Police Department
Members:	Kristin Burgess, Kathleen Daniels, Brooke Levin, Hannah Michaelsen, Bill Milny, Deborah Spaulding, Sandra Taylor and Mina Yaroslavsky
BAC Members:	Dinah Benson and Adelle Foley

Team 3B:

Chairs:	Jonelyn Weed - Community & Economic Development Agency
Members:	Catherine McMahon - Oakland Police Department; Donna Hom - Life Enrichment Agency at the time; Kelly Sessions - Oakland Police Department; Kirsten LaCasse - Public Works Agency; Rosemarie Sanchez - City Attorney's Office; Ernie Robinson - Fire Services Agency; Herb Pike- Public Works Agency, Melanie Fong - Life Enrichment Agency; Monica Lamboy - Community & Economic Development Agency

Team 3C:

Chair:	Gerald Simon - Oakland Fire Department
Members:	Kathleen Daniels - Public Works Agency; Robert Davila - Budget Office; Donna Howell - Community & Economic Development Agency; Mike Leisch - Public Works Agency; and Kelly Sessions - Oakland Police Department

2. CITYWIDE LEADERSHIP TEAM MEMBERS

Team Leader: Marianna Marysheva, Acting Budget Director

City Agency / Department Representatives:
Sara Bedford (Department of Human Services)
Paul Belkin (Mayor's Office)
Anne Campbell (City Manager's Office at the time)
Renee Domingo (Fire Department)
Deborah Edgerly (Financial Services Agency)
Claudette Ford (Pubic Works Agency)
Monica Lamboy (Community & Economic Development)
Bill Milny (Museum)
Julie Odofin (Library)

a

FINANCE & MANAGEMENT CMTE.

APR   8 2003

Gerald Simon (Fire Department)
Patrick Simon (Office of Information Technology)
Cheryl Thompson (Financial Services Agency)
Annie To (City Clerk's Office)
Richard Word (Police Department)

Council Representatives:

Justin Horner (Council – District 1 (Jane Brunner))
Pat Kernighan (Council – District 2 (Danny Wan))
Iris Merriouns (Council – District 7 (Larry Reid))
Richard Cowan (Council – District 4 (Jean Quan))
Libby Schaaf (Council – District 5 (Ignacio De La Fuente))
Willie Yee (Council – At-Large (Henry Chang))

Community (Budget Advisory Committee) Representatives:

Adelle Foley (Chairperson)
Orson Aguilar
Dinah Benson
Ces Butner
Benjamin Fay
Courtney Ruby

ATTACHMENT B: STATUS OF IMPLEMENTING STRATEGY 3 RECOMMENDATIONS

Team 3A: Link And Strengthen The Components Of Oakland's Performance Management System And Use It To Improve Performance In All City Operations To Achieve The Mayor And Council Strategic Priorities

	Recommendation	Target Date for completion	Comments
1	By September 2004, adopt a comprehensive 20-year strategic plan with five-year goals to be used in budget development and to drive performance results aimed at making Oakland a world-class city.		Recommendation has not been developed further since originally proposed by the team
2	Elected officials should establish a single set of City goals that can be used to frame and drive a comprehensive performance management system. The goals should be concise, broad and easily communicated to the public and employees	Completed	The City Council developed seven goals for FY 2003-05, at the retreat in November 2002.
3	Implement a Balanced Scorecard for measuring performance.	Completed	Upon developing the seven goals in November 2002 (see above), the Council directed staff to form a Leadership Team, which would develop more specific objectives based on the Council goals. The team has been formed and has accomplished its task (see below).
4	The City should establish a team of executive level leaders who would be empowered by the City Manager to make binding decisions in interpreting, directing and implementing all aspects of the performance management system.	Completed	The City Manager formed the City's Leadership Team in November 2002, bringing together representatives of the elected officials, staff, and the public. The team has been meeting on a regular basis and developed 29 objectives based on the seven Council goals. The objectives, along with agency / department goals linked to them, will be incorporated into the FY 2003-05 Proposed Policy Budget.
5	Use Agency/ Department Business Plans to link City goals to programs/resources.	Beginning of the FY 2005-07 budget cycle.	City Departments will begin the development of their business plans in the beginning of the FY 2005-07 budget process. In FY 2003-05, two pilot departments – Fire and Human Services – will implement their business plans, and help train other departments on the concept.

Team 3B: Move From A Baseline Budget To A Performance/Outcome/Program Budget That Is Aligned With The Mayor And Council's Strategic Goals And Objectives And That Is Understandable To The Citizens Of Oakland Beginning With The FY 2003-05 Budget Development

	Recommendation	Target Date for completion	Comments
1	For FY03-05, develop and implement a modified program budget based on Mayor/City Council goals, allocations by programs reflecting actual service costs and linked to performance measures.	July 1, 2003	City departments have submitted their program-based budget proposals to the Budget Office on February 18th. City Manager's budget "hearings" started in February and continued into March. The Mayor / City Manager's Proposed Budget, containing programs based on the Council goals, will be submitted to City Council on May 2 (agenda packet for May 13), with preliminary balancing ideas provided to the Council in April
2	For FY05-07, develop and implement a performance budget with key performance indicators related to the results of a balanced scorecard and business plans; allocations linked to performance	July 1, 2005	The performance-based budget will be developed for FY 2005-07, using as a foundation the program-based budget for FY 2003-05 and departmental business plans, and containing linkages between performance and budget allocations.
3	Have City Council adopt a policy budget that consists of programs and authorized dollars (not FTE)		The feasibility of budgeting by programs and dollars, and not FTEs, must be further studied. At this time, no decision has been made to implement this proposal.
4	Provide an annual retreat for City Council to review their goals, progress of programs to meet those goals and an update of the Five Year Financial Plan and Capital Program.	Biannually, in October / November	The retreat will be organized biannually, in October or November, preceding the two-year budget cycle.
5	Beginning with FY03-05 budget development, provide retreats for Agency/Department Directors and selected staff to review Mayor/City Council goals, Five Year Financial Plan and collectively identify programs to address those goals within available resources. Programs should be collectively reviewed annually for effectiveness and possible reallocation with respect to performance and available funding.	Biannually, in October / November	Implemented in October / November 2002, with initial meetings with Agency/Department Directors and with departments in developing FY 2003-05 budget.
6	Provide opportunity for community involvement during public hearings in May, for each goal area. Present programs by the goal area, and not by department. By FY 05-07 provide opportunity for community input to the City Council while updating goals	May – June 2003	Opportunities for public involvement will be provided through Council budget hearings (starting in May), Council community meetings, and meetings of the Budget Advisory Committee.

