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OFFICE OF THE CITY CLERK  
OAKLAND

CITY OF OAKLAND



2014 MAY 23 AM 9:00

ONE FRANK H. OGAWA PLAZA • 3RD FLOOR • OAKLAND, CALIFORNIA 94612

May 22, 2014

RE: Proposed Amended Midcycle Policy Budget for Fiscal Year 2014-15

Honorable City Council and Residents of Oakland:

We are pleased to transmit to you the City of Oakland's Proposed FY 2014-15 Midcycle Policy Budget (Budget) for the period of July 1, 2014 through June 30, 2015 the City Council's consideration. This balanced budget is based on the FY 2013-15 Adopted Biennial Policy Budget, as well as the FY 2013-14 Mid-Year Budget Balancing Resolution (Legistar File #13-0314, Resolution # 84897 C.M.S.). Staff recommends that the revenue and expenditure be increased by \$29.14 million in the General Purpose Fund (GPF), including a GPF Reserve at 8.53%, which is 1.03% higher than the 7.5% Council mandated level. The additional reserve totals \$2,730,728 in this proposal, of which \$1,163,075 is above and beyond the 7.5% reserve mandate. Staff also recommends that revenues and expenditures be increased by over \$58 million, for all-funds. The total FY 2014-15 Amended Policy Budget is \$1.14 billion for all funds and \$489.09 million for the General Purpose Fund. The FY 2014-15 Midcycle Policy Budget is summarized below:

*Summary of FY 2014-15 Amended Policy Budget (in Millions)*

	General Purpose Fund			All-Funds		
	Adopted	Amendment	Total	Adopted	Amendment	Total
<b>Revenue</b>	\$459.87	\$29.22	\$489.09	\$1,090.12	\$58.33	\$1,148.45
<b>Expenditure</b>	\$459.87	\$29.22	\$489.09	\$1,090.12	\$58.33	\$1,148.45

The City's economy continues to grow, which is resulting in a steady growth of GPF revenues. While revenues are approaching pre-recession levels, the growth is not enough to restore pre-recession service levels due to rising costs. There is also pressure on the budget to fund long-term deferred maintenance and capital equipment, and unfunded liabilities.

This balanced budget continues to invest in public safety, stabilize our workforce, economic growth, job creation and training, education, equipment and technology, and quality of life, which aligns with the service delivery priorities identified by City Council during FY 2013-15 budget deliberations. The following key additions are highlighted below:

**Public Safety**

- Funding for the 171<sup>st</sup> Police Academy
- Funding for recruitment of the 172<sup>nd</sup> Police Academy
- Continue the funding for Shotspotter (after grant funding expires), and fund expanded Shotspotter coverage areas
- Increase funding for the Ceasefire program

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- Allocate funding for Police overtime based on current and historical spending
- Increase availability for the Helicopter program to 40 hours/week (Non-GPF source and will be handled as a stand-alone item to the City Council)
- Continue funding for the Negotiated Settlement Agreement (Compliance Monitor) at a net reduced amount (approximately \$450,000 overall savings) based on discontinued need to fund the Compliance Director
- Add four staff positions to support the Citizen's Police Review Board

**Invest in and Stabilize Our Workforce**

- Steadily increase the workforce back to 4010.16 full-time equivalent (FTE) from 3,680.69 FTEs in FY 2012-13 when the Redevelopment Agency was dissolved
- Funding to restore 6.0 FTE Information Technology staff positions (\$1 million)
- Funding for sewer capital improvements and increased staff levels for sewer replacement / maintenance with funding derived from the Sewer Service Enterprise Fund (3100) ( net increase of almost \$12 million)
- Increase funding for the Animal Shelter, including the addition of 4.0 FTE part-time Animal Control Attendants, approved by the City Council as part of the FY 2013-14 Mid-Year Budget Balancing (equates to adding eight part-time staff), plus \$400,000 for additional staff (e.g. Veterinarian, Supervisor and support staff)
- \$3 million for pending litigations and settlements
- Funding a citywide employee training coordinator (\$130,000)
- Increasing the GPF reserve by \$2.73 million for unforeseeable events, economic uncertainties and paying down the unfunded liabilities. This addition brings the "economic uncertainty" reserve to over \$5.12 million above and beyond the 7.5% mandated amount, or 8.53%

**Economic Growth, Job Creation and Training, Education**

- Continue bridge funding for the West Oakland Job Resource Center (\$250,000)
- Expand the youth internship programs to a year-around program (\$114,000)
- Sustain Head Start Program by providing gap funding between the grant award amount and actual costs (\$753,000)

**Investment in Technology and Equipment**

- Funding for software and hardware upgrades, equipment throughout the City and a payment card security system audit (\$3.9 million)
- Funding for City's website (Digital Front Door) (\$75,000 in GPF and \$50,000 in other funds)
- Funding for replacement of 269 vehicles throughout the City including Police, Fire, Public Works, Library, Parks and Recreations, Planning and Building, Housing, and Information Technology Departments (additional lease payments will be incorporated into internal service rates for all funds in FY 2015-17)
- Funding for a fire alarm in the Police Administration Building for the academy classrooms totaling approximately almost \$280,000 (Non-GPF funding source and will be handled as a stand-alone item to Council)

**Quality of Life**

- Increase support to the Cultural Art Grants Program from part-time to full-time (\$73,000)
- Funding to continue the Walking Tours Program (\$63,000)

While the City continues to experience steady economic growth and increase in revenues, *we still face substantial financial challenges where our revenues are outpaced by our expenditures due to a variety of factors.* This includes, but is not limited to: rising health care costs, rapidly growing costs of employee pensions and frequent CalPERS pension formula changes, years of deferred equipment purchases and facility maintenance that can no longer be delayed, the sun setting of local tax measures and the expiration of public safety grants worth millions of dollars.

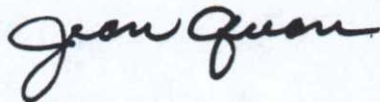
The City is also committed to securing the City's long-term financial health by taking direct actions to address unfunded liabilities. These actions include: increasing the General Purpose Fund reserve beyond 7.5%, the funding of Police/Fire CalPERS pensions at 77.3% and at 79.6% for the civilian employees; proposing to create a California Employer's Retiree Benefit Trust to set-aside funding specifically to for unfunded Other Post-Employment Benefits obligations; negotiating two-tier pension reform to significantly reduce long-term costs; and implementing the State's third-tier reform after that. Even with these measures, we cannot ignore the fact that rising pension costs are continuing to reduce funding for other GPF priorities.

While the Administration, with assistance from departments, have made tremendous effort to provide balanced measures to sustain service delivery and continue the investment in our City's infrastructure, workforce, economic growth, and improvement of quality of life, there are still unmet service needs. These needs include; increasing the police workforce, improving road conditions; replacement of City vehicles; and deferred building maintenance.

In order to address these critical issues, we continue to make progress towards stabilizing the City's long-term financial condition through the implementation of financial management controls. As a result of these cost controls, \$7.3 million in cost savings are projected to be carried forward to FY 2014-15 based on the FY 2013-14 Third Quarter Revenue and Expenditure report. In the immediate term, staff recommends the City Council consider modifying the financial policy to account for one-time revenue relative to the total revenue in the GPF. In this balanced budget proposal, it should be noted that \$19.9 million in one-time revenue is being used to balance the budget, of which just over \$5.12 million was included in the Adopted FY 2014-15 Policy Budget.

We look forward to formally presenting this Proposed Midcycle Budget to the City Council on June 2, 2014 and incorporate input from all stakeholders to finalize the budget.

Respectfully submitted,



Jean Quan  
Mayor



Fred Blackwell  
Interim City Administrator



## AGENDA REPORT

**TO:** FRED BLACKWELL  
CITY ADMINISTRATOR

**FROM:** Sarah T. Schlenk  
Interim Budget Director

**SUBJECT:** Proposed Midcycle Amendments  
to the FY 2013-15 Biennial Budget

**DATE:** May 22, 2014

City Administrator  
Approval

Date

5/22/14

**COUNCIL DISTRICT:** City-Wide

### RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution amending the City of Oakland's Fiscal Year 2013-15 Biennial Budget, which was adopted pursuant to Resolution No. 84466 C.M.S. on June 27, 2013 and amended by Resolution No. 84897 C.M.S. on March 18, 2014; to make adjustment detailed in Exhibit 1 and 2: (1) increase the Fiscal Year 2014-15 revenue projection in the General Purpose Fund (GPF) by \$29,213,358 for an adjusted budget of \$489,085,824; (2) appropriate additional Fiscal Year 2014-15 GPF expenditures in an amount not to exceed \$29,213,358 for an adjusted budget of \$489,085,824; (3) increase the Fiscal Year 2014-15 GPF reserve in an amount of \$1,567,653 per the City reserve policy of 7.5% of GPF expenditures plus an additional \$1,163,075 for a total of \$2,730,728; (4) increase Fiscal Year 2014-15 appropriations in other (non-GPF) funds revenue by \$29,141,642 and expenditures in an amount not to exceed of \$29,141,642.

### OUTCOME

Staff requests that the City Council adopt the resolution in order to approve a balanced Midcycle Policy Budget by June 30, 2014. The approval of this item will increase GPF revenues and expenditures by \$29,213,358 to a total of \$489,085,824. The Proposed Midcycle Policy Budget adheres to the Council's GPF 7.5% reserve policy by appropriating \$1,567,653 to the reserve and appropriates an additional \$1,163,075 for a total of \$2,730,728. The approval also authorizes non-GPF revenues of \$29,141,642 and expenditures of \$29,141,642.

### EXECUTIVE SUMMARY

The required Council action is to adopt a balanced budget for FY 2014-15 by recognizing new resources in the amount of \$29,213,358 in the GPF, including the use of \$16.26 million in projected FY 2013-14 one-time fund balance (this amount includes an additional \$500,000 above the \$15.76 million projection listed in the Third Quarter Revenue and Expenditure report) and

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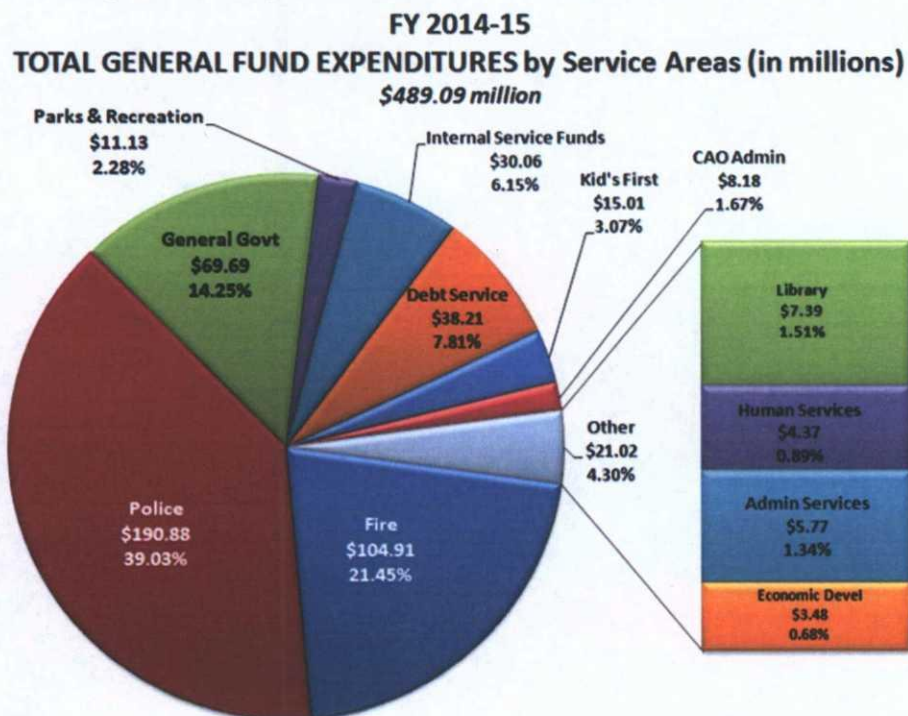
authorize additional expenditures in an amount of \$29,213,358 (See **Exhibit 1** to the resolution for details). Per the City's reserve fund policy of 7.5% of GPF expenditures, an additional \$1,567,653 is to be appropriated to the GPF reserve, plus an additional \$1,163,075 is proposed for unforeseeable events, economic uncertainty, and unfunded liabilities. The current policy states that one-time revenue is to be added to the reserve until it reaches 10%. This proposed appropriation would equate to 8.53%.

Additionally, there are proposed changes to other (non-GPF) funds as outlined in **Exhibit 2** totaling \$29,141,642 in revenues and \$29,141,642 in expenditures. In order to address the City's numerous on-going expenditures, the need to use one-time funding for ongoing operational expenditures is \$19.90 million, of which just over \$5.00 million was allocated as part of the adopted FY 2013-15 Biennial Budget. This will require a modification to the City's financial policy and is discussed further in this report. Table 1 below provides a summary by category of changes to projected GPF revenues compared to the original FY 2014-15 Adopted Policy Budget.

Table 1: Revised FY 2014-15 GPF Revenue Projections

Type	Proposed Budget	Revised Ongoing	Revised One-Time	Total
GPF	\$459,872,466	\$1,933,595	\$27,279,763	\$489,085,824

Chart 1: General Purpose Fund by Service Areas



## **BACKGROUND**

As most economic indicators show, the Bay Area economy as a whole has experienced steady growth. While the City has benefitted from this shared prosperity, recent revenue gains have been mainly driven by one-time revenue sources, particularly in the Real Estate Transfer Tax (RETT) category, which is volatile. As compared with the adopted FY 2013-15 Policy Budget, ongoing revenues (property tax, hotel transient tax, sales tax, etc.) in FY 2014-15 are projected to increase by approximately 3.8%, while one-time revenues are projected to exceed the adopted budget by approximately 60%. On the expenditure side, there are many competing needs for services including, but is not limited to: deferred infrastructure maintenance; equipment replacement; and technology upgrades. When also taking into account medical and pension rates, which will be discussed later in the report, the City's expenditures are growing at a rate that outpaces the City's revenue growth. This trend is being experienced by others cities and the State.