	Recommendation	Target Date for completion	Comments
7	1.) Continue to analyze the factors that contribute to Police and Fire overtime to make feasible recommendations to correct problem. Defer to team 2C findings and recommendations. 2). Recommend that departmental budgets include a reasonable cost for overtime, this includes outlining the full costs of programs including any overtime element. 3) Establish a contingency overtime budget for unanticipated City-wide emergencies, events and activities.		Defer to Team 2C findings and recommendations.
8	Revise method of calculating budgeted salaries to more closely reflect actual costs	October 2002	Has been completed for FY 2003-05 baseline.
9	Complete full financial analysis on a Five-Year forecast for all funds; to be updated annually by those departments that utilize the funds and reviewed every four months for expenditure/revenues.	May 2003	The Five-Year Financial Plan update for the General Fund is in progress.
10	Identify targets for the general fund and other funds.	Completed	Has been implemented and revised during current budget development process
11	Create internal administrative service fund to fully allocate City-wide administrative overhead to all funds and projects.		Recommendation has not been developed further since originally proposed by the team
12	Negotiate and execute a new Federal Rate Approval Agreement with HUD.	Completed	CSO rate structure reviewed and revised by Finance; currently under review with HUD.
13	Comprehensive fiscal timeline for each CIP project for first five years, including prospective incremental allocations	May 2003	Implemented into design of CIP request form for FY 2003-08
14	The CIP should begin early in the budget development process and project review should be less bureaucratic and more holistic with rigorous guidelines before advancing for project approval	In progress	PWA and Budget Office have developed a process to ensure that CIP projects are reviewed and recommended for funding prior to the budget hearing with the City Manager.
15	The City establishes a non-departmental hard dollar match fund for programs that cannot obtain a waiver of match and are approved by the City Council.		Recommendation has not been developed further since originally proposed by the team

	Recommendation	Target Date for completion	Comments
16	Grant administrators and accountants from all agencies meet twice each year to discuss grant strategies and challenges.		Recommendation has not been developed further since originally proposed by the team
17	Allow and encourage departments to budget appropriations at the object level. BRASS is designed to budget appropriations at the object level and this is the budget control summary level for the City. Provide capability for doing departmental BCR for non-salary and non- ISF appropriations within departments.		Departmental BCR capability in test mode at this time (Feb-Mar 2003)

Team 3C: Redefine The Role Of The Budget Office

	Recommendation	Target Date for completion	Comments
1	Provide multiple citywide training sessions utilizing the "How To" manual as a guide; include agency/department directors, midlevel managers and fiscal staff in the training process.	Accomplished	Implemented in October / November 2002, with initial meetings with Agency/Department Directors and with departments in developing FY 2003-05 budget.
2	Implement collaborative Standard Reporting Format for monthly and quarterly spending reports with Agencies and Departments.	In progress	
3	Set clear levels of budget responsibility, accountability and consequences between the CMO-Budget Office and Agencies (distinct authority for directors, managers, and line staff function levels).	Accomplished	
4	Assure that budgets are linked to agency / department Performance Measurements and to Agency and Department head performance appraisals.	In progress	Being accomplished as part of the FY 2003-05 budget development

ATTACHMENT C: LEADERSHIP TEAM OBJECTIVES, WITH LINKAGES TO COUNCIL GOALS

The Citywide Objectives illustrated below have been developed by the Leadership Team, comprised of representatives of the City agencies / departments, City Council, and the public (through the Budget Advisory Committee). For each objective, the Leadership Team also developed an intent statement, to clarify the meaning and purpose of the objective. The identified objectives and intent statements have been finalized using input from agency directors / department heads and their key program and fiscal staff. Linkages have been established between the Citywide objectives and agency / department programs (included in their FY 2003-05 budget submissions) – these are presented in Attachment D.

GOAL #1
Make Oakland A Safe City

Objectives	Intent Statements
1. Reduce crime by implementing a comprehensive crime prevention/reduction strategy	Implement citywide crime prevention, intervention and enforcement strategies that engage a wide variety of stakeholders (such as all City departments, social service and education providers, organizations targeting at-risk youth, community groups, NCPC's, etc.), and focusing on both the at-risk population and crime location.
2. Improve perception of safety	Improve the perception of safety in the City by educating existing and potential residents, businesses and community groups on the City's crime facts and enforcement and prevention efforts, and by improving unsafe conditions in the City through comprehensive strategies.
3. Improve emergency response, prevention and preparedness	Improve emergency preparedness and response in the City through coordinated efforts by key stakeholders (such as Police and Fire departments and outside agencies) and enhancement of related technology and communication networks.

GOAL #2
Develop a sustainable city

Objectives	Intent Statements
1. Maximize socially and environmentally sustainable economic growth.	Implement programs, provide incentives, and modify/analyze existing policies to increase revenues and output of goods and supplies, especially from those businesses that provide for environmental and social equity. (Examples include businesses that eliminate use of toxic materials, use renewable energy sources, provide living wages, offer on-site child care, etc.)
2. Facilitate the development of housing.	Implement, streamline, and enhance the production of housing for existing and anticipated households, throughout the City.
3. Implement programs that protect and conserve natural resources.	Implement and streamline programs that contribute to improving the environment, including solid waste reduction, energy efficiency, land re-use (brownfields), air quality management to reduce green house gas emissions (e.g. alternative fuel vehicles), green building standards, environmental procurement, purchasing policies, storm water management, creek and waterway protection and environmental compliance with local, state and federal regulations.
4. Attract new residents to Oakland.	Implement and streamline programs that allow for growth or increases in population density where appropriate infrastructure and public services exist.
5. Encourage and support social equity for all Oakland residents.	Facilitate access to resources that assist those who have seen limited benefit from the economic and social development of Oakland to date. (Examples include job training, local employment, literacy, multi-lingual access programs.)

Objectives	Intent Statements
1. Improve traffic / bike / pedestrian safety	Implement engineering, education and enforcement programs that improve driving behavior and enhance bicycle and pedestrian safety throughout the City.
2. Increase neighborhood coordination/participation	Facilitate partnerships with neighborhood, merchant and other organizations (such as schools and churches, etc.) that result in increased capacity to improve the quality of life in the neighborhoods.
3. Reduce blight and nuisance	Implement enforcement actions, provide public education campaign, and develop community partnerships to create positive change and pride of ownership in the neighborhood and merchant areas.
4. Enhance neighborhood commerce	Facilitate business retention, attraction and expansion, and marketing opportunities in the neighborhood commercial districts.

GOAL #4
Ensure that all Oakland youth and seniors have the opportunity to be successful

(Alternative wording suggested by the Leadership Team:
"Ensure that youth, seniors and persons with disabilities have the opportunity to be successful")

Objectives	Intent Statements
1. Provide effective community programs for seniors, youth and people with disabilities.	Implement, develop and provide continued support for high quality community-based programs (e.g., after-school programs, senior centers, homeless services, early childhood education, violence prevention) that enhance the well-being and safety of youth, seniors, and persons with disabilities.
2. Leverage new resources for seniors, youth and people with disabilities.	Establish strong, working collaborations with community based agencies and other public agencies such as Alameda County that focus on maximizing program services through resource leveraging, joint resource development, coordinated service delivery and program development.
3. Improve access and mobility for seniors, youth and people with disabilities.	Improve pedestrian access and safety for seniors, youth and people with disabilities through targeted and coordinated engineering, education and enforcement programs. Enhance city taxi script, paratransit and disabled parking programs and collaborate with outside agencies to identify and eliminate access and safety barriers to public transit services. Coordinate citywide capital improvement programs to provide seamless senior and disability access to city programs, buildings, and facilities.

GOAL #5
Model best practices to improve customer service and to be a fiscally sound and efficiently run city

Objectives	Intent Statements
1. Ensure continuous improvement in employee performance.	Utilize the City's existing performance appraisal system to hold employees accountable for organizational values such as customer service, attendance, teamwork and collaboration, adaptability and problem solving plus job-specific performance objectives to ensure the workforce is effectively meeting the needs of the City.
2. Develop and institutionalize sound financial management policies and practices.	The City Council should adopt a comprehensive debt policy, a policy on contingency planning and reserves, uses of one time revenue sources, revenue diversification, long term financial planning and needed policies to guide the use of the City's financial resources.
3. Adequately budget for and monitor overtime spending.	The City's bi-annual budget should properly anticipate and budget for overtime spending and departments should be held accountable for staying within the budget allocations except in emergency circumstances.
4. Develop and implement program(s) that provide financial incentive for employees and teams to identify cost saving and revenue enhancing measures.	Employees and teams (including units, divisions, department, etc.) should be provided with incentives to develop creative and effective cost saving measures, and ways to increase grants, contributions, and earned revenue.
5. Maximize the value provided by each dollar spent in outside contracts and purchases.	Outside contracts and purchases should be scrutinized to determine whether the service could be better provided by in-house resources, if the contract generates local economic benefit or provides apprenticeship opportunities, and that it is an effective use of City funds. The contracting process should be streamlined to generate time savings for employees and contractors.
6. Develop and implement a technology infrastructure that enhances the capabilities and effectiveness of City operations.	Information technology infrastructure should assist and enable city operations to cost-effectively enhance their service delivery.

<u>GOAL #6</u>
Maintain and enhance Oakland's physical assets

Objectives	Intent Statements
1. Maintain and enhance Lake Merritt, the Estuary and Oakland's waterways.	Implement engineering, education, community partnerships and enforcement programs that provide for maintenance, restoration and enhancement of Oakland's waterways, Lake Merritt, and the Oakland Estuary.
2. Provide for well-maintained sanitary sewer and storm drainage systems and for required and ongoing capital improvements.	Complete the Storm Drainage Master Plan and begin implementing needed drainage system improvements; complete scheduled capital improvement projects to eliminate overflows from the sanitary sewer system as required by the Clean Water Act and Consent Decree; and continue preventive maintenance and inspection of both the sanitary sewer and storm sewer systems, including Closed Circuit TV inspection, cleaning and minor repairs.
3. Provide for clean, well-maintained and accessible streets and sidewalks.	Develop and implement comprehensive improvement and maintenance projects for the City's streets and sidewalks. Include accessibility for all users with efficient and cost effective design, construction, and ongoing maintenance services.
4. Provide for clean, well-maintained and accessible facilities and amenities.	Develop and implement comprehensive improvement and maintenance projects for the City's facilities. Include accessibility for all users with efficient and cost effective design, construction, and ongoing maintenance services. Improve public amenities such as bus shelters, street furniture, news racks, recycling containers, lighting and landscaping.
5. Provide for safe, clean, well-maintained and accessible parks and recreation facilities.	Implement targeted crime prevention, intervention and enforcement strategies to make the City's park and recreation facilities safe for all users.
	Provide for cleaner, safer park and recreation facilities by better coordination of City maintenance and beautification activities and by supporting and expanding community-based park improvement and clean-up programs.
	Support programs that increase physical access to park and recreation facilities and that improve pedestrian and public transit routes to/from park and recreation facilities.

GOAL #7
Inspire creativity and civic engagement

Objectives	Intent Statements
1. Encourage and support volunteer involvement.	Involve residents, businesses, civic organizations, service clubs and youth groups in committing to community service to Oakland by volunteering time and resources to beautification efforts, libraries, museums, recreation programs, Boards, Commissions, and related activities. The City commits to providing the needed assistance to volunteers with staff support, training, materials and tools. Regular recognition of volunteer efforts should be made to nurture and develop the ongoing commitment.
2. Foster collaboration with and among community-based organizations and City departments to enhance community ownership and participation.	Engage the City departments and community-based organizations to take collaboration more seriously, where each party is at the table as an equal partner, ready and willing to commit time and resources to creating positive change for their communities.
3. Foster artistic expression, craft and civic festivals.	Facilitate collaboration among artists and arts and cultural organizations located in or visiting the City; provide support to artists and help support festivals; encourage support of artists and related groups by Oakland businesses and individuals.
4. Provide voter education and encourage participation.	Provide voter education on key local measures through relevant materials, public broadcast messages, and collaborative efforts with other involved parties outside of the City; encourage voter participation by utilizing joint efforts involving the county, community groups, and other key parties.

ATTACHMENT D: CITYWIDE PROGRAMS, WITH LINKAGES TO GOALS AND OBJECTIVES

The attached document provides a graphical illustration of all programs included by departments into their FY 2003-05 budget submissions, and linkages to primary objectives and goals. (Note that a particular program may be logically linked to more than one objective / goal. However, for illustration purposes, only a primary linkage is reflected for each program. Within an individual program section in the Proposed Budget document (see a template in Attachment E), additional linkages are identified).

The linkages between programs and objectives / goals have been established by City agencies / departments, in collaboration with the Budget Office.

NOTE: THE LINKAGES BETWEEN PROGRAMS AND GOALS / OBJECTIVES PRESENTED IN THIS DOCUMENT ARE DRAFT, AND FOR DISCUSSION PURPOSES ONLY.

Make Oakland A Safe City
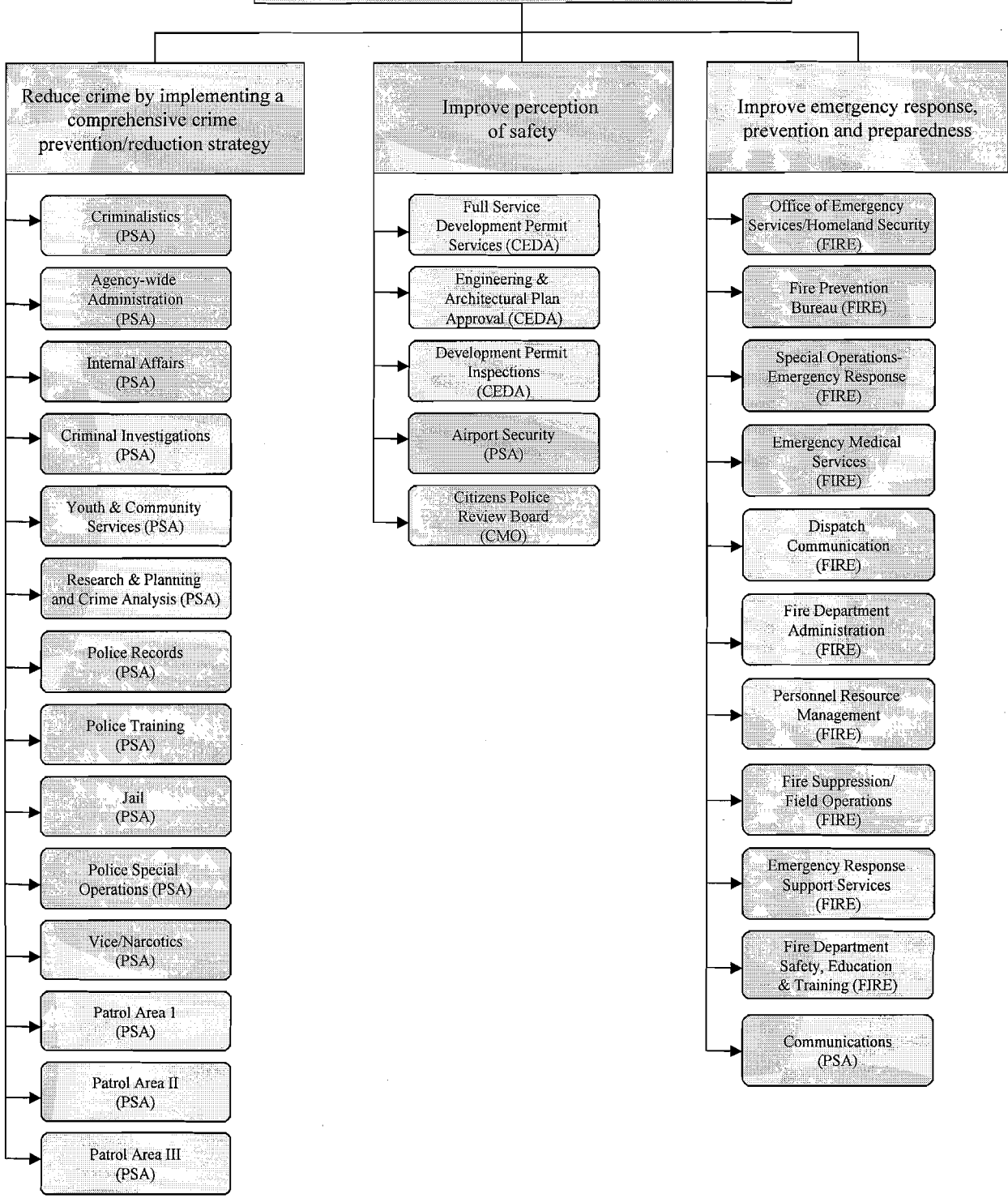
Reduce crime by implementing a comprehensive crime prevention/reduction strategy