On June 27, 2013, the City Council adopted the FY 2013-15 Policy Budget (Resolution 84466 C.M.S.), which authorized expenditures of \$455,294,399 in FY 2013-14 and \$459,872,466 in FY 2014-15. In a subsequent action, the City Council approved the Mid-Year Budget Balancing Report (Legistar File #: 13-0314), which appropriated expenditures of \$7,747,810 and recognized \$18,122,435 in revenues for FY 2013-14. For FY 2014-15, the Mid-Year Budget Balancing report provided a budget outlook, which forecasted an additional \$11,717,908 in new revenues and \$33,017,698 in expenditures.

As part of the development of the adopted FY 2013-15 Policy Budget, the following principles were observed:

- Principle 1: Achieve a long-term structurally balanced budget through efficiencies, permanent reductions to the expenditure base, and/or revenue enhancements. Minimize reliance on reserves or the use of one-time revenues for ongoing expenditures.*
- Principle 2: Give highest priority to protecting the most essential City services.*
- Principle 3: Maintain an open and transparent process for City employees and the public. Public involvement shall be encouraged in the budget decision-making process through public hearings, public outreach, and information.*
- Principle 4: Minimize the negative impact on Oakland residents, businesses and employees.*
- Principle 5: Help strengthen the City's position in the financial and capital markets.*
- Principle 6: Develop a long-term plan to address negative fund balances.*
- Principle 7: General Fund revenues shall not be earmarked for any particular purpose, unless required by law or generally accepted accounting principles (GAAP).*
- Principle 7: All Enterprise Funds shall work to become fully self-supporting from revenues generated by rates, fees, and charges.*

While these same principles served as the foundation for the development of the Proposed Midcycle Policy Budget, there are a number of operational realities that are putting pressure on the City's budget, which include:

- Revenues are growing, but significant gains are being experienced in one-time revenue categories, while modest gains are occurring in on-going revenue categories;
- With limited resources available, this Proposed Midcycle Policy Budget had to balance varying priorities; and,
- Rising pension, health care and unfunded liability costs are taking up a larger share of the GPF.

As part of a Proposed Midcycle Policy Budget cost containment strategy, departments were instructed to:

- Develop proposals that do not result in layoffs;
- Consider eliminating, freezing or downgrading vacant positions;
- Consider shifting eligible expenditures to other non-GPF funds, but only into funds with a healthy fund balance;
- Describe and quantify the service impact for each proposed change; and,
- Consider revenue enhancements that are based on cost recovery over the FY 2013-15 Adopted Policy Budget and verified by showing historical data, current trends, grant award letters, etc.

## ANALYSIS

Subsequent to the adoption of the FY 2013-15 Policy Budget, staff completed the close of FY 2012-13 and the City Council approved a number of appropriations, which required amendment to the adopted budget. In addition, while the need to fund certain items was identified as part of the development of the FY 2013-15 Policy Budget (e.g. full funding of current and future labor MOUs), staff has identified a number of recent funding priorities (e.g. radio equipment replacement costs, service and safety Ballot Measure, etc.).

The attached Proposed FY 2014-15 Midcycle Policy Budget addresses additional items that require funding totaling nearly \$20.8 million (Technical adjustments, Kids First! reconciliation, etc.) as well as recommends funding for other priority items (171<sup>st</sup> Police Academy, Shotspotter, continued bridge funding for the West Oakland Resource Center, etc.) totaling \$11.9 million. These proposed expense increases are offset by various expenditure reductions totaling \$3.5 million for a total \$29.2 million in adjustments.

Staff has identified numerous items that call for a GPF resource allocation to meet the immediate operation needs of the City and other priority funding items (detailed in **Exhibit 1**). For the Proposed FY 2014-15 Midcycle Policy Budget, a total of \$29,213,358 of resources has been identified, of which \$1,933,595 is one-time and \$27,279,763 is ongoing. Funding for ongoing appropriations funded with one-time resources will need to be identified in future budget cycles.

After further analysis, staff also recommends that the FY 2013-14 RETT revenue carry forward, as identified in the FY 2013-14 Third Quarter Revenue and Expenditure Report, be increased by \$500,000. This amount is proposed to be allocated to the GPF reserve for a total appropriation of \$1,163,075 above the current 7.5% reserve requirement for the funding of unforeseeable events, economic uncertainty, and unfunded liabilities. It should be noted that the Council also

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allocated an additional \$3.96M as part of the FY 2013-15 Biennial Policy Budget. The current policy states that one-time revenue is to be added to the Reserve until it reaches 10% and this proposed appropriation would equate to 8.53%.

**Revenues**

GPF revenues are a combination of sixteen major revenue categories. Each category is forecasted separately and can be projected upward or downward based upon current financial information. Based on revised revenue projected, FY 2014-15 budgeted revenues are projected to increase from \$459,872,466 to \$489,085,824, a net increase of \$29,213,358 (see exhibit 3 to the resolution for details). Of the projected \$489,285,824, one-time revenues are projected at \$44,756,807 including \$13 million of RETT revenues in excess of \$40 million and the use of \$26.50 million from fund balance. Of the \$26.50 million fund balance, \$10 million was in the adopted FY 2013-15 Policy Budget; the remaining \$16.50 million is the projected operational surplus from FY 2013-15 stated in the Third Quarter Revenue and Expenditure report. Chart 2 below shows City’s GPF revenue sources by category and Chart 3 shows all funds revenue sources by category.

*Chart 2: Projected FY 2014-15 GPF Revenue Sources by Category*

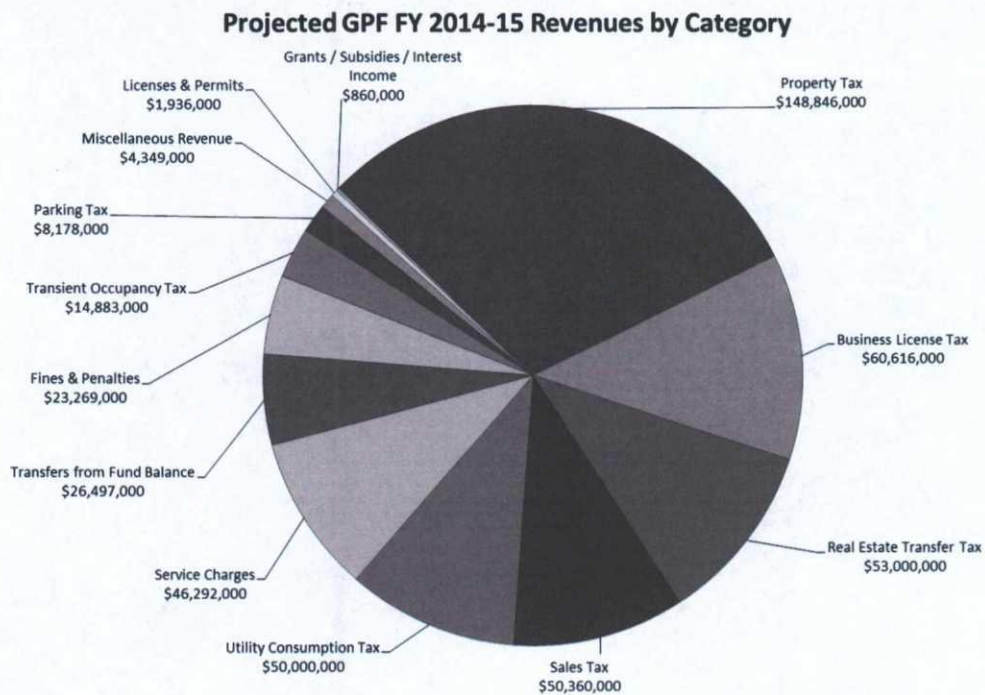
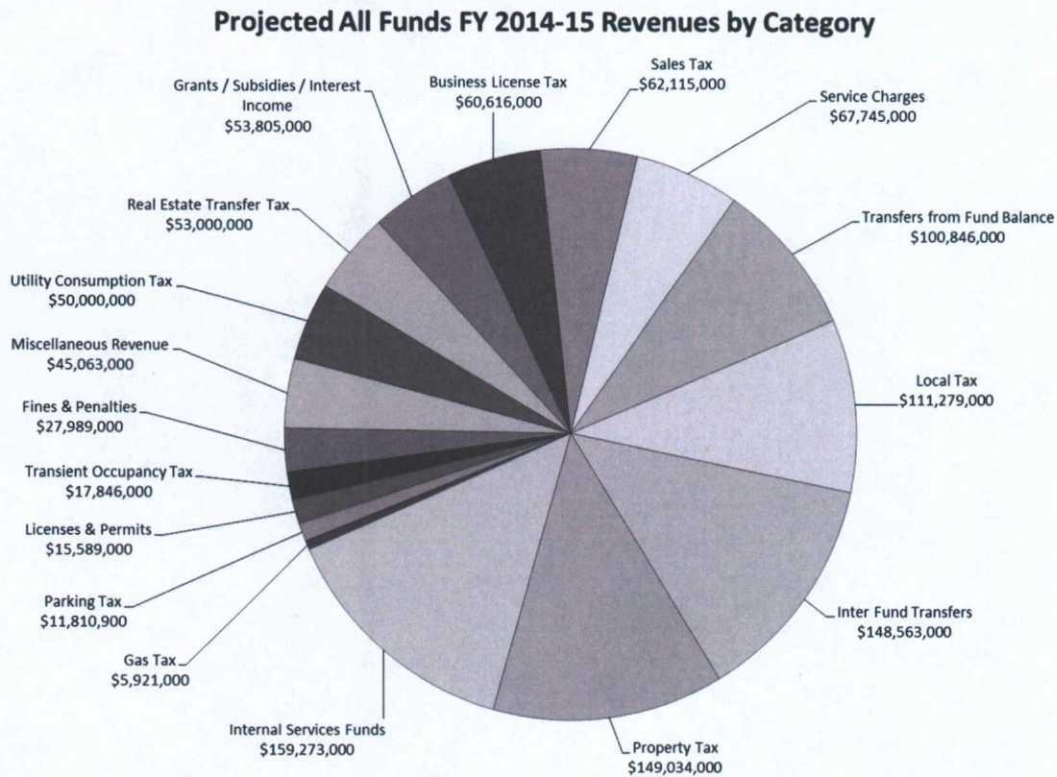


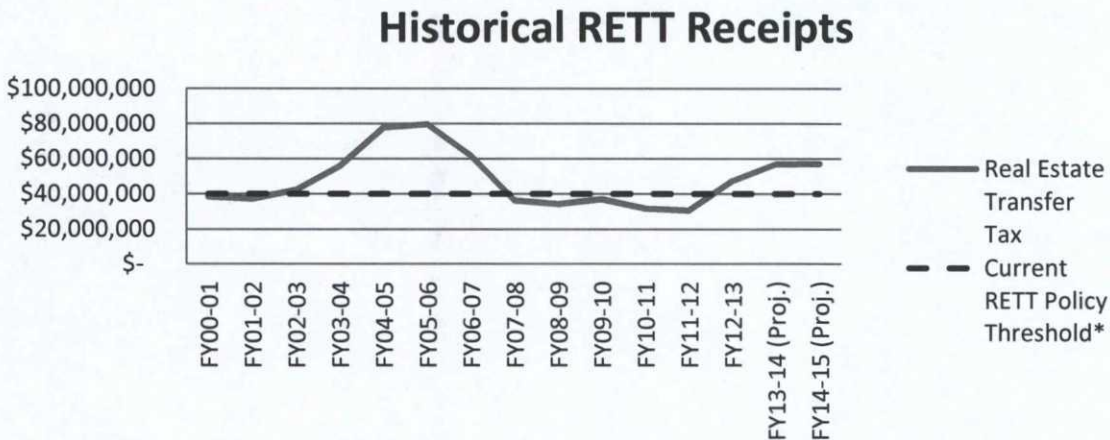


Chart 3: Projected FY 2014-15 All Funds Revenue Sources by Category



Per Ordinance 13170 C.M.S., all receipts of RETT in excess of \$40 million are considered to be one-time revenues (see section below titled "Policy on One-time Funds" for additional information). This policy was instituted by the City Council as a prudent fiscal rule to insulate the City's budget from the high volatility of RETT revenue receipts. See Table 2 below for historical RETT receipts for the past 10 years.

Table 2: Historical RETT Receipts



\* Per Ordinance 13170 C.M.S., all receipts of RETT in excess of \$40 million are considered to be one-time revenues

The proposed budget includes the use of \$16.50 million in projected FY 2013-14 year-end one-time fund balance in excess of the reserve requirement and \$3.96 million set-aside in the FY 2013-15 Adopted Policy Budget. This is in addition to the \$10 million in fund balance that the FY 2013-15 Adopted Policy Budget already appropriated for FY 2014-15. The total proposed use of fund balance for FY 2014-15 is \$26.50 million. The use of these funds would also be subject to the provisions of Ordinance 13170 C.M.S. for one-time revenues.

The proposed revenue adjustments from the adopted FY 2013-15 Policy Budget are largely due to the increase of projected RETT and the increased appropriation of fund balance. Categories of revenue other than RETT and the use of fund balance are projected to be slightly below the FY 2013-15 Adopted Budget projections. However, these categories are still expected to experience real year-to-year growth averaging roughly 3.5%.