- Criminalistics (PSA)
- Agency-wide Administration (PSA)
- Internal Affairs (PSA)
- Criminal Investigations (PSA)
- Youth & Community Services (PSA)
- Research & Planning and Crime Analysis (PSA)
- Police Records (PSA)
- Police Training (PSA)
- Jail (PSA)
- Police Special Operations (PSA)
- Vice/Narcotics (PSA)
- Patrol Area 1 (PSA)
- Patrol Area II (PSA)
- Patrol Area III (PSA)

Improve perception of safety

- Full Service Development Permit Services (CEDA)
- Engineering & Architectural Plan Approval (CEDA)
- Development Permit Inspections (CEDA)
- Airport Security (PSA)
- Citizens Police Review Board (CMO)

Improve emergency response, prevention and preparedness

- Office of Emergency Services/Homeland Security (FIRE)
- Fire Prevention Bureau (FIRE)
- Special Operations-Emergency Response (FIRE)
- Emergency Medical Services (FIRE)
- Dispatch Communication (FIRE)
- Fire Department Administration (FIRE)
- Personnel Resource Management (FIRE)
- Fire Suppression/ Field Operations (FIRE)
- Emergency Response Support Services (FIRE)
- Fire Department Safety, Education & Training (FIRE)
- Communications (PSA)

Develop a Sustainable City

Maximize socially and environmentally sustainable economic growth

- Business Creation, Attraction, Retention & Expansion Svcs. (CEDA)
- Commercial Lending (CEDA)
- Coliseum (CEDA)
- Broadway/ MacArthur/ San Pablo (CEDA)
- West Oakland Redevelopment (CEDA)
- OARB – Bay Bridge Gateway (CEDA)
- Downtown Development (CEDA)

Facilitate the development of housing

- Housing Development (CEDA)
- Central City East (CEDA)

Implement programs that protect and conserve natural resources

- Environmental Compliance and Remediation (PWA)
- Recycling and Solid Waste (PWA)

Attract new residents to Oakland

- Marketing and Special Events (CEDA)
- General Plan, Zoning Update & Strategic Analysis (CEDA)
- Development Review/Zoning (CEDA)
- Major Projects (CEDA)
- Historic Preservation (CEDA)

Encourage and support social equity for all Oakland residents

- Community & Program Development (DHS)
- Residential Rent Adjustment (CEDA)
- Workforce Development (CEDA)
- Project Choice (DHS)
- Oakland Assistance Center (MAYOR)
- Equal Access Office (CMO)

Improve Oakland Neighborhoods

Improve traffic/ bike/ pedestrian safety

- Transportation and Pedestrian Safety (PWA)
- Pedestrian Safety (CEDA)
- Police Traffic Operations (PSA)
- Parking Enforcement (FINANCE)

Increase neighborhood coordination/ participation

- Neighborhood Law Corp (NLC) (CAO)

Reduce blight and nuisance

- Keep Oakland Clean and Beautiful (PWA)
- Livable Neighborhood Code Enforcement Services (CEDA)
- Home Ownership and Rehabilitation (CEDA)

Enhance neighborhood commerce

- Neighborhood Commercial Revitalization (CEDA)

Ensure that all Oakland youth & seniors have the opportunity to be successful

Provide effective community programs for seniors, youth and people with disabilities

- Early Childhood Education (DHS)
- Family Literacy (DHS)
- Childhood and Youth Services (DHS)
- Senior Centers and Community Services (DHS)
- Older Workers Employment & Training - ASSETS (DHS)
- Care Mgmt & Support for Frail Senior & Adults w/ Disabilities (DHS)
- Branch Library Services (LIBRARY)
- Literacy Programs (LIBRARY)
- Americans with Disabilities Act Programs (CMO)
- Museum Education Services (MUSEUM)

Leverage new resources for seniors, youth and people with disabilities

- Oakland Fund for Children and Youth (DHS)
- Community Development (CDBG) (CEDA)
- Hunger and Homeless Services (CEDA)

Improve access and mobility for seniors, youth and people with disabilities

- Paratransit for Seniors and Adults w/Disabilities (DHS)

Model best practices to improve customer services and to be a fiscally sound and efficiently run city

Ensure continuous improvement in employee performance	Develop and institutionalize sound financial management policies and practices	Adequately budget for and monitor overtime spending	Develop and implement program(s) that provide financial incentive for employee and teams to identify cost saving measures	Maximize the value provided by each dollar spent in outside contracts and purchases	Develop and implement a technology infrastructure that enhances the capabilities and effectiveness of city operations
Safety, Liability and Compliance (PWA)	Central Administration (OPRC)	Human Resource Systems (OPRM)		Contract Management (OPRC)	Technical Services & Support Operations (OPRC)
Employment Opportunity Program (CMO)	Miscellaneous Grants (OPRC)	Benefits (OPRM)		Purchasing (FINANCE)	Systems & Database Administration (OIT)
Employee Assistance Services (OPRM)	Trust Fund (OPRC)	Class/Comp./ Position Control (OPRM)		Central Stores (FINANCE)	Customer Support Services (OIT)
Labor Relations (OPRM)	Accounting Operations (FINANCE)	Litigation Services (CAO)		Mailroom (FINANCE)	Application Development & Support (OIT)
Recruitment & Examination (OPRM)	Financial Reporting (FINANCE)	Advisory Services (CAO)		Contract Compliance Program & Employment Service (CMO)	Technology Infrastructure Support & Engineering (OIT)
Training (OPRM)	Cashiering (FINANCE)	Legal Support & Operations (CAO)			Policy Planning, Implementation and Operations (OIT)
	Debt Management (FINANCE)	Policy Analysis (CITY COUNCIL)			Geographic Information Systems & Internet / Intranet (OIT)
	Revenue Collections (FINANCE)	Budget Analysis and Operations (CMO)			Technology Project & Business Development (OIT)
	Parking Citation Assistance Center (FINANCE)	Risk Management (CMO)			Communications KTOP Website and Film Office (CMO)
	Parking Meter Collections (FINANCE)	Administration (CMO)			
	Telecom/Cable Franchise Management (CITY CLERK)	Mayor's Support (MAYOR)			
	Library System Wide Support (Library)	Citywide Activities (NON-DEPT)			
	Fiscal Management (NON-DEPT)	CEDA Director's Office (CEDA)			
	Museum Oversight (MUSEUM)	Investments/Cash Management (FINANCE)			
		Auditing (CITY AUDITOR)			

Maintain and Enhance Oakland's Physical Assets

Maintain and enhance Lake Merritt, the Estuary and Oakland's waterways

- Watershed and Waterways (PWA)

Provide for well maintained sanitary sewer and storm drainage systems and for required and on-going capital improvement

- Sanitary and Storm Sewer Mgmt and Maintenance (PWA)
- Engineering Planning and Design (PWA)

Provide for clean, well maintained and accessible streets and sidewalks

- Streets and Sidewalks Mgmt and Maintenance (PWA)

Provide for clean, maintained and accessible facilities and amenities

- Museum Visitor Services (MUSEUM)
- Grounds (OPRC)
- Custodial Services (OPRC)
- Fleet Management And maintenance (PWA)
- Facilities Management and Development (PWA)
- Electrical and Energy Efficiency (PWA)
- Debt/Lease Payments (NON-DEPT)
- Real Estate CEDA
- Project Delivery (PWA)

Provide for safe, clean, maintained and accessible parks and recreation facilities

- Recreation, Cultural, Civic (OPRC)
- Competitive Supports (OPRC)
- Aquatics (OPRC)
- Feather River Camp (OPRC)
- Ball Fields (OPRC)
- Golf Course (OPRC)
- Activity Centers (OPRC)
- Trees (OPR)

Inspire Creativity and Civic Engagement

Encourage and support volunteer involvement

- Senior Volunteer Services (DHS)

Foster collaboration with and among community-based organizations and City departments to enhance community ownership and participation

- Main Library Services (LIBRARY)
- Community Promotion (NON-DEPT)
- Intergovernmental Affairs (CMO)
- Public Ethics Commission (CMO)
- Customer Services /Public Relations (CITY CLERK)
- Oakland Sharing the Vision/Citizen's Academy (CMO)
- Agenda Management (CITY CLERK)

Foster artistic expression, craft and civic festivals

- Museum Curatorial and Exhibition Services (MUSEUM)
- Alice Arts Center (MUSEUM)
- Henry J Kaiser Convention Center (MUSEUM)
- African American Museum & Library at Oakland (LIBRARY)
- Public Art Program (CCA)
- Cultural Funding Program (CCA)
- Community Outreach and Development (CCA)

Provide voter education and encourage participation

- Election & Political Compliance (CITY CLERK)
- Constituent Affairs (CITY COUNCIL)

ATTACHMENT E: FORMAT OF THE PROPOSED BUDGET DOCUMENT

The attached document provides examples of the key sections of the budget template that will be utilized in the development of the FY 2003-05 Proposed Policy Budget document. The Proposed Budget document template has been developed by the Budget Office, based on the recommendations from Strategy 3, the Leadership Team, City Agencies / Departments, and the City Council. Recommendations on the budget presentation, included in a proposed Council resolution discussed by the Finance Committee on March 25, 2003, are incorporated into the attached template.

NOTE: THE SELECTED BUDGET SUMMARY TEMPLATES PRESENTED IN THIS DOCUMENT ARE EXAMPLES ONLY. THEY ARE DRAFT AND FOR DISCUSSION PURPOSES ONLY.

Budget Summary
By Council Goals

	FY 2003-04 PROPOSED	FY 2004-05 PROPOSED
GOAL 1 - Make Oakland A Safe City	0.00	0.00
GOAL 2 - Develop A Sustainable City	0.00	0.00
GOAL 3 - Improve Oakland Neighborhoods	0.00	0.00
GOAL 4 - Ensure That All Oakland Youth and Seniors Have The Opportunity To Be Successful	0.00	0.00
GOAL 5 - Model Best Practices To Improve Customer Service And To Be A Fiscally Sound And Efficiently Run City	0.00	0.00
GOAL 6 - Maintain And Enhance Oakland's Physical Assets	0.00	0.00
GOAL 7- Inspire Creativity And Civic Engagement	0.00	0.00
Total	0.00	0.00

Full-Time Equivalents Summary
By Council Goals

	FY 2003-04 Proposed	FY 2004-05 Proposed
GOAL 1 - Make Oakland A Safe City	0.00	0.00
GOAL 2 - Develop A Sustainable City	0.00	0.00
GOAL 3 - Improve Oakland Neighborhoods	0.00	0.00
GOAL 4 - Ensure That All Oakland Youth and Seniors Have The Opportunity To Be Successful	0.00	0.00
GOAL 5 - Model Best Practices To Improve Customer Service And To Be A Fiscally Sound And Efficiently Run City	0.00	0.00
GOAL 6 - Maintain And Enhance Oakland's Physical Assets	0.00	0.00
GOAL 7- Inspire Creativity And Civic Engagement	0.00	0.00
Total	0.00	0.00

Goal #1   Make Oakland A Safe City

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
1. Reduce crime by implementing a comprehensive crime prevention/reduction strategy	Project Choice				
	Criminalistics				
	Police Traffic Operations				
	Agency-wide Administration				
	Internal Affairs				
	Criminal Investigations				
	Youth & Community Services				
	Research & Planning & Crime Analysis				
	Police Records				
	Communications				
	Police Training				
	Jail				
	Airport Security				
	Patrol Area II				
	Police Special Operations				
	Vice/Narcotics				
	Patrol Area 1				
	Patrol Area 3				
	Subtotal Objective #1				
2. Improve perception of safety	Full Service Development Permit Svcs.				
	Engineering & Architectural Plan Approval				
	Development Permit Inspections				
	Subtotal Objective #2				
3. Improve emergency responses, prevention and preparedness	Office of Emergency Services/Homeland Security				
	Fire Prevention Bureau				
	Special Operations Emergency Response				
	Emergency Medical Services				
	Dispatch Communication				
	Fire Department Administration				
	Personnel Resource Management				
	Fire Suppression/Field Operations				
	Emergency Response Support Services				
	Fire Dept. Safety, Education & Training				
	Subtotal Objective #3				
	Grand Total for Goal #1				