Generally, as noted earlier in this report, the growth rate of GPF revenues has been robust, but insufficient in meeting expenditure growth. In addition, much of the growth in revenues has been from one-time or volatile revenue sources.

### **Policy on One-time Funds**

The City Council approved Ordinance 13170 C.M.S. (GPF financial policy permitting the use of excess RETT to pay for one-time expenses), Section E states that one-time revenues (other than one-time RETT, which is treated separately) may only be used for one-time expenditures and paying off negative fund balances. According to the City Council policy, any other use of these funds requires the declaration of a fiscal emergency in order to expend these funds whether there are other factors that determine a fiscal emergency or not. In order to avoid long-term structural imbalances, this policy serves as a sound fiscal management practice.

Oakland has made significant fiscal progress over the past 18-24 months due to increases in some revenue categories and cost containment strategies; however, existing fiscal challenges will persist that require close attention to further stabilize future budgets. With limited general fund dollars and the increasing costs of public safety services, fewer and fewer dollars are available for other programs/services. Measure Y (Violence Prevention and Public Safety Act of 2004) is set to expire on December 30, 2014, which will eliminate millions of dollars that are currently spent on police, fire services, and crime prevention programs, if not re-authorized by voters.

While it is not considered a best practice to use one-time funding for on-going expenditures, the Administration believes that the declaration of a fiscal emergency to expend these funds may be excessive and not appropriate in all cases to address its budgetary needs. In FY 2014-15, it is projected that \$19.90 million in one-time funds will be used to balance the budget without cutting staff and services. There are other approaches that can preserve the Council's original goal of fiscal prudence without the extraordinary need to make declarations as required by the existing policy. Adherence to this and other financial policies have been instrumental in improving the City's financial condition and weather the recent economic downturn. Prudent changes to this financial policy would allow additional budgetary flexibility, while maintaining

the core goal. This existing policy is rooted in the common acknowledgement of the State's Department of Finance's (DOF) definition of "one-time costs," which is defined below:

"A proposed or actual expenditure that is non-recurring (usually only in one annual budget) and not permanently included in baseline expenditures. Departments make baseline adjustments to remove prior year one-time costs and appropriately reduce their expenditure authority in subsequent years' budgets."

More information is available at: <http://www.dof.ca.gov/fisa/bag/documents/GlossaryofBudgetTerms.pdf>

On May 13, 2014, Governor Brown released the May FY 2014-15 revised budget, which called for the establishment of a State Rainy Day Fund to be placed on the November 2014 ballot. The proposal would require that 1.5% of State General Fund funds be deposited into the Rainy Day Fund annually. In addition, any Capital Gains Tax in excess of 8% of General Fund tax revenues would also be deposited into the Rainy Day Fund. This limits the State's exposure to volatility in capital gains tax receipts. More information is available at:

<http://www.ebudget.ca.gov/FullBudgetSummary.pdf>

Following a similar model with Oakland's specific data, the RETT revenue over \$40 million per year is currently defined as one-time revenue. As real estate prices sustainably increase over time, the current \$40 million figure listed above may no longer be an appropriate threshold to measure "one-time" revenues. Staff recommends that the City Council consider adopting the State's model by using a percentage of RETT revenue in comparison to GPF tax revenue. As an example, RETT for the last 10 years averaged approximately 14.6%; in the last 15 years the average is approximately 14.4% of the GPF tax revenue (see Attachment A). This policy revision would eliminate the current \$40 million threshold for calculating excess RETT that can only be used to fund one-time expenses. Based on previous year RETT actuals, staff recommends a percentage that is between 12% and 14%. If this new methodology were applied to the revised FY 2013-14 projected GPF revenue figure listed in the Third Quarter Revenue and Expenditure report (\$471.56 million), 12% would equate to \$56.59 million, while 14% would equate to \$66.02 million.

### Expenditures

Staff has identified numerous items that require an allocation of resources to meet the immediate operational needs of the City, and other priority funding items (detailed in Exhibit 1). For the proposed FY 2014-15 Midcycle Policy Budget, a total of \$29,213,358 in funding is required, of which \$27,279,763 is one-time and \$1,933,595 is ongoing. Per the City Charter, the entire \$29,213,358 in funding must be appropriated even though certain funds are to provide resources for items, which have been authorized by the City Council in prior legislative actions. Below are detailed descriptions of the expenditure items listed in **Exhibit 1**. The funding amounts provided below are sorted into five expenditures categories, along with the projected funding levels:

- **Technical Adjustments (\$6,461,322):** Technical corrections to the budget baseline and savings assumed that are unable to be implemented; and,

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- **City Council Approved / Required (\$13,573,444):** Items approved by the City Council since July 1, 2013 and require funding in FY 2014-15 or are required by legislation (e.g. Kids First! set-aside and COPS grant match, etc.);
- **City Council Priorities (\$6,481,520):** Recommended funding of expenditures that are consistent with a recent resource allocation by the City Council and are identified as Council priorities (e.g. Police academy);
- **Other Expenditure /Adjustments (\$6,040,097):** Other priorities that have immediate service impacts if continued as unfunded (e.g. Information Technology Department (ITD) staff augmentation).
- **Cost Savings / Budget Neutral (-\$3,353,025):** Proposed expenditure reductions to offset other costs or changes that do not impact the overall budget either by using an offsetting revenue or expenditure;

A summary of the proposed expenditures by area of investment is presented below.

### **Public Safety Investments**

The Proposed Midcycle Policy Budget provides significant additional funding for public safety. It includes funding for the 171<sup>st</sup> police academy, during FY 2014-15, and pre-academy resources for the 172<sup>nd</sup> police academy during FY 2015-16, which will be funded from savings from previous academies. Due to pre-academy requirements such as background checks, this advance funding is required if the 172<sup>nd</sup> is to be held during the first six months of FY 2015-16. The additional police academies are designed to enable the department to reach its targeted sworn officer count of 707 officers (including 10 officers from a recent COPS grant).

Additionally, the proposed budget provides funding to maintain the Shotspotter system and expand the systems coverage to areas around Lake Merritt, Downtown, and Maxwell Park. The Proposed Midcycle Policy Budget also provides funding for the "Ceasefire" Violence Disruption program, which has proven integral to the City's recent successes in reducing violent crime. In addition, funding for the helicopter program and minor capital improvement as well as minor technology items from non-general purpose fund sources and will be requested on June 10, 2014 to the Public Safety Committee through a standalone item. Finally, the proposed budget provides resources to fund a civilian fire marshal to assist the Oakland Fire Department in improving fire safety, fire prevention and inspection functions.

### **Stabilize Workforce**

The City's workforce and departments have sustained dramatic cut backs over the past several budget cycles. The cuts were due in large part to the recent Great Recession, which severely decreased available resources. The Proposed Mid-Cycle Policy Budget stabilizes the City workforce by investing in resources that improve internal training capacity and appropriates funds to support collective bargaining agreements agreed to in summer 2013. The Proposed Mid-Cycle Policy Budget makes numerous technical adjustments to funding sources to better align budget expenditures with departmental operations.

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The Proposed Midcycle Policy Budget makes a particularly strong investment in the operations of the Oakland Animal Shelter by providing continued funding for positions and O&M approved during the Mid-Year Budget to improve shelter operations, plus an additional \$400,000 for additional staff positions is proposed, while a more permanent structural model for the shelter can be developed.

### **Off-street Parking Facilities and Fund 1750 (Multi-Purpose Reserve)**

At the May 20, 2014 City Council meeting, the City Council approved the execution of a contract with City of Oakland Parking Partners for the management of City off-street parking facilities and other financial technical adjustments. As part of that action, the City Council further instructed staff to include in the Proposed Midcycle Budget the proposed Program Analyst III position which will assist with the management of this new contract. This position is listed in Exhibit 2 for City Council consideration. In order to comply with State mandates and bond covenants, staff will also transfer restricted bond revenues tied to the former redevelopment garages out of Fund 1750 to the appropriate restricted bond fund to ensure that restricted bond funds are not spent on ineligible costs.

### **Headstart**

Due to the Federal budget sequestration and increased operational costs, the adopted FY 2013-15 Policy Budget included a \$1.5 million subsidy from the GPF for the Head Start program for FY 2013-14. The subsidy prevented the loss of 102 half day classroom slots for new families. The closure of the San Antonio Community Development Center would have accounted for 68 of these slots and 34 fewer slots would have been available at the Eastmont Town Center. This reduction would have added to the 396 families already on waiting list Head Start slots Congress recently approved a Federal Budget that is expected to restore cuts to the Head Start Program. As a result, the City is expects to receive approximately \$900,000 from the Federal Government for the Head Start program related to the end of sequestration, plus over \$200,000 for a cost of living adjustment. However, due to increased operational costs and the lack of sufficient grant funding to account for this increase, a \$752,634 subsidy is anticipated to be needed in FY 2014-15 in order to maintain current service levels. This is in addition to GPF overhead waivers traditionally granted to Head Start.

### **Negotiated Settlement Agreement (NSA) and Legal Mandates**

In December 2013, City Council passed Resolution 84759 C.M.S. to authorize the extension of the Police Performance Solutions, LLC contract from January 20, 2014 to January 20, 2015 to perform the independent monitoring services and technical assistance required by the court as part of the NSA. Staff projects that the services will be needed through June 2015 and as such, an anticipated amount of \$500,000 is required. Based on the February 12, 2014 Federal Court Order, the Court required an additional \$150,000 to support the Monitor's new duties plus incidental cost of \$15,000, for a total of \$650,000. In the Proposed Midcycle Policy Budget, these costs are proposed to be offset by savings achieved from the elimination of the Compliance Director position. The total net amount required for NSA is \$553,000.

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### **Kids First Allocation Reconciliation**

As approved by voters in 1996 (Measure K) and replaced in 2009 by Measure D, the City is required to allocate 3% of annual GPF unrestricted revenues to support direct services to youths under the age of 21 (Kid's First!). If revenues exceed projections at the end of a fiscal year, the City is required to evaluate the additional contribution to account for this higher revenue. The Proposed Midcycle Policy Budget contains expenditures required for a one-time reconciliation to the Kid's First! Fund in the amount of \$1,978,537 for FY 2012-13 based on the year-end audit and an additional 3% of the projected revenue growth in an amount of \$543,673 for FY 2014-15. If revenues exceed projections at the end of a fiscal year, the City is required to reconcile the additional contribution to account for this higher revenue.

### **Election Costs**

Staff anticipates that there may be a need for additional resources associated with the November 2014 elections with the amount to be determined after the conclusion of the elections. During the Mid-Year Budget Balancing action, \$500K was allocated towards election costs. The additional resources are due to: a larger than anticipated number of candidates running for City elective office in the November 2014 election, a larger than anticipated number of ballot measures, which may be considered by the voters at that same election, and increased costs for translation into other languages.

### **Job Training and Economic Development (West Oakland Resource Center)**

The Midcycle Policy Budget continues the investment in job training and economic development for the City. The West Oakland Job Resource Center, which provides Oakland residents with needed construction and logistics jobs training, will require an additional GPF subsidy of \$250,000 in FY 2014-15 in order to meet operational costs. In FY 2015-16, the center should be fully funded as originally proposed through Army Base billboard revenues.

Also funded is a Program Analyst II position, which will provide support to expand the Youth Internship Program to year around, partnering with the Oakland Unified School District. This position will focus on fundraising activities, increasing employer participation through outreach activities, and will be supported by the part-time Workforce Investment Act funded position, which provides seasonal program support for the Youth Internship Program. In addition, \$50,000 is proposed to be allocated for the East Bay Alliance Membership Fee. The East Bay Alliance seeks to establish the East Bay as a world-recognized region to grow business and attract capital in a way that creates quality jobs. This membership fee is reflective of the City's commitment as a leader of the east bay economy and to promote economic opportunity for our residents.

### **Accela / Planning and Building Department**

With the implementation of Accela, a Computerized Land-Use Management System, the need for full-time systems implementation services are no longer required and are proposed in the Midcycle Budget to be transferred to the General Purpose Fund. In addition, a number of FTE

are proposed to be transferred out of Fund 2415 (Development Service Fund) and aligned to other funds to account for changes in work duties. The Planning and Building Department also received one-time revenues use to the miscoding of permit revenues. A contingency reserve is proposed to be created with these funds to allow the Planning and Building Department to address short-term staffing needs.

### **Deferred Sewer Maintenance**

Sewer maintenance is a vital component of the City's infrastructure. As part of the adopted FY 2013-15 Policy Budget, Oakland Public Works (OPW) received approval for 15 FTE and equipment / capital funding to implement enhanced sewer maintenance activities supported by the sewer service fee. While this action represents a significant investment in the City's infrastructure, deferred sewer maintenance could lead to potential fines / penalties. Given this, additional funding will be necessary in FY 2014-15 in order to ensure that the City's sewers are well maintained for many years, and necessary reporting requirements are met. As a result, the Proposed Midcycle Budget includes funding for an additional ten positions and O&M for a total of nearly \$12 million.

### **Vehicle Lease 2.0**

On March 5, 2013, the City Council approved a master lease-purchase agreement to replace approximately 153 vehicles and equipment (Legistar File # 13-0130) in order to address the condition of the City's aging fleet and to reduce the high costs of maintaining vehicles past their optimum period of use. While this previous action was a significant step in addressing upgrading the City's fleet, the funding amount was inadequate to ensure a cost effective fleet.