Goal #2   Develop A Sustainable City

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
1. Maximize socially and environmentally sustainable economic growth	Business, Creation, Attraction, Retention & Expansion Svcs.				
	Marketing and Special Events				
	Commercial Lending				
	Coliseum				
	Broadway/MacArthur/San Pablo				
	West Oakland Redevelopment				
	OARB - Bay Bridge Gateway				
	Subtotal Objective #1				
2. Facilitate the development of housing	Housing Development				
	Development Review/Zoning				
	Central City East				
	Subtotal Objective #2				
3. Implement programs that protect and conserve natural resources	Environmental Compliance and Remediation				
	Recycling and Solid Water				
	Historic Preservation				
	General Plan, Zoning Update & Strategic Analysis				
	Downtown Development				
	Subtotal Objective #3				
4. Attract new residents to Oakland	Major Projects				
	Subtotal Objective #4				
5. Encourage and support social equity for all Oakland Residents	Community & Program Development				
	Residential Rent Adjustment				
	Workforce Development				
	Subtotal Objective #5				
	Grand Total for Goal #2				

Goal #3   Improve Oakland Neighborhoods

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
1. Improve traffic/bike/ pedestrian safety	Transportation and Pedestrian Safety				
	Pedestrian Safety				
	Subtotal Objective #1				
2. Increase neighborhood coordination/participation					
	Subtotal Objective #2				
3. Reduce blight and nuisance	Keep Oakland Clean and Beautiful				
	Livable Neighborhood Code Enforcement Services				
	Home Ownership and Rehabilitation				
	Subtotal Objective #3				
4. Enhance neighborhood commerce	Neighborhood Commercial Revitalization				
	Subtotal Objective #4				
	Grand Total for Goal #3				

Goal #4 Ensure that all Oakland youth and seniors have the opportunity to be successful

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
1. Provide effective community programs for seniors, youth and people with disabilities	Early Childhood Education				
	Family Literacy				
	Childhood and Youth Services				
	Oakland Fund for Children and Youth				
	Senior Centers and Community				
	Older Workers Employment and				
	Care Mgmt & Support for Frail Senior & Adults w/ Disabilities				
	Branch Library Services				
	Americans with Disabilities Act				
	Community Development (CDBG)				
	Museum Education Services				
	Subtotal Objective #1				
2. Leverage new resources for seniors, youth and people with disabilities	Hunger and Homeless Services				
	Subtotal Objective #2				
3. Improve access and mobility for seniors, youth and people with disabilities	Paratransit for Seniors and Adults w/ Disabilities				
	Subtotal Objective #3				
	Grand Total for Goal #4				

Goal #5   Model best practices to improve customer services and to be a fiscally sound and efficiently run city

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
1. Ensure continuous improvement in employee performance	Safety, Liability and Compliance				
	Employment Opportunity Program				
	Mayor's Support				
	Oakland Assistance Center				
	Administration				
	Oakland Sharing the Vision/ Citizen's Academy				
	Equal Access Office				
	Citizens Police Review Board				
	Risk Management				
	Intergovernmental Affairs				
	Contract Compliance Program & Employment Services				
	Public Ethics Commission				
	Budget Analysis and Operations				
	Policy Analysis				
	Constituent Affairs				
	Communication - KTOP Website and Film Office				
	Agenda Management				
	Election & Political Compliance				
	Customer Services/Public Relations				
	Litigation Services				
	Advisory Services				
	Legal Support & Operations				
	Neighborhood Law Corp (NLC)				
	Benefits				
	Class/Comp./Position Control				
	Employee Assistance Services				
	Human Resource Systems				
	Labor Relations				
	Recruitment & Examination				
	Training				
	Telecom/Cable Franchise Management				
	Auditing				
	Subtotal Objective #1				
2. Develop and institutionalize sound financial management policies and practices	Central Administration				
	Miscellaneous				
	Trust Fund				
	Accounting Operations				
	Financial Reporting				
	Cashiering				

Goal #5 Model best practices to improve customer services and to be a fiscally sound and efficiently run city

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
	Debt Management				
	Revenue Collections				
	Parking Citation Assistance Center				
	Parking Meter Collections				
	Parking Enforcement				
	Library System Wide Support				
	Fiscal Management				
	Citywide Activities				
	CEDA Director's Office				
	Investments/Cash Management				
	Subtotal Objective #2				
3. Adequately budget for and monitor overtime spending					
	Subtotal Objective #3				
4. Develop and implement program(s) that provide financial incentive for employee and teams to identify cost saving measures					
	Subtotal Objective #4				
5. Maximize the value provided by each dollar spent in outside contracts and purchases					
	Contract Management				
	Purchasing				
	Central Stores				
	Mailroom				
	Subtotal Objective #5				
6. Develop and implement a technology infrastructure that enhances the capabilities and effectiveness of city operations					
	Technology Services & Support Operations				
	System & Database Administration				
	Customer Support Services				
	Application Development & Support				
	Technology Infrastructure Support & Engineering				
	Policy Planning, Implementation and Operations				

Goal #5 Model best practices to improve customer services and to be a fiscally sound and efficiently run city

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
	Geographic Information Systems & Internet/Intranet				
	Technology Project & Business Development				
	Subtotal Objective #6				
	Grand Total for Goal #5				

Goal #6   Maintain and Enhance Oakland's Physical Assets

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
1. Maintain and enhance Lake Merritt, the estuary and Oakland's waterways	Watershed and Waterways				
	Subtotal Objective #1				
2. Provide for well maintained sanitary sewer and storm drainage systems and for required and going capital improvement	Sanitary and Storm Sewer Mgmt and Maintenance				
	Engineering Planning and Design				
	Subtotal Objective #2				
3. Provide for clean, well maintained and accessible streets and sidewalks	Streets and Sidewalks Mgmt and Maintenance				
	Subtotal Objective #3				
4. Provide for clean, maintained and accessible facilities and amenities	Museum Visitors				
	Grounds				
	Custodial Services				
	Trees				
	Fleet Management and Maintenance				
	Facilities Management and				
	Electrical and Energy Efficiency				
	Debt/Lease Payments				
	Subtotal Objective #4				
5. Provide for safe, clean, maintained and accessible parks and recreation facilities	Recreation, Cultural, Civic				
	Competitive Supports				
	Aquatics				
	Feather River Camp				
	Ball Fields				
	Golf Course				
	Project Delivery				
	Activity Centers				
	Subtotal Objective #5				
	Grand Total for Goal #6				

Goal #7   Inspire Creativity and Civic Engagement

Objectives	Program	FY 03-04 Revenue	FY 03-04 Expenditure	FY 04-05 Revenue	FY 04-05 Expenditure
1. Encourage and support volunteer involvement	Senior Volunteer Services				
	Subtotal Objective #1				
2. Foster collaboration with and among community-based organizations and city departments to enhance community ownership and participation	Main Library Services				
	Community Promotion				
	Subtotal Objective #2				
3. Foster artistic expression, craft and civic festivals	Museum Oversight				
	Museum Curatorial and Exhibition				
	Alice Arts Center				
	Henry J. Kaiser Convention Center				
	African American Museum & Library at Oakland				
	Public Art Program				
	Cultural Funding Program				
	Community Outreach and Development				
	Subtotal Objective #3				
4. Provide voter education and encourage participation					
	Subtotal Objective #4				
	Grand Total for Goal #7				

Business Goals

1. To promote sustainable development that embraces the three principles of environment, economy and equity through green building practices, economic development strategies, education and community participation.