An analysis by staff calculates that the City's fleet has a current replacement value of \$105 million. In order to address more immediate needs, staff will be bringing a report to the City Council for the replacement of an additional 269 vehicles, to replace the City's expired Compress Natural Gas (CNG) vehicles and several vehicles within OPD, OFD and OPW. This report is proposed to only replace the most critical vehicles and those with excessive maintenance costs of which, 45 are for the Police Department. The initial lease payment for this proposed action is not anticipated to be required until FY 2015-16 and will be incorporated into the internal service fund rates, to which all applicable funds contribute.

### **Housing**

Even after the dissolution of redevelopment agencies, the City continues to make significant investments in affordable housing through the allocation of federal grants, tax credits and as evidenced by the recently approved policy that would reinvest 25% of "boomerang funds," funds received due to the dissolution of redevelopment less enforceable obligations, beginning in FY 2015-16. Coupling this with investments by the private sector through housing projects like Brooklyn Basin, the City is experiencing an increase in housing construction, which will grow the City's tax base and attract additional investment dollars. As part of the Proposed Midcycle

Policy Budget, the Housing Department will gain net new 5.45 FTE positions, which will increase the department's ability to effectively manage programs and increase program delivery.

### **Information Technology Infrastructure**

On July 20, 2013, the City Council approved a total of \$19.25 million for the financing of various IT infrastructure and system improvements (Microsoft 365 upgrade, Oracle release 12 upgrade, OPD iPAS, etc.). As part of this action, the City entered into agreements with IBM Credit LLC and Oracle for financing totaling \$10.83 million, which requires \$3.75 million for debt service in FY 2014-15, of which \$1 million was set-aside in the original FY 2014-15 budget, so a net \$2.75 million is needed as a midcycle budget adjustment. Future debt service payments are projected to be paid out of the ITD Internal Service Fund, which is expected to be implemented in FY 2015-16.

It is important to note that the ITD has suffered staff reductions of approximately 40% over the past several years. With current (Oracle upgrade, implementation of Microsoft 365, public safety system improvements, etc.) and future (radio system replacement/upgrade) ITD related projects totaling almost \$50 million, it is necessary to ensure that these funds are utilized efficiently. Project implementation and operations cannot be sustained without additional staff. As discussed in the FY 2013-14 Mid-Year Balancing report, ITD has completed an internal staff needs assessment and has projected a need of 12 positions to assist the implementation of current and future projects. At this time, insufficient funding exists to address all of ITD's staffing needs. As such, the Proposed Midcycle Policy Budget recommends funding for six positions, which will assist the department in addressing immediate staffing needs.

### **Website (Digital Front Door)**

The City's website is the primary way citizens access City government and the web site receives about 100,000 unique visits per month. As part of the Mid-Year balancing report, the City Council approved \$75,000 in FY 2013-14. This is an initial investment in the redesign of the City's web site and new web-based applications, which are the prevailing approach to enhancing online service delivery. An additional need of \$125,000 has been identified, of which \$75,000 is proposed from the GPF and \$50,000 is one-time from non-GPF funds. Staff will seek to stretch this initial investment through strategic partnerships. On-going expenses will likely grow over time as we shift more focus to digital service delivery.

As presented at the May 13, 2014 Finance and Management Committee, the Code for America 2.0 Digital Front Door Project will put community members at the center of service delivery and design website interaction around their needs, build a continually evolving website, and enhance the digital literacy of City staff. The project will also identify resources and development needed to establish a thriving digital service delivery model and position Oakland as a national model of civic innovation.



### **Payment Card Industry (PCI) Compliance**

City departments accept payment cards as a form of payment for a number of City fees (parking meter fees, fire inspection fees, recreation center rental fees, building permit fees, etc.). As a requirement for accepting payment card transactions, the City needs to adhere to PCI Data Security Standards. As a result, funding is needed in order to conduct an independent audit of City's compliance with PCI Data Security Standards. The proposed funding of \$525,000 (\$310,000 of which is one-time) will be used to perform a PCI gap analysis to review the City's security measures, remediation of issues identified during the gap analysis, and to complete a "Report on Compliance" that will validate whether the City is in compliance with PCI standards.

### **Critical Public Safety Software**

The Proposed Midcycle Policy Budget invests \$310,080 in critical ongoing maintenance for public safety software systems including systems for the analysis of crime trends across the City and within its geographic sub-units, property management, and a database for the organization of OPD directives and instructions. It also includes funding for the Forensic Logic system, which allows OPD to consolidate and leverage various technologies and datasets to perform thorough crime analysis and reporting. These software items support analysis and crime mapping supporting bi-weekly COMPSTAT meetings, production of the Department's Uniformed Crime Reporting (UCR) statistics, required reporting for certain OPD grants, and the mining and analysis of data related to compliance with the NSA.

### **Budget System**

The City's current budget system has reached the end of its life cycle and will no longer be supported in the new Oracle upgrade. Staff has conducted a thorough review of existing budget systems focusing on functionality, ease of use, and cost. The Midcycle Policy Budget proposes to allocate \$350,000 for the implementation of a new budget system, which will be needed in FY 2014-15.

### **City Radio**

The City is planning for the replacement of the City's radio equipment and some infrastructure improvements that are required, regardless of which system the City selects, to maintain critical communication services. As authorized by the City Council, the City is currently in negotiations with vendors relative to the selection of a radio system (staff will bring a recommendation on this to the City Council on June 24, 2014). The City will need to make a significant financial investment in the replacement of non-functional and aging radio units. As a result, the City has set-aside \$3.04 million in funds for radio needs in FY 2012-13, as described in the FY 2012-13 Third Quarter Revenue and Expenditure Report, and an additional \$1 million has also been identified in the Capital Improvement Plan for the radio needs (Legistar File #: 12-0569, Resolution #845000 C.M.S.). Given that the negotiations have not been concluded, the amount needed for the project has yet to be determined. An amount may be needed in addition to the \$4.04 million reserved for this project, depending on the system the City Council selects.

**7.5% General Fund Reserve Increase and Beyond**

The City Council adopted a financial policy to establish a GPF Reserve Policy (Ordinance 13170 C.M.S.) that states that:

"...the City of Oakland to provide in each fiscal year a reserve of undesignated fund balance equal to seven and one-half percent (7.5%) of the General Fund 1010 appropriations for such fiscal year (the "General Fund Reserve Policy")."

On June 27, 2013, the City Council adopted the FY 2013-15 Policy Budget with a FY 2013-14 GPF appropriations of \$455.29 million which translates into a 7.5% reserve amount of \$34.15 million. FY 2013-14 GPF appropriations are projected to be further increased by \$12,389,382 due to the adoption of various City Council resolutions, and expenditure adjustments through the second quarter and mid-year adjustments. As a result, the GPF reserve needs to be increased by an additional \$929,204 in FY 2013-2014. If appropriations are increased to \$489,085,824 in FY 2014-2015 as proposed, an additional \$1,567,653 will be required to be deposited in the GPF reserve per current City policy. This amount is an identified expenditure in the Proposed Midcycle Policy Budget.

An additional amount of \$3.96 million above and beyond 7.5% GPF had been added to the GPF reserve as part of the council adopted FY 2013-15 budget (Resolution #84466 C.M.S.). This proposed FY 2014-15 Mid-Cycle Proposed Policy Budget includes additional \$1,163,075 for unforeseeable events, economic uncertainty, and unfunded liabilities, which would bring the reserve up to 8.53%.

**Policy Trade-off Items**

While the Proposed Midcycle Policy Budget addresses a number of City needs, insufficient GPF funding is available to address all funding requests. These items include:

Department	Description	Ongoing	One-time	FTE
ITD	Additional five positions in addition to the six positions recommended as part of this report	660,463	-	5.00
ITD	ITD temporary personnel funding to assist with IT project implementation/delivery	-	500,000	-
Police	Additional overtime funding request	-	6,413,400	-
Police	Various additional OPD positions (crime analyst, police records specialist, and support staff)	2,746,100	-	29.00
Police	Additional animal shelter operating costs	23,000	-	-
Police	Increase the cadet academy by ten	-	167,625	-
CAO / Budget	Professional Services for Public Budget Survey to prepare for FY 2015-17 (required under the Transparency and Public Participation Policy)	-	75,000	-

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Department	Description	Ongoing	One-time	FTE
CAO / EOPD	Increase contract services for investigations in Equal Opportunity Programs Division	100,000	-	-
CAO / Contracts & Compliance	Add Contract Compliance Officer (Oakland Army Base / West Oakland Job Resource Center); billboard revenue not yet materialized	115,985	-	1.00
CAO / Contracts & Compliance	Add Office Assistant II (Oakland Army Base Community Jobs Oversight Commission); billboard revenue not yet materialized	51,209	-	1.00
Economic Workforce Development	Add Program Analyst I, PPT position to support Cultural Art Grants Program	49,361	-	0.50
Economic Workforce Development	Workforce Investment Act System Administration Subsidy	250,000	-	-
Public Works	Three tree trimmers and operating costs	280,392	-	3.00
Public Works	One-time tree trimmer equipment	-	588,500	-
Public Works	Enhanced park maintenance and expanded weekend litter pick-up	4,665,813	-	56.50
Public Works	One-time park maintenance equipment	-	1,792,788	-
Public Works	Minor capital expenditures	-	120,000	-
Citywide	Employee Choir	7,000	-	-

**FUTURE CHALLENGES AND OPPORTUNITIES**

**Grow the economy (10K 2.0, Business Attraction Retention)**

Attracting new residents to the City will increase the demand for services, thus attracting new economic development to Oakland. This is further evidenced by the recent announcement of the 10K 2.0 Plan, which seeks to attract 10,000 new residents to Oakland. With this potential influx of new residents, the demand for housing, services, and entertainment will create new business opportunities and increase revenue for existing businesses.

**Change and Pension and Medical Rates**

City of Oakland, like all other local governments in California and the Nation, faces significant challenges in the rapidly growing costs on pension and medical insurance. The growth of expenditures outpace the revenue growth and Consume Price Index, which puts tremendous pressure on public employers to continue to deliver the most needed public services.

*Pension*

California Public Employees' Retirement System (CalPERS) has adjusted the funding formula three times in the past three years, which significantly increased the pension contribution from the employer. A preliminary estimation based on City's estimated payroll and CalPERS assumptions, the City's contribution to pension is noted in Table 3 below (subject to change when estimations from CalPERS are received):

*Table 3: Projected City Pension Contributions*

**Low End Additional Contribution Due to Assumption Changes:**

	2016-17	2017-18	2018-19	2019-20
<b>Miscellaneous</b>	\$ 1,601,264	\$ 2,657,208	\$ 3,775,068	\$ 4,957,608
<b>Police</b>	\$ 1,483,737	\$ 2,211,940	\$ 2,982,500	\$ 3,797,302
<b>Fire</b>	\$ 740,105	\$ 1,572,262	\$ 2,453,681	\$ 3,386,570
<b>Total</b>	\$ 3,825,106	\$ 6,441,409	\$ 9,211,248	\$ 12,141,480

**High End Additional Contribution Due to Assumption Changes:**

	2016-17	2017-18	2018-19	2019-20
<b>Miscellaneous</b>	\$ 3,380,445	\$ 5,589,299	\$ 7,927,642	\$ 10,401,255
<b>Police</b>	\$ 2,577,018	\$ 3,860,841	\$ 5,219,374	\$ 6,655,945
<b>Fire</b>	\$ 1,171,834	\$ 2,048,704	\$ 2,977,133	\$ 3,959,423
<b>Total</b>	\$ 7,129,296	\$ 11,498,845	\$ 16,124,149	\$ 21,016,623

Note:

1. The increase does not take effect until FY 2016-17 and CalPERS has not provided projected rates for FY 2020-21.
2. CalPERS October 2013 analysis states, "these projections do not take into account potential rate increases from likely future assumption changes. Nor do they take into account the positive impact PEPRA is expected to gradually have on the normal cost."
3. Payroll projections assume 3% annual increase, consistent with CalPERS' current assumption.
4. These figures do not include the Port of Oakland.
5. Any actuarial forecast is subject to updates due to numerous factors including new legislation, court cases, investment returns, future collective bargaining, number of employees, retirement behavior, mortality, and other factors.

In March 2012, based on its own study and an independent evaluator's separate assessment of the economic assumptions, CalPERS lowered its discount rate from 7.75 to 7.50 percent. Public agency employer contribution rates increased by approximately 1.0 to 2.0 percent of payroll for Miscellaneous plans and 2.0 to 3.0 percent of payroll for Safety plans. These increases were phased in over a period of two years beginning in fiscal year 2013-14.

In April 2013, CalPERS changed its policies to recognize gains and losses over a shorter period and to use a 30-year fixed amortization period instead of a rolling 30-year period. Under the new smoothing and amortization policy changes, CalPERS would pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate to payroll spread directly over a 5-year period. The smoothing would increase the employer rate volatility in normal years but a much reduced chance of very large rate increase in extreme years if there was a large investment loss. In addition, the adoption of this new amortization and smoothing method will improve

funding levels, which would reduce the funding level risk and ultimately achieve a fully funded status for its plans in thirty years.

On February 18, 2014, CalPERS Board approved the new demographic assumptions for the pension system based on the data collected from 1997 through 2011, which will result in higher pension costs, translating to higher contribution rates for the State and public agencies like the City of Oakland. However, the new assumption is designed to help stabilize pension costs over time. Adoption of the new assumptions marks the third change since 2012 that impacts the long-term funding of the system. These changes are intended to protect the beneficiaries and reduce the long-term cost of benefits for all in addition to meeting the pension obligations to current and future public employees. Based on a cursory analysis, staff estimates that the pension contribution from the City to the CalPERS system can increase between \$3.83 million to \$7.13 million in FY 2016-17 and between \$12.14 million to \$21.02 million in FY 2019-20.