2. To attract ten thousand new residents downtown through market rate and affordable housing and mixed use retail strategies.

3. To promote quality affordable housing citywide.

4. To promote retail activity across the City through attraction of regional and neighborhood retailers, thereby offering Oakland residents a wide selection of quality shopping experiences.

5. To create and retain quality jobs in Oakland that will support the City's economic base.

6. To continue neighborhood residential, economic and commercial revitalization in all of Oakland's distinct and vital neighborhoods.

7. To coordinate, facilitate and aggressively enforce the abatement of blighted properties, zoning and building code violations and other public nuisances through dynamic and creative strategies, initiatives and programs.

8. To revitalize Oakland's traditional industrial areas including reuse of the Oakland Army Base, Oak Knoll Naval Medical Center, brownfields and other underutilized properties.

9. To promote quality new development and redevelopment in Oakland that enhances the special character of the City's neighborhoods, the downtown, and industrial/commercial areas.

10. To provide customer service that is responsive, timely and accurate; streamline processes to deliver results while including appropriate community involvement.

Program Listings

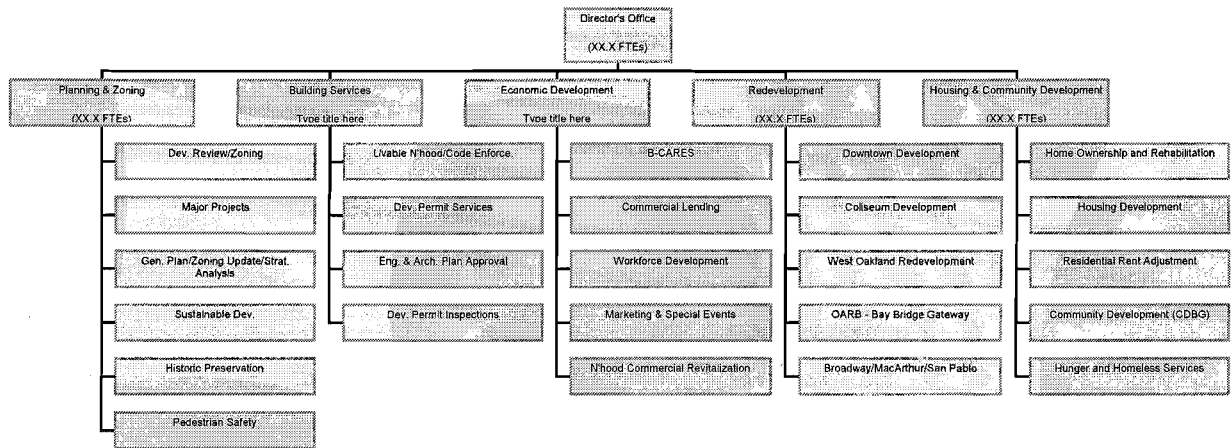The programs of the Community and Economic Development Agency are:

- *CEDA Director's Office* -- This includes all staff that provide overall administrative support to the Agency.

- *Major Projects* -- Staff responsible for review of land use/zoning permits that exceed 50 units or 500,000 square feet in size.

- *General Plan, Zoning Update and Strategic Analysis* -- Staff responsible for maintaining the General Plan; ensuring the zoning ordinance is consistent with the General Plan, and undertaking other special projects directed by City Council

- *Development Review/Zoning* -- Staff responsible for review of land use/zoning permits.

- *Pedestrian Safety* -- Includes staff responsible for securing and managing grants related to improving pedestrian safety.

- *Sustainable Development* -- Funding for a consultant to provide citywide coordination of sustainable development activities

- *Full Service Development Permit Services* -- Includes the permit intake and processing functions for building permits.

- *Livable Neighborhood Code Enforcement Services* -- Includes enforcement activities related to blight and nuisance complaints.

- *Engineering & Architectural Plan Approval* -- Includes the review of engineering and architectural plans associated with building permits.

- *Development Permit Inspections* -- Includes the inspections of all building and planning permits

- *Business Creation, Attraction, Retention, and Expansion Services (B-CARES)* -- Includes activities related to attracting, retaining, and expanding businesses citywide.

- *Marketing and Special Events* -- Staff responsible for citywide marketing and special events activities.

- *Workforce Development* -- Includes job training and other activities related to the Federal Workforce Investment Act, plus the Oakland Higher Education Center

- *Neighborhood Commercial Revitalization* -- Staff responsible for enhancing business activity in the neighborhood commercial districts.

- *Commercial Lending* -- Includes the city's commercial lending functions, such as loan origination and portfolio management.

- *Coliseum* -- Staff responsible for redevelopment of the Coliseum redevelopment area

- *Downtown Development* -- Includes staff responsible for redevelopment of the Central District.

- *Broadway/MacArthur/San Pablo* -- Staff responsible for redevelopment of the Broadway/MacArthur/San Pablo redevelopment area

- *West Oakland Redevelopment* -- Staff responsible for redevelopment of the West Oakland redevelopment area

- *OARB - Bay Bridge Gateway* -- Staff responsible for redevelopment of the Oakland Army Base redevelopment area and the Gateway project

- ***Home Ownership and Rehabilitation*** -- Includes all activities related to increasing home ownership and maintaining/rehabilitating existing homes of low income residents

- ***Housing Development*** -- Includes all activities related to the development and construction/retention of affordable housing units.

- ***Residential Rent Adjustment*** -- Includes staff responsible for implementing the City's Rent Adjustment and Just Cause ordinances.

- ***Community Development (CDBG)*** -- Includes management of the City's Community Development Block Grant Program

- ***Hunger and Homeless Services*** -- Including functions that provide services to homeless individuals and other low income persons

FY 2003 - 04

PROGRAM	GENERAL FUND					NON-GENERAL FUND					TOTAL			
	FTE	Personnel	O&M	Total Exp	Revenue	FTE	Personnel	O&M	Total Exp	Revenue	Personnel	O&M	Total Exp	Revenue
Sanitary & Storm Sewer Mgmt. & Maint.	46	34.00	3.50	37.50	5.60	46	34.00	3.50	37.50	5.60	68.00	7.00	75.00	11.20
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
TOTAL	46	34.00	3.50	37.50	5.60	46	34.00	3.50	37.50	5.60	68.00	7.00	75.00	11.20
% of Total Dept'l Budget														
% of Citywide General Fund Expeditures														

FY 2004 - 05

PROGRAM	GENERAL FUND					NON-GENERAL FUND					TOTAL			
	FTE	Personnel	O&M	Total Exp	Revenue	FTE	Personnel	O&M	Total Exp	Revenue	Personnel	O&M	Total Exp	Revenue
Sanitary & Storm Sewer Mgmt. & Maint.	46	34.00	3.50	37.50	5.60	46	34.00	3.50	37.50	5.60	34.00	3.50	37.50	5.60
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
Program Name														
TOTAL	46	34.00	3.50	37.50	5.60	46	34.00	3.50	37.50	5.60	34.00	3.50	37.50	5.60
% of Total Dept'l Budget														
% of Citywide General Fund Expeditures														

Community and Economic Development Agency -- FY 2003-05

Mission

The Community and Economic Development Agency is committed to the sustainable growth and development of all Oakland neighborhoods, industrial and commercial areas, a more densely populated downtown and special districts in ways that promote sound economic standards, environmental quality and the equitable distribution of jobs, housing and income.

```
                                            Director's Office
                                              (XX.X FTEs)

  Planning & Zoning     Building Services    Economic Development    Redevelopment    Housing & Community Development
    (XX.X FTEs)          Type title here      Type title here         (XX.X FTEs)              (XX.X FTEs)

  Dev. Review/Zoning    Livable N'hood/Code Enforce.    B-CARES          Downtown Development      Home Ownership and Rehabilitation

  Major Projects        Dev. Permit Services    Commercial Lending      Coliseum Development       Housing Development

  Gen. Plan/Zoning      Eng. & Arch. Plan Approval    Workforce Development    West Oakland Redevelopment    Residential Rent Adjustment
  Update/Strat.
  Analysis

  Sustainable Dev.      Dev. Permit Inspections    Marketing & Special Events    OARB - Bay Bridge Gateway    Community Development (CDBG)

  Historic Preservation                          N'hood Commercial Revitalization    Broadway/MacArthur/San Pablo    Hunger and Homeless Services

  Pedestrian Safety
```

Business Goals

1. To promote sustainable development that embraces the three principles of environment, economy and equity through green building practices, economic development strategies, education and community participation.

2. To attract ten thousand new residents downtown through market rate and affordable housing and mixed use retail strategies.

3. To promote quality affordable housing citywide.

4. To promote retail activity across the City through attraction of regional and neighborhood retailers, thereby offering Oakland residents a wide selection of quality shopping experiences.

5. To create and retain quality jobs in Oakland that will support the City's economic base.

6. To continue neighborhood residential, economic and commercial revitalization in all of Oakland's distinct and vital neighborhoods.

7. To coordinate, facilitate and aggressively enforce the abatement of blighted properties, zoning and building code violations and other public nuisances through dynamic and creative strategies, initiatives and programs.

8. To revitalize Oakland's traditional industrial areas including reuse of the Oakland Army Base, Oak Knoll Naval Medical Center, brownfields and other underutilized properties.

9. To promote quality new development and redevelopment in Oakland that enhances the special character of the City's neighborhoods, the downtown, and industrial/commercial areas.

10. To provide customer service that is responsive, timely and accurate; streamline processes to deliver results while including appropriate community involvement.

Program Listings

The programs of the Community and Economic Development Agency are:

- **CEDA Director's Office** -- This includes all staff that provide overall administrative support to the Agency.

- **Major Projects** -- Staff responsible for review of land use/zoning permits that exceed 50 units or 500,000 square feet in size.

- **General Plan, Zoning Update and Strategic Analysis** -- Staff responsible for maintaining the General Plan; ensuring the zoning ordinance is consistent with the General Plan, and undertaking other special projects directed by City Council

- **Development Review/Zoning** -- Staff responsible for review of land use/zoning permits.

- **Pedestrian Safety** -- Includes staff responsible for securing and managing grants related to improving pedestrian safety.

- **Sustainable Development** -- Funding for a consultant to provide citywide coordination of sustainable development activities

- **Full Service Development Permit Services** -- Includes the permit intake and processing functions for building permits.

- **Livable Neighborhood Code Enforcement Services** -- Includes enforcement activities related to blight and nuisance complaints.

- **Engineering & Architectural Plan Approval** -- Includes the review of engineering and architectural plans associated with building permits.

- **Development Permit Inspections** -- Includes the inspections of all building and planning permits

- **Business Creation, Attraction, Retention, and Expansion Services (B-CARES)** -- Includes activities related to attracting, retaining, and expanding businesses citywide.

- **Marketing and Special Events** -- Staff responsible for citywide marketing and special events activities.

- **Workforce Development** -- Includes job training and other activities related to the Federal Workforce Investment Act, plus the Oakland Higher Education Center

- **Neighborhood Commercial Revitalization** -- Staff responsible for enhancing business activity in the neighborhood commercial districts.

- **Commercial Lending** -- Includes the city's commercial lending functions, such as loan origination and portfolio management.

- **Coliseum** -- Staff responsible for redevelopment of the Coliseum redevelopment area

- **Downtown Development** -- Includes staff responsible for redevelopment of the Central District.

- **Broadway/MacArthur/San Pablo** -- Staff responsible for redevelopment of the Broadway/MacArthur/San Pablo redevelopment area

- **West Oakland Redevelopment** -- Staff responsible for redevelopment of the West Oakland redevelopment area

- **OARB - Bay Bridge Gateway** -- Staff responsible for redevelopment of the Oakland Army Base redevelopment area and the Gateway project

- **Home Ownership and Rehabilitation** -- Includes all activities related to increasing home ownership and maintaining/rehabilitating existing homes of low income residents

- **Housing Development** -- Includes all activities related to the development and construction/retention of affordable housing units.

- **Residential Rent Adjustment** -- Includes staff responsible for implementing the City's Rent Adjustment and Just Cause ordinances.

- **Community Development (CDBG)** -- Includes management of the City's Community Development Block Grant Program

- **Hunger and Homeless Services** -- Including functions that provide services to homeless individuals and other low income persons

Community and Economic Development Agency - FY 2003-05

Program Name: Major Projects
Program Code:

| Mayor/Council Goals | **Primary:** |
| | **Secondary:** |

| Citywide Objectives | **Primary:** |
| | **Secondary:** |

Program History and Description:

Proposed Revenues and Appropriations by Fund

| Fund | Fund Description | FY 2003-04 | | | | | FY 2004-05 | | | | |
		Proposed Revenue/ Resources	Proposed Appropriation Total	Proposed Personal Services	Proposed O & M	Proposed FTEs	Proposed Revenue/ Resources	Proposed Appropriation Total	Proposed Personal Services	Proposed O & M	Proposed FTEs
1010	General Purpose Fund	$0	$0	$0	$0	0.00	$0	$0	$0	$0	0.00
1600	Underground District Revolving Fund	0	0	0	0	0.00	0	0	0	0	0.00
1710	Recycling Program	0	0	0	0	0.00	0	0	0	0	0.00
1750	Multipurpose Reserve	0	0	0	0	0.00	0	0	0	0	0.00
2824	FHA 203k Loan - Revolving	0	0	0	0	0.00	0	0	0	0	0.00
2990	Public Works Grants	0	0	0	0	0.00	0	0	0	0	0.00
4400	City Facilities	0	0	0	0	0.00	0	0	0	0	0.00
7780	Oakland Redevelopment Agency Proje	0	0	0	0	0.00	0	0	0	0	0.00
7999	Miscellaneous Trusts	0	0	0	0	0.00	0	0	0	0	0.00
	TOTAL PROPOSED BUDGET	$0	$0	$0	$0	0.00	$0	$0	$0	$0	0.00

Program - Specific Performance Measures

	FY 2002-03 Target	FY 2003-04 Proposed Target	FY 2004-05 Proposed Target
Ratio of cost to process residential design permit applications to revenue received (% cost recovery)	1:1	1:1	1:1
Percent of customers served	50.00%	50.00%	50.00%
Percent of applicants rating services satisfactory or better	90%	90%	90%

Proposed Significant Changes in Budget and Performance - FY 2002-03 to FY 2003-05

C

FINANCE & MANAGEMENT CMTE.

APR   8 2003