*Medical*

For medical insurance, the rate change for the last 15 years averaged about 10.5% (see Kaiser Bay Area Rate Table 4 below), which far exceeds both the revenue growth rate and the Consumer Price Index.

*Table 4: Bay Area Historical Kaiser Rates*

**Kaiser Bay Area Monthly Historical Medical Insurance Costs and Growth Rates**

Calendar Year	Single		2-Party		Family	
	Amount	% Change	Amount	% Change	Amount	% Change
2000	\$187.06		\$ 368.12		\$ 478.56	
2001	202.21	8.1%	404.42	9.9%	525.75	9.9%
2002	210.17	3.9%	420.34	3.9%	546.44	3.9%
2003	259.21	23.3%	518.42	23.3%	673.95	23.3%
2004	305.42	17.8%	610.84	17.8%	794.09	17.8%
2005	354.69	16.1%	709.38	16.1%	922.19	16.1%
2006	389.38	9.8%	778.76	9.8%	1,012.39	9.8%
2007	431.17	10.7%	862.34	10.7%	1,121.04	10.7%
2008	470.67	9.2%	941.34	9.2%	1,223.74	9.2%
2009	508.30	8.0%	1,016.00	7.9%	1,321.58	8.0%
2010	532.56	4.8%	1,065.12	4.8%	1,384.66	4.8%
2011	568.99	6.8%	1,137.98	6.8%	1,479.37	6.8%
2012	610.44	7.3%	1,220.88	7.3%	1,587.14	7.3%
2013	668.63	9.5%	1,337.26	9.5%	1,738.44	9.5%
2014	742.72	11.1%	1,485.44	11.1%	1,931.07	11.1%
<b>15-Year Rate Annual Increase Average:</b>		<b>10.5%</b>		<b>10.6%</b>		<b>10.6%</b>

## Tier Pension Plans

In order to address the growing concerns of the unfunded liability in CalPERS, the City successfully negotiated with all labor unions for a two-tiered system and implemented the two-tiered pension plans in July 2011. The City approved two-tiered pension plans for all labor unions, one benefit plan for existing employees (classic member), and a less expensive plan for new employees hired after June 9, 2011.

In September 2012, Governor Brown signed Assembly Bill (AB) 340, known as PEPRRA, which reforms all State and local public retirement systems and their participating employers with the exception of charter cities or counties that operate an independent retirement system that took effect on and after January 1, 2013. PEPRRA limits the pension benefits offered to new employees and increases flexibility for employee and employer cost sharing for current employees. Therefore, the City now has three-tiered pension plan. The most significant savings will be realized only as new members are hired in the future, short-term savings will be minimal.

**Table 5: Summary of Pension Reforms**

Pension Descriptions	Public Safety Employees	Civilian Employees	Effective Dates
1 <sup>st</sup> tier <sup>1</sup>	3% @ 50	2.7% @ 55	Prior to Feb. 2012
2 <sup>nd</sup> tier <sup>2</sup>	3% @ 55	2.5% @ 55	Feb. 2012 for public safety employees and June 2012 for civilian employees
3 <sup>rd</sup> tier <sup>3</sup>	2.7% @ 57	2.0% @ 62	January 1, 2013

<sup>1</sup> 3% of highest 12 consecutive months' salary for each year of service at age 50 for public safety employees and 2.7% of highest 12 consecutive salary for civilian employees

<sup>2</sup> 3% of the 3 years average salary at age 55 for public safety employees and 2.5% highest three consecutive years average at age 55 for civilian employees

<sup>3</sup> 2.7% of final three years average salary and subject to established cap at age 57 for public safety employees; 2.0% of final three years average salary and subject to established cap at age 62 for civilian employees

## Cost Controls and Fiscal Planning

The City has recently succeeded in overcoming numerous fiscal challenges through prudent fiscal planning and cost controls. For instance, the City put in place plans that prepared for the dissolution of redevelopment in January 2012, which created a \$28 million deficit in the City's budget and eliminated a significant source of ongoing funding for affordable housing and blight abatement. The City imposed restructuring the organization to absorb the shortfall. The City also weathered the fiscal storm of the great recession. In June 2013, the first time in four years, the City balanced the budget without layoffs or cuts to public services.

While Oakland has made significant fiscal progress over the past 18-24 months, fiscal challenges exist that require close attention this current fiscal year to further stabilize future fiscal year budgets. It is projected that \$7.3 million in savings will be realized in FY 2013-14 based on the Third Quarter Revenue and Expenditure report.

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**PUBLIC OUTREACH/INTEREST**

Not applicable.

**COORDINATION**

This report was prepared in coordination with the Controller's Office, Revenue Division, and various departments.

**COST SUMMARY/IMPLICATIONS**

Staff anticipates \$29,213,358 in revenue growth and new available resources in the General Purpose Fund in the Fiscal Year 2014-2015 Budget bringing total revenues to \$489,085,824; of which \$45,256,807 is one-time. Staff also projects expenditures of \$29,213,358 in FY 2014-15 beyond the adopted FY 2013-2015 Biennial Policy Budget, of which \$25,342,170 is one-time. The proposed expenditures include a \$1,567,653 appropriation to the City's reserve plus an additional \$1,163,075 for unforeseeable events, economic uncertainty, and unfunded liabilities beyond the 7.5% required GPF reserve.

Resources to support ongoing general purpose fund expenditures will need to be identified in the FY 2015-17 Biennial Policy Budget if those proposed expenditures are to be sustained. In order to address the City's numerous on-going expenditures, the need to use one-time funding for ongoing operational expenditures is \$19.91 million. This will require a modification of the City's financial policy.

**SUSTAINABLE OPPORTUNITIES**

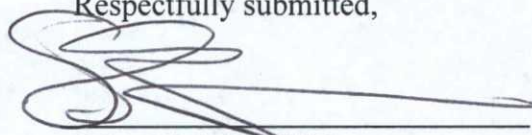
*Economic:* None.

*Environmental:* None.

*Social Equity:* None.

For questions regarding this report, please contact Sarah Schlenk, Interim Budget Director, at (510) 238-3982.

Respectfully submitted,



SARAH SCHLENK  
Interim Budget Director  
City Administrator's Office

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Assistant Controller

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Principle Revenue Analyst

***Attachments:***

- Proposed FY 2014-15 Midcycle Budget Resolution
- Exhibit 1: Midcycle Amendments to General Purpose Fund
- Exhibit 2: Midcycle Amendments to Other Funds
- Exhibit 3: Midcycle Amendments to Revenue
- A – Historical RETT & GPF Tax Revenues Trend Analysis



2014 MAY 23 AM 9:00

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION AMENDING THE CITY OF OAKLAND'S FISCAL YEAR 2013-15 BIENNIAL BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 84466 C.M.S. ON JUNE 27, 2013 AND AMENDED BY RESOLUTION NO. 84897 C.M.S. ON MARCH 18, 2014; TO: (1) INCREASE THE FISCAL YEAR 2014-15 REVENUE PROJECTION IN THE GENERAL PURPOSE FUND (GPF) BY \$29,213,358; (2) APPROPRIATE ADDITIONAL FISCAL YEAR 2014-15 GPF EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$29,213,358; (3) INCREASE THE FISCAL YEAR 2014-15 GPF RESERVE IN AN AMOUNT OF \$1,567,653 PLUS AN ADDITIONAL APPROPRIATION TO THE RESERVE OF \$1,163,075; (4) INCREASE FISCAL YEAR 2014-15 APPROPRIATIONS IN OTHER (NON-GPF) FUNDS BY \$29,141,642.**

**WHEREAS**, the City Council adopted Resolution No. 84466 C.M.S. on June 27, 2013 adopting the FY 2013-15 biennial budget, and appropriating certain funds to provide for the expenditures proposed by the said budget; and

**WHEREAS**, the City Council amended the FY 2013-15 biennial budget on March 18, 2013; and

**WHEREAS**, the City Council has reviewed proposed variances in FY 2014-15 revenues and expenditures as part of the Midcycle budget review; now, therefore be it

**RESOLVED:** That the City's FY 2014-15 Midcycle Policy Budget is hereby amended to include adjustments presented by the City Administrator in Exhibit 1 for the GPF, subject to additional amendments that may be presented and adopted on the floor, which amendments will be incorporated into Exhibit 1; and be it

**FURTHER RESOLVED:** That to meet the 7.5% of General Purpose Fund reserve requirement \$1,567,653 is to be reserved in the General Purpose fund plus an additional \$1,163,075 for unforeseeable events, economic uncertainty, and unfunded liabilities; and

**FURTHER RESOLVED:** That Exhibit 1 presents the General Purpose Fund expenditure amendments totaling \$29,141,642 the FY 2013-15 Policy Budget (Resolution 84466 C.M.S.), which authorized expenditures of \$455,294,399 in FY 2013-14 and \$459,872,466 in FY 2014-15; and

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**FURTHER RESOLVED:** That Exhibit 2 presents Non-General Purpose Fund expenditure amendments to the FY 2013-15 Policy Budget (Resolution 84466 C.M.S.) in FY 2014-15; and

**FURTHER RESOLVED:** That Exhibit 3 presents General Purpose Fund revenue amendments to the FY 2013-15 Policy Budget (Resolution #84466 C.M.S. in FY 2014-15).

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

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**MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 1**

**General Purpose Fund (GPF/1010)**

ITEM No. Description	Department	EXPENDITURES				REVENUES			
		Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined	
<b>FY 2013-15 ADOPTED POLICY BUDGET</b>									
<b>A1</b>	<b>Adopted Budget</b>	\$ 446,935,896	\$ 12,936,570	\$ 459,872,466	2,198.32	\$ 441,895,422	\$ 17,977,044	\$ 459,872,466	
<b>REVENUE AND TECHNICAL EXPENDITURE ADJUSTMENTS</b>									
B1	Projected increase in Real Estate Transfer Tax (RETT) (one-time defined as above \$40 million)	City-Wide	\$ -	\$ -	\$ -	-	\$ -	\$ 11,020,000	\$ 11,020,000
B2	Adjustment to various ongoing revenue categories (see revenue chart for details-Exhibit 3)	City-Wide	\$ -	\$ -	\$ -	-	\$ (2,929,565)		\$ (2,929,565)
B3	FY13-14 year-end fund balance projection based on FY13-14 Q3	City-Wide	\$ -	\$ -	\$ -	-	\$ -	\$ 15,759,763	\$ 15,759,763
B4	Additional FY13-14 year-end fund balance projection (RETT)	City-Wide	\$ -	\$ -	\$ -	-	\$ -	\$ 500,000	\$ 500,000
B5	Correct accounting treatment for parking citation revenue; budget neutral - offsetting expense	Finance	\$ 2,800,000	\$ -	\$ 2,800,000		\$ 2,800,000	\$ -	\$ 2,800,000
B6	Eliminate expired 8.85% give-backs on vacant sworn Fire positions (system error correction)	Fire	\$ 1,206,304	\$ -	\$ 1,206,304	-	\$ -	\$ -	\$ -
B7	Savings assumed for Internal Service Fund -- creation delayed	ITD	\$ -	\$ 1,350,000	\$ 1,350,000	-	\$ -	\$ -	\$ -
B8	Approved Cost of Living Adjustment (COLA) for vacant sworn Police positions (system error correction)	Police	\$ 1,431,698	\$ -	\$ 1,431,698	-	\$ -	\$ -	\$ -
B9	Unrealized savings assumed from merging Police and Fire fiscal units; merger deemed unfeasible	Police/Fire	\$ 500,000	\$ -	\$ 500,000	-	\$ -	\$ -	\$ -
B10	Increase in Central Service Overhead recoveries (mostly due to COLA impact on other Funds), partially offset by various other position changes	City-Wide	\$ (826,680)	\$ -	\$ (826,680)	8.46	\$ -	\$ -	\$ -
<b>SUB-TOTAL -- REVENUE AND TECHNICAL EXPENDITURE ADJUSTMENTS</b>			\$ 5,111,322	\$ 1,350,000	\$ 6,461,322	8.46	\$ (129,565)	\$ 27,279,763	\$ 27,150,198
<b>APPROVED BY CITY COUNCIL DURING FY 2013-14 OR REQUIRED</b>									
C1	Negotiated Cost of Living Adjustment (COLA) and other economic item increases for Civilians (including Temporary Part-Time)	City-Wide	\$ 3,446,473	\$ -	\$ 3,446,473	-	\$ -	\$ -	\$ -
C2	Projected savings from one-time appropriation of \$6.0 million in FY13-14 to cover approved COLA for Civilians	City-Wide		\$ (2,000,000)	\$ (2,000,000)	-	\$ -	\$ -	\$ -
C3	Add Grant Writer (City Administrative Analyst)	CAO	\$ 152,412	\$ -	\$ 152,412	1.00	\$ -	\$ -	\$ -
C4	Citywide website investment -- Digital Front Door (additional \$50k allocated from other eligible sources)	CAO	\$ -	\$ 75,000	\$ 75,000	-	\$ -	\$ -	\$ -
C5	Civilian Fire Marshall funding gap	Fire	\$ 98,249	\$ -	\$ 98,249	-	\$ -	\$ -	\$ -
C6	Increase Kids First! Set aside for FY 2014-15 based on increases in revenue from the adopted budget	Non-Departmental	\$ -	\$ 543,673	\$ 543,673	-	\$ -	\$ -	\$ -
C7	Kids First! reconciliation (FY 2012-13) based year-end audit	Non-Departmental	\$ -	\$ 1,978,537	\$ 1,978,537	-	\$ -	\$ -	\$ -
C8	Debt Service for IT systems upgrades (\$1 million previously set-aside in FY14-15 budget)	ITD	\$ -	\$ 2,745,629	\$ 2,745,629	-	\$ -	\$ -	\$ -
C9	Payment Card Industry (PCI) Compliance Audit (tech refresh security & hardware/software is one-time)	ITD	\$ 215,000	\$ 310,000	\$ 525,000	-	\$ -	\$ -	\$ -
C10	Transfer position to GPF/1010 from the Development Services Fund (2415) following implementation of Accela; adjustment necessary based on eligible work	ITD	\$ 101,960	\$ -	\$ 101,960	0.30	\$ -	\$ -	\$ -
C11	Budget system purchase and implementation; Public Sector Budget system no longer supported by Oracle (ongoing cost after Y1 is estimated to be \$100k)	ITD	\$ 3,000	\$ 347,000	\$ 350,000	-	\$ -	\$ -	\$ -
C12	COPS Grant Match	Police	\$ -	\$ 448,757	\$ 448,757	-	\$ -	\$ -	\$ -
C13	Negotiated Settlement Agreement (NSA) Monitor funding	Police	\$ -	\$ 553,000	\$ 553,000	-	\$ -	\$ -	\$ -
C14	Add 4.0 Animal Control Attendants, PT and \$50k operating and maintenance (O&M) costs (approved during FY13-14); one-time funding while alternatives for Animal Shelter operations are explored	Police	\$ -	\$ 245,252	\$ 245,252	4.00	\$ -	\$ -	\$ -

**MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 1**

**General Purpose Fund (GPF/1010)**

ITEM No.	Description	Department	EXPENDITURES				REVENUES		
			Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined
C15	Transfer positions to GPF/1010 from the Mandatory Refuse Program Fund (1700) based on projected eligible work performed	Finance	\$ 828,200	\$ -	\$ 828,200	5.51	\$ -	\$ -	\$ -
C16	Installation/replacement of parking meters; budget neutral - offsetting expense	Public Works	\$ 1,923,649	\$ -	\$ 1,923,649	-	\$ 2,003,160	\$ -	\$ 2,003,160
C17	GPF/1010 7.5% Reserve reconciliation	City-Wide	\$ -	\$ 1,567,653	\$ 1,567,653	-	\$ -	\$ -	\$ -
<b>SUB-TOTAL -- APPROVED BY CITY COUNCIL DURING FY 2013-14 OR REQUIRED</b>			<b>\$ 6,768,943</b>	<b>\$ 6,814,501</b>	<b>\$ 13,583,444</b>	<b>10.81</b>	<b>\$ 2,003,160</b>	<b>\$ -</b>	<b>\$ 2,003,160</b>

**CONSISTENT WITH PREVIOUS COUNCIL POLICY DIRECTION**

D1	Transfer Public Information Officer (PIO) position to GPF/1010 from the Telecommunications Fund (1760)	CAO	\$ 146,605	\$ -	\$ 146,605	1.00	\$ -	\$ -	\$ -
D2	Transfer Special Assistant (Mayor's PIO) to GPF/1010 from the Telecommunications Fund (1760)	Mayor's Office	\$ 82,465	\$ -	\$ 82,465	0.50	\$ -	\$ -	\$ -
D3	City Council salary increase recommended by the Public Ethics Commission (2.4%) subject to council approval	Council	\$ 23,481	\$ -	\$ 23,481	-	\$ -	\$ -	\$ -
D4	Continue funding for Walking Tours -- Program Analyst II, PPT (filled position)	EWD	\$ 63,332	\$ -	\$ 63,332	0.50	\$ -	\$ -	\$ -
D5	Year-round Youth Internship Program (Program Analyst II)	EWD	\$ 114,310	\$ -	\$ 114,310	1.00	\$ -	\$ -	\$ -
D6	West Oakland Resource Center bridge funding continued; shift to billboard revenue beginning FY15-16	EWD	\$ -	\$ 250,000	\$ 250,000	-	\$ -	\$ -	\$ -
D7	Increase position that supports Cultural Art Grants Program from part-time to full-time	EWD	\$ 73,303	\$ -	\$ 73,303	0.50	\$ -	\$ -	\$ -
D8	Ceasefire supplemental funding for additional case managers and stipend funds (Department should seek grants or potentially incorporate in a new safety measure beyond FY14-15)	Human Services	\$ -	\$ 280,000	\$ 280,000	2.00	\$ -	\$ -	\$ -
D9	Head Start subsidy (Department should apply for more grant funds and continue to explore program efficiencies beyond FY14-15)	Human Services	\$ -	\$ 752,634	\$ 752,634	-	\$ -	\$ -	\$ -
D10	Contract services for union negotiations (all unions will be bargaining except Local 55)	Non-Departmental	\$ -	\$ 200,000	\$ 200,000	-	\$ -	\$ -	\$ -
D11	171st Police Academy	Police	\$ -	\$ 1,414,480	\$ 1,414,480	-	\$ -	\$ -	\$ -
D12	Fund 172nd Police Academy recruitment and background expenses from using carry forward	Police	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
D13	Allocate funding for Police overtime based on current and historical spending	Police	\$ -	\$ 2,136,310	\$ 2,136,310	-	\$ -	\$ -	\$ -
D14	ShotSpotter funding - Police should seek grant funding for costs beyond FY14-15	Police	\$ -	\$ 348,000	\$ 348,000	-	\$ -	\$ -	\$ -
D15	Expand ShotSpotter to Downtown/Lake Merritt, Maxwell Park & Cleveland Heights OPD should seek grant funds for costs beyond FY14-15	Police	\$ -	\$ 146,600	\$ 146,600	-	\$ -	\$ -	\$ -
D16	Additional resources for the Animal Shelter; one-time funding while alternatives for Animal Shelter operations are explored	Police		\$ 400,000	\$ 400,000	TBD	\$ -	\$ -	\$ -
D17	Police performance audit contract services	Police	\$ 50,000	\$ -	\$ 50,000	-	\$ -	\$ -	\$ -
<b>SUB-TOTAL -- CONSISTENT WITH PREVIOUS COUNCIL POLICY DIRECTION</b>			<b>\$ 553,496</b>	<b>\$ 5,928,024</b>	<b>\$ 6,481,520</b>	<b>5.50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**OTHER RECOMMENDED EXPENDITURE ADJUSTMENTS**

E1	Shift Program Analyst III to the GPF/1010 from the Public Art Fund (5505) to align work performed with funding source and preserve public art capital funds	EWD	\$ 73,303	\$ -	\$ 73,303	0.50	\$ -	\$ -	\$ -
E2	Add Training Coordinator	Human Resources	\$ 132,306	\$ -	\$ 132,306	1.00	\$ -	\$ -	\$ -
E3	Add positions for Information Technology to support various current and upcoming major projects	ITD	\$ 1,010,742	\$ -	\$ 1,010,742	6.00	\$ -	\$ -	\$ -
E4	East Bay Alliance Membership Fee (EWD)	Non-Departmental	\$ 50,000	\$ -	\$ 50,000	-	\$ -	\$ -	\$ -

**MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 1**

**General Purpose Fund (GPF/1010)**

ITEM		Department	EXPENDITURES				REVENUES			
No.	Description		Ongoing	One-time	Combined	FTE	Ongoing	One-time	Combined	
E5	Software maintenance (Property Room, Crime Analysis, Forensic Logic, and Lexipol)	Police	\$ 310,080	\$ -	\$ 310,080	-	\$ -	\$ -	\$ -	
E6	Eastmont Sub-Station Lease (ongoing) - OPD	Police	\$ 165,340	\$ -	\$ 165,340	-	\$ -	\$ -	\$ -	
E7	Pending Litigation, Settlements, etc.	City-Wide	\$ 3,000,000	\$ -	\$ 3,000,000	-	\$ -	\$ -	\$ -	
E8	OPD Payroll support (position filled and not reduced due to sustained workload after payroll automation)	Police	\$ 85,251	\$ -	\$ 85,251	1.00	\$ -	\$ -	\$ -	
E9	Increase operating budget for Public Ethics division to address ethics concerns from the public	CAO	\$ 50,000	\$ -	\$ 50,000	-	\$ -	\$ -	\$ -	
E10	GPF/1010 Additional Reserve allocation above and beyond 7.5%	City-Wide	\$ -	\$ 1,163,075	\$ 1,163,075	-	\$ -	\$ -	\$ -	
<b>SUB-TOTAL – OTHER RECOMMENDED EXPENDITURE ADJUSTMENTS</b>			<b>\$ 4,877,022</b>	<b>\$ 1,163,075</b>	<b>\$ 6,040,097</b>	<b>8.50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>COST SAVINGS &amp; BUDGET NEUTRAL CHANGES</b>										
F1	Allocate 1.10 FTE Revenue Management positions to the Rent Arbitration Program Fund (2413) based on eligible work performed; savings offset by cost to allocate 0.50 FTE in CAO from Fund 2413 back to GPF	CAO/Finance	\$ 71,494	\$ -	\$ 71,494	(0.60)	\$ -	\$ -	\$ -	
F2	Increase expense and revenue by \$60,000 for Labor Compliance Program (LCP) tracker annual user fees from forfeited compliance revenue	CAO	\$ 60,000	\$ -	\$ 60,000	-	\$ 60,000	\$ -	\$ 60,000	
F3	Allocate position in CAO to Measure Y Fund (2251) based on eligible activities; partially offset in Fund 2251 by the elimination of a vacant Program Analyst, PPT	CAO	\$ (39,216)	\$ -	\$ (39,216)	-	\$ -	\$ -	\$ -	
F4	Allocate CAO positions to the Successor Agency Reimbursement Fund (1610) based on eligible work performed	CAO	\$ (247,231)	\$ -	\$ (247,231)	(1.10)	\$ -	\$ -	\$ -	
F5	Correct budgeted position based on incumbent classification; offset with other savings in CAO	CAO	\$ 46,430	\$ -	\$ 46,430	-	\$ -	\$ -	\$ -	
F6	Increase CAO vacancy rate by 1.5 percent (from 4 percent to 5.5 percent)	CAO	\$ -	\$ (160,000)	\$ (160,000)	-	\$ -	\$ -	\$ -	
F7	Add 3.0 Complaint Investigator II positions and 1.0 Office Assistant II placeholder positions and \$70k O&M for Citizens' Police Review Board (CPRB); eliminate remaining set-aside	CAO	\$ (173,594)	\$ -	\$ (173,594)	4.00	\$ -	\$ -	\$ -	
F8	Delete 1.0 Revenue Assistant and 1.0 Public Service Representative in Revenue Management and Add 1.0 Tax Auditor II	Finance	\$ (67,723)	\$ -	\$ (67,723)	(1.00)	\$ -	\$ -	\$ -	
F9	Allocate Finance positions to the Successor Agency Reimbursement Fund (1610) based on eligible work performed	Finance	\$ (153,185)	\$ -	\$ (153,185)	(0.70)	\$ -	\$ -	\$ -	
F10	Transfer Treasury position to GPF/1010 from 2012 Refunding Debt Service Fund (6587); offset by increasing Treasury recoveries	Finance	\$ -	\$ -	\$ -	0.40	\$ -	\$ -	\$ -	
F11	GPF/1010 subsidy to Measure Y Fund (2251) projected to be unused based on available fund balance in Fund 2251	Non-Departmental	\$ -	\$ (2,690,000)	\$ (2,690,000)	-	\$ -	\$ -	\$ -	
<b>SUB-TOTAL – COST SAVINGS &amp; BUDGET NEUTRAL CHANGES</b>			<b>\$ (503,025)</b>	<b>\$ (2,850,000)</b>	<b>\$ (3,353,025)</b>	<b>1.00</b>	<b>\$ 60,000</b>	<b>\$ -</b>	<b>\$ 60,000</b>	
			<b>Variance</b>	<b>\$ 16,807,758</b>	<b>\$ 12,405,600</b>	<b>\$ 29,213,358</b>	<b>34.27</b>	<b>\$ 1,933,595</b>	<b>\$ 27,279,763</b>	<b>\$ 29,213,358</b>
<b>TOTAL</b>			<b>\$ 463,743,654</b>	<b>\$ 25,342,170</b>	<b>\$ 489,085,824</b>	<b>2,232.59</b>	<b>\$ 443,829,017</b>	<b>\$ 45,256,807</b>	<b>\$ 489,085,824</b>	

## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
A1	<b>Worker's Compensation Insurance Claims Fund (1150)</b>				
A2	Negotiated and approved Cost of Living Adjustment	City-wide		\$ 146,502	-
A3	Net increase of 1.93 Full Time Equivalent (FTE) for Human Resources (Benefits Division)	Human Resources	\$ -	\$ 170,534	1.93
A4	Increase recoveries to offset increased costs	Non-Departmental	\$ -	\$ (317,036)	-
A5	<b>SUB-TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>1.93</b>
B1	<b>Oakland Redevelopment Successor Agency (ORSA) (1610)</b>				
B2	Increase estimated administrative allowance revenue for ORSA per the ROPS	City-wide	\$ 473,478	\$ -	-
B3	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 91,253	-
B4	Transfer eligible CAO position costs from GPF/1010	CAO	\$ -	\$ 247,231	1.10
B5	Transfer eligible Finance position costs from GPF/1010	Finance	\$ -	\$ 134,994	0.70
B6	<b>SUB-TOTAL</b>		<b>\$ 473,478</b>	<b>\$ 473,478</b>	<b>1.80</b>
C1	<b>Mandatory Refuse Fund (1700)</b>				
C2	Program revenue adjustment based on proposed lower fee	Finance	\$ (1,023,774)		-
C3	Negotiated and approved Cost of Living Adjustment	Finance	\$ -	\$ 41,050	-
C4	Transfer positions to GPF/1010 based on projected eligible work performed	Finance	\$ -	\$ (1,023,774)	(7.63)
C5	Minor reduction to transfer to fund balance	Finance	\$ -	\$ (41,050)	-
C6	<b>SUB-TOTAL</b>		<b>\$ (1,023,774)</b>	<b>\$ (1,023,774)</b>	<b>(7.63)</b>
D1	<b>Comprehensive Clean-Up Fund (1720)</b>				
D2	Transfer from fund balance	City-wide	\$ 1,077,933	\$ -	-
D3	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 307,502	-
D4	Minor position reallocation	Public Works	\$ -	\$ 30,431	0.15
D5	One-time purchases for mowing and landscaping equipment	Public Works	\$ -	\$ 740,000	-
D6	<b>SUB-TOTAL</b>		<b>\$ 1,077,933</b>	<b>\$ 1,077,933</b>	<b>0.15</b>
E1	<b>Hazardous Materials Inspections Fund (1740)</b>				
E2	Negotiated and approved Cost of Living Adjustment	Fire	\$ -	\$ 23,632	-
E3	Position reallocation -- Civilian Fire Marshal gap funding transferred to GPF/1010	Fire	\$ -	\$ (134,617)	(0.65)
E4	Increase miscellaneous contract contingencies	Fire	\$ -	\$ 110,985	-
E5	<b>SUB-TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>(0.65)</b>

## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
F1	<b>Multipurpose Fund (1750)</b>				
F2	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 38,863	-
F3	Increase parking garage revenue per May 20th Council direction	Public Works	\$ 3,203,820	\$ -	-
F4	Savings from proposed parking garage operator contract	Public Works	\$ -	\$ (200,000)	-
F5	Add Program Analyst III to manage garages and parking lots per May 20th Council direction	Public Works	\$ -	\$ 186,692	1.00
F6	Move restricted ORSA garage revenues and associated expenses to bond funds	EWD	\$ (336,300)	\$ (336,300)	-
F7	Additional operating funds	Public Works		\$ 873,791	
F8	Various minor position allocation changes	Various	\$ -	\$ (25,555)	0.10
F9	Transfer to fund balance	City-wide		\$ 2,330,029	
F10	<b>SUB-TOTAL</b>		<b>\$ 2,867,520</b>	<b>\$ 2,867,520</b>	<b>1.10</b>
G1	<b>Telecommunications Fund (1760)</b>				
G2	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 6,328	-
G3	Transfer Mayor's Special Assistant to GPF/1010	Mayor's Office	\$ -	\$ (82,465)	(0.50)
G4	Transfer Public Information Office II to GPF/1010	CAO	\$ -	\$ (146,605)	(1.00)
G5	Allocate portion of Revenue positions to support franchise collection and franchise management	Finance	\$ -	\$ 36,900	0.25
G6	Upgrade two positions from permanent part-time to full-time	CAO	\$ -	\$ 11,277	0.10
G7	Kids First! mandated transfer (partially using fund balance as the source for the transfer)	Human Services	\$ 105,435		-
G8	Kids First! mandated reconciliation (based on FY 2008-09 through FY 2013-14 unrestricted revenues)	Human Services		\$ 280,000	-
G9	<b>SUB-TOTAL</b>		<b>\$ 105,435</b>	<b>\$ 105,435</b>	<b>(1.15)</b>
H1	<b>Telecommunications Land Use (1770)</b>				
H2	Negotiated and approved Cost of Living Adjustment	EWD	\$ -	\$ 10,873	-
H3	Add Administrative Analyst II to support Real Estate division	EWD	\$ -	\$ 114,310	1.00
H4	Shift 0.30 FTE to DSF/2415 to align funding with work performed	Planning & Building	\$ -	\$ (36,885)	(0.30)
H5	Reduce operating and maintenance budget based on historical experience	EWD	\$ -	\$ (20,000)	
H6	Increase revenue based on historical experience	EWD	\$ 43,645	\$ -	-
H7	Website (Digital Front Door) support (one-time), and increase use of available fund balance	CAO	\$ 49,653	\$ 25,000	-
H8	<b>SUB-TOTAL</b>		<b>\$ 93,298</b>	<b>\$ 93,298</b>	<b>0.70</b>

## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
I1	<b>Kids First Oakland Children's Fund (1780)</b>				
I2	Negotiated and approved Cost of Living Adjustment	Human Services	\$ -	\$ 21,611	-
I3	Increase in the transfer from GPF; ten percent allocated to program administration	Human Services	\$ -	\$ 258,610	-
I4	Increase in the transfer from GPF for FY14-15; increase in third party contracts/grants	Human Services	\$ 543,673	\$ 489,306	-
I5	Increase in the transfer from GPF for FY12-13 reconciliation; increase in third party contracts/grants	Human Services	\$ 1,978,537	\$ 1,780,683	-
I6	Increase in the transfer from Fund 1760 for reconciliation; increase in third party contracts/grants	Human Services	\$ 280,000	\$ 252,000	-
I7	<b>SUB-TOTAL</b>		<b>\$ 2,802,210</b>	<b>\$ 2,802,210</b>	<b>-</b>
J1	<b>HUD-CDBG Fund (2108)</b>				
J2	CDBG Grant Revenue Increase	Housing	\$ 639,611	\$ -	-
J3	Program Income Increase and miscellaneous revenue	Housing	\$ 51,529	\$ -	-
J4	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 114,678	-
J5	Upgrade vacant Account Clerk III to Accountant II; increase allocation	Housing	\$ -	\$ 37,258	0.10
J6	Add 1.15 FTE for CDBG Coordination - grant management and support	Housing	\$ -	\$ 159,181	1.15
J7	Add 2.30 FTE to support Residential Lending	Housing	\$ -	\$ 257,840	2.30
J8	Add 0.75 FTE (Management Assistant) to CDBG/2108 in Strategic Initiatives unit	Housing	\$ -	\$ 122,183	0.75
J9	<b>SUB-TOTAL</b>		<b>\$ 691,140</b>	<b>\$ 691,140</b>	<b>4.30</b>
K1	<b>HUD-Home Fund (2109)</b>				
K2	HOME Grant Revenue Increase	Housing	\$ 159,743	\$ -	-
K3	Negotiated and approved Cost of Living Adjustment	Housing	\$ -	\$ 15,806	-
K4	Increase Loan Expenditures	Housing	\$ -	\$ 101,927	-
K5	Upgrade vacant Account Clerk III to Accountant II; decrease allocation	Housing	\$ -	\$ 1,058	(0.06)
K6	Transfer 0.25 FTE (Housing Development Coordinator III) from DSF/2415	Housing	\$ -	\$ 40,952	0.25
K7	<b>SUB-TOTAL</b>		<b>\$ 159,743</b>	<b>\$ 159,743</b>	<b>0.19</b>
L1	<b>Department of Labor Fund (2114)</b>				
L2	Grant Revenue Decrease	Human Services	\$ (120,709)	\$ -	-
L3	Reduce funding for Senior Aides to balance reduction in grant revenue	Human Services	\$ -	\$ (120,709)	(5.67)
L4	<b>SUB-TOTAL</b>		<b>\$ (120,709)</b>	<b>\$ (120,709)</b>	<b>(5.67)</b>



## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
M1	<b>Department of Health &amp; Human Services Fund (2128)</b>				
M2	Head Start Grant Revenue Increase -- Sequestration restoration	Human Services	\$ 917,625	\$ -	-
M3	Head Start Grant Revenue Increase -- Cost of Living Adjustment	Human Services	\$ 235,447	\$ -	-
M4	Technical adjustment to grant revenues and expense	Human Services	\$ (648,514)	\$ (346,700)	-
M5	Negotiated and approved Cost of Living Adjustment	Human Services	\$ -	\$ 343,289	-
M6	Transfer in from the GPF/1010 Head Start subsidy	Human Services	\$ 752,634	\$ -	-
M7	Add back 12.60 FTEs for Head Start	Human Services	\$ -	\$ 1,108,099	12.60
M8	Various positions changes/additions	Human Services	\$ -	\$ 152,504	1.26
M10	<b>SUB-TOTAL</b>		<b>\$ 1,257,192</b>	<b>\$ 1,257,192</b>	<b>13.86</b>
N1	<b>Workforce Investment Grant Fund (2195)</b>				
N2	Negotiated and approved Cost of Living Adjustment	EWD	\$ -	\$ 43,568	-
N3	Add 1.0 Administrative Analyst II to support WIA system administration per Resolution #84541	EWD	\$ -	\$ 133,679	1.00
N4	Use project fund balance/carryforward to offset increased costs	EWD	\$ -	\$ (177,247)	-
N5	<b>SUB-TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>1.00</b>
O1	<b>Library Retention and Enhancement (Measure Q) Fund (2241)</b>				
O2	Additional revenue per Consumer Price Index (CPI) adjustment of 2.2 percent	City-wide	\$ 373,942	\$ -	-
O3	Reduce transfer from fund balance	Library	\$ (74,986)	\$ -	-
O4	Negotiated and approved Cost of Living Adjustment	Library	\$ -	\$ 367,666	-
O5	Minor change in position allocation	Library	\$ -	\$ (68,710)	(0.42)
O6	<b>SUB-TOTAL</b>		<b>\$ 298,956</b>	<b>\$ 298,956</b>	<b>(0.42)</b>
P1	<b>Paramedic Service (Measure N) Fund (2250)</b>				
P2	Additional revenue per Consumer Price Index (CPI) adjustment of 2.2 percent	City-wide	\$ 40,059	\$ -	-
P3	Increase transfer from fund balance	Fire	\$ 23,273	\$ -	-
P4	Negotiated and approved Cost of Living Adjustment	Fire	\$ -	\$ 58,332	-
P5	Increase appropriation for consultant contract	CAO	\$ -	\$ 5,000	-
P6	<b>SUB-TOTAL</b>		<b>\$ 63,332</b>	<b>\$ 63,332</b>	<b>-</b>

## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
Q1	<b>Measure Y Fund (2251)</b>				
Q2	Additional revenue per Consumer Price Index (CPI) adjustment of 2.2 percent	City-wide	\$ 395,913	\$ -	-
Q3	Fund balance available to potential shortfall	City-wide	\$ 2,313,733	\$ -	-
Q4	Reduce transfer in from the GPF/1010	City-wide	\$ (2,690,000)	\$ -	-
Q5	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 42,908	-
Q6	Eliminate vacant Program Analyst, PPT and partially offset with a transfer of positions from GPF/1010	CAO	\$ -	\$ (23,262)	-
Q7	<b>SUB-TOTAL</b>		<b>\$ 19,646</b>	<b>\$ 19,646</b>	<b>-</b>
R1	<b>Emergency Retention (Measure M) Fund (2412)</b>				
R2	Additional revenue per Consumer Price Index (CPI) adjustment of 2.2 percent	City-wide	\$ 50,352	\$ -	-
R3	Additional revenue true-up per consultant estimate of revenues	Fire	\$ 96,231	\$ -	-
R4	Negotiated and approved Cost of Living Adjustment	Fire	\$ -	\$ 44,078	-
R5	Increase appropriation for consultant contract and contract contingency	CAO	\$ -	\$ 102,505	-
R6	<b>SUB-TOTAL</b>		<b>\$ 146,583</b>	<b>\$ 146,583</b>	<b>-</b>
S1	<b>Rent Adjustment Program Fund (2413)</b>				
S2	Fund balance available to cover expenditure adjustments	City-wide	\$ 182,081	\$ -	-
S3	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 57,112	-
S4	Add Senior Hearing Officer	Housing	\$ -	\$ 196,405	1.00
S5	Upgrade vacant Account Clerk III to Accountant II; adjust allocation	Housing	\$ -	\$ 58	(0.04)
S6	Reallocate positions between GPF/1010 and RAP	CAO/Finance	\$ -	\$ (71,494)	0.60
S7	<b>SUB-TOTAL</b>		<b>\$ 182,081</b>	<b>\$ 182,081</b>	<b>1.56</b>

## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
T1	<b>Development Services Fund (2415)</b>				
T2	Increase revenue based on current and major projects	Planning & Building	\$ 1,184,479	\$ -	-
T3	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 568,719	-
T4	Eliminate transfer to fund balance	City-wide	\$ -	\$ (767,866)	-
T5	Add 0.50 FTE for Housing Strategic Initiatives; shift	Housing	\$ -	\$ (20,455)	-
T6	Shift 0.30 FTE from Land Use Telecomm/1770 to align funding with duties	Planning & Building	\$ -	\$ 45,398	0.30
T7	Increase overtime for foreclosure project and other operating costs	Planning & Building		\$ 259,760	-
T8	Records/Technology (Rec/Tech) project funds (restricted) operating costs associated with service contracts, capital expenses for electronic scanning	Planning & Building	\$ -	\$ 342,040	-
T9	Website (Digital Front Door) support using Rec/Tech project funds (one-time)	CAO	\$ 25,000	\$ 25,000	-
T10	Transfer position to GPF/1010 from DSF/2415 0.80 FTE (Accela Project Manager) following implementation of Accela; adjustment necessary based on work performed and eligible costs	ITD	\$ -	\$ (191,068)	(0.80)
T11	Transfer position to DSF/2415 from GPF/1010 0.50 FTE Systems Programmer (Accela Support); adjustment necessary based on work performed and eligible costs	ITD	\$ -	\$ 89,108	0.50
T12	Add two Business Analyst II position to support Accela system; Rec/Tech project funded	Planning & Building	\$ -	\$ 265,653	2.00
T13	Various other position changes that net to a reduction of 1.0 FTE	Planning & Building	\$ -	\$ (72,259)	(1.00)
T14	Increase contingency to allow for additional staffing as needed throughout the year	Planning & Building	\$ -	\$ 665,449	-
T15	<b>SUB-TOTAL</b>		<b>\$ 1,209,479</b>	<b>\$ 1,209,479</b>	<b>1.00</b>
U1	<b>Measure C Fund (2419)</b>				
U2	Projected increase in Transient Occupancy Tax (TOT)	Non-Dept/EWD	\$ 1,028,435	\$ -	-
U3	Allocate to programs based on approved allocations -- Oakland Convention & Visitor's Bureau	Non-Departmental	\$ -	\$ 514,219	-
U4	Allocate to programs based on approved allocations -- Chabot Space & Science Center	Non-Departmental	\$ -	\$ 128,554	-
U5	Allocate to programs based on approved allocations -- Oakland Zoo	Non-Departmental	\$ -	\$ 128,554	-
U6	Allocate to programs based on approved allocations -- Children's Fairyland	Non-Departmental	\$ -	\$ 128,554	-
U7	Allocate to programs based on approved allocations -- Cultural Funding Grants	EWD	\$ -	\$ 34,218	-
U8	Allocate to programs based on approved allocations -- Art & Soul	EWD	\$ -	\$ 15,432	-
U9	Allocate to programs based on approved allocations -- Fairs & Festivals	EWD	\$ -	\$ 78,904	-
U10	<b>SUB-TOTAL</b>		<b>\$ 1,028,435</b>	<b>\$ 1,028,435</b>	<b>-</b>
V1	<b>Library Grants Fund (2993)</b>				
V2	State grant for public library no longer available; impacts funds available for books, etc.	Library	\$ (250,000)	\$ (250,000)	-
V3	<b>SUB-TOTAL</b>		<b>\$ (250,000)</b>	<b>\$ (250,000)</b>	<b>-</b>

## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
W1	<b>Social Services Grant Fund (2994)</b>				
W2	Grant funds no longer available	Human Services	\$ (76,000)	\$ (76,000)	-
W3	<b>SUB-TOTAL</b>		<b>\$ (76,000)</b>	<b>\$ (76,000)</b>	<b>-</b>
X1	<b>Sewer Service Fund (3100)</b>				
X2	Increase revenue based on historical actuals and to account for recent sewer service rate increase	City-wide	\$ 4,810,940		-
X3	Fund balance available to cover possible shortfall and one-time expenditures	City-wide	\$ 6,954,060		-
X4	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 380,742	-
X5	Allocate Revenue Management position based on eligible costs and work performed	Finance	\$ -	\$ 11,696	0.10
X6	Upgrade Assistant Engineer II to Civil Engineer	Public Works	\$ -	\$ 1,202	-
X7	Reduce debt service resulting from refinancing sewer bonds	Public Works	\$ -	\$ (822,700)	-
X8	Increase operating funds to account for potential standby costs, fees, etc.	Public Works	\$ -	\$ 3,190,000	-
X9	Add ten positions including an operations manager to create separate division for Sewers in order support operations and compliance with consent decree.	Public Works	\$ -	\$ 1,799,060	10.00
X10	Increase overtime budget	Public Works	\$ -	\$ 300,000	-
X11	Add <u>one-time</u> funding for equipment, rehab a large culvert, legal fees, penalties, and contingency	Public Works	\$ -	\$ 6,905,000	-
X12	<b>SUB-TOTAL</b>		<b>\$ 11,765,000</b>	<b>\$ 11,765,000</b>	<b>10.10</b>
Y1	<b>Public Art Fund (5505)</b>				
Y2	Reduce negative offset in order to increase public art capital project funds	EWD	\$ -	\$ 81,420	-
Y3	Negotiated and approved Cost of Living Adjustment	EWD	\$ -	\$ 6,156	-
Y4	Transfer 0.50 FTE to GPF/1010 to align work performed with funding source and preserve public art capital funds	EWD	\$ -	\$ (87,576)	(0.50)
Y5	<b>SUB-TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>(0.50)</b>
Z1	<b>Central District Tax Allocation Bond, Series 2003 Fund (5611)</b>				
Z2	Correct accounting treatment for UCOP parking garage revenue and expense	Finance	\$ 177,500	\$ 177,500	-
Z3	Increase revenue and expense per May 20th OPW report to City Council	Public Works	\$ 720,185	\$ 331,118	-
Z4	Transfer to fund balance	City-wide	\$ -	\$ 389,067	-
Z5	<b>SUB-TOTAL</b>		<b>\$ 897,685</b>	<b>\$ 897,685</b>	<b>-</b>

## MIDCYCLE AMENDMENTS TO 2014-15 BUDGET - EXHIBIT 2

### Other (Non-General Purpose) Funds

No.	<u>Description</u>	<u>Department</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>FTE</u>
AA1	<b>Central District Tax Allocation Bond, Series 2009T Fund (5613)</b>				
AA2	Transfer budgeted revenue and expenditure associated with City Center West from the Multipurpose Reserve Fund (1750) to appropriate restricted bond fund	EWD	\$ 336,300	\$ 336,300	-
AA3	Correct accounting treatment for City Center West parking garage revenue and expense	Finance	\$ 1,808,000	\$ 1,808,000	-
AA4	Increase revenue and expense per May 20th OPW report to City Council	Public Works	\$ 2,262,995	\$ 1,191,630	-
AA5	Transfer to fund balance	City-wide	\$ -	\$ 1,071,365	-
AA6	<b>SUB-TOTAL</b>		<b>\$ 4,407,295</b>	<b>\$ 4,407,295</b>	<b>-</b>
AB1	<b>Grant Clearing Fund (7760)</b>				
AB2	Negotiated and approved Cost of Living Adjustment	City-wide	\$ -	\$ 564,836	-
AB3	Increase overhead recoveries	City-wide	\$ -	\$ (503,233)	-
AB4	Various position changes (reclassifications)	Public Works	\$ -	\$ (19,785)	0.55
AB5	Reduce Revenue Management position...	Finance	\$ -	\$ (41,818)	(0.33)
AB6	<b>SUB-TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>0.22</b>
AC1	<b>All Other Funds</b>				
AC2	Negotiated and approved Cost of Living Adjustment; Other minor changes to various funds and associated revenue balancing measures	City-wide	\$ 1,065,684	\$ 1,065,684	14.05
AC3	<b>SUB-TOTAL</b>		<b>\$ 1,065,684</b>	<b>\$ 1,065,684</b>	<b>14.05</b>
<i>* Details of Non-GPF amendments still draft, and are subject to change.</i>					

**MIDCYCLE AMENDMENTS TO 2014-15 BUDGET GPF REVENUES - EXHIBIT 3**

GPF Revenues	FY 2011-12	FY 2012-13 Actuals	FY 2013-14 Adopted Budget	FY 2013-14 Q2 Adjusted Budget	FY 2013-14 Q3	FY 2014-15 Adopted Budget	FY 2014-15 Proposed Adjusted	Variance FY14-15
	Actuals				Projected Year End			Adopted to FY14-15 Proposed
Property Tax	\$138,796,954	\$ 154,141,784	\$ 144,468,000	\$ 146,894,000	\$ 142,061,162	\$ 151,358,000	\$ 148,846,000	\$ (2,512,000)
Sales Tax	\$44,740,906	\$ 48,817,906	\$ 48,893,000	\$ 48,893,000	\$ 49,061,996	\$ 50,360,000	\$ 50,360,000	\$ -
Business License Tax	\$58,711,453	\$ 60,371,000	\$ 59,240,000	\$ 59,850,000	\$ 58,850,505	\$ 61,017,000	\$ 60,616,020	\$ (400,980)
Utility Consumption Tax	\$51,434,031	\$ 50,752,000	\$ 50,000,000	\$ 49,128,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ -
Real Estate Transfer Tax	\$30,653,221	\$ 47,406,000	\$ 40,365,000	\$ 56,745,000	\$ 56,745,000	\$ 41,980,000	\$ 53,000,000	\$ 11,020,000
Transient Occupancy Tax	\$10,737,323	\$ 12,344,115	\$ 12,620,000	\$ 14,567,000	\$ 14,567,000	\$ 12,936,000	\$ 14,883,000	\$ 1,947,000
Parking Tax	\$8,616,474	\$ 7,946,656	\$ 9,235,000	\$ 7,947,000	\$ 8,232,736	\$ 9,466,000	\$ 8,178,000	\$ (1,288,000)
Licenses & Permits	\$1,158,650	\$ 1,372,645	\$ 1,427,188	\$ 1,914,800	\$ 1,914,800	\$ 1,455,731	\$ 1,935,731	\$ 480,000
Fines & Penalties	\$24,246,700	\$ 21,290,746	\$ 22,498,995	\$ 25,050,000	\$ 24,625,143	\$ 21,568,807	\$ 23,268,807	\$ 1,700,000
Interest Income	\$740,482	\$ 797,823	\$ 740,482	\$ 740,482	\$ 740,482	\$ 740,482	\$ 740,482	\$ -
Service Charges	\$45,948,737	\$ 43,118,215	\$ 43,912,137	\$ 44,112,137	\$ 42,966,898	\$ 44,169,082	\$ 46,292,242	\$ 2,123,160
Internal Service Funds	\$505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants & Subsidies	\$229,107	\$ 242,954	\$ -	\$ 129,188	\$ 129,188	\$ -	\$ 119,435	\$ 119,435
Miscellaneous Revenue	\$32,079,762	\$ 1,790,238	\$ 1,299,320	\$ 349,320	\$ 349,320	\$ 4,824,320	\$ 4,349,320	\$ (475,000)
Interfund Transfers	\$178,023	\$ 2,900,000						\$ -
<b>SUB-TOTAL</b>	<b>\$448,272,328</b>	<b>\$ 453,292,082</b>	<b>\$ 434,699,122</b>	<b>\$ 456,319,927</b>	<b>\$ 450,244,229</b>	<b>\$ 449,875,422</b>	<b>\$ 462,589,037</b>	<b>\$ 12,713,615</b>
Transfers from Fund Balance	\$0	\$ -	\$ 20,595,277	\$ 20,910,000	\$ 20,910,000	\$ 9,997,044	\$ 26,496,787	\$ 16,499,743
<b>TOTAL</b>	<b>\$448,272,328</b>	<b>\$ 453,292,082</b>	<b>\$ 455,294,399</b>	<b>\$ 477,229,927</b>	<b>\$ 471,154,229</b>	<b>\$ 459,872,466</b>	<b>\$ 489,085,824</b>	<b>\$ 29,213,358</b>

## Attachment A - Historical Real Estate Transfer Tax & GPF Tax Revenues

Revenue Type	Actual FY98-99	Actual FY99-00	Actual FY00-01	Actual FY01-02	Actual FY02-03	Actual FY03-04	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13
Property Tax	\$49.06	\$53.58	\$58.50	\$60.62	\$67.30	\$70.08	\$90.75	\$105.35	\$116.47	\$131.74	\$134.47	\$131.78	\$126.68	\$138.80	\$154.14
Sales Tax	\$36.22	\$38.47	\$42.26	\$38.45	\$38.16	\$36.46	\$41.65	\$44.87	\$46.69	\$53.09	\$46.12	\$35.88	\$41.24	\$44.74	\$48.82
Vehicle License Fee	\$17.70	\$19.31	\$21.36	\$22.85	\$24.26	\$18.18	\$9.66	\$2.98	\$2.27	\$1.81	\$1.28	\$1.25	\$2.17	\$0.22	\$0.00
Business License Tax	\$31.82	\$35.83	\$38.74	\$42.09	\$42.02	\$44.22	\$43.90	\$43.79	\$50.33	\$52.54	\$54.29	\$54.14	\$53.14	\$58.71	\$60.37
Utility Consumption Tax	\$36.94	\$41.59	\$48.70	\$49.54	\$46.58	\$48.06	\$49.76	\$48.77	\$51.43	\$52.52	\$52.70	\$51.11	\$53.44	\$51.43	\$50.75
Real Estate Transfer Tax	\$28.52	\$34.36	\$38.31	\$37.27	\$42.09	\$55.66	\$77.72	\$79.48	\$61.50	\$36.21	\$34.27	\$36.97	\$31.61	\$30.65	\$47.41
Transient Occupancy Tax	\$9.54	\$11.87	\$12.39	\$10.26	\$10.56	\$10.74	\$10.26	\$11.26	\$11.82	\$12.20	\$10.46	\$8.47	\$9.54	\$10.74	\$12.34
Parking Tax	\$5.80	\$5.69	\$6.76	\$7.52	\$8.24	\$8.66	\$7.03	\$8.47	\$8.89	\$8.52	\$7.66	\$7.52	\$8.51	\$8.62	\$7.95
Licenses & Permits	\$8.01	\$7.78	\$10.98	\$11.31	\$12.51	\$12.95	\$15.59	\$18.97	\$1.06	\$1.61	\$1.28	\$0.72	\$0.89	\$1.16	\$1.37
Fines & Penalties	\$12.99	\$12.80	\$15.07	\$16.23	\$16.89	\$27.95	\$25.76	\$24.74	\$25.96	\$21.94	\$25.57	\$27.35	\$24.29	\$24.25	\$23.06
Interest Income	\$3.34	\$9.07	\$4.27	\$1.79	-\$0.78	\$2.01	\$1.88	\$3.63	\$3.18	\$4.47	\$1.71	\$1.10	\$1.04	\$0.74	\$0.80
Service Charges	\$33.73	\$34.59	\$34.95	\$34.43	\$38.97	\$41.54	\$56.70	\$60.58	\$45.36	\$44.06	\$43.85	\$45.03	\$44.65	\$45.95	\$43.10
Grants & Subsidies	\$1.16	\$2.28	\$3.84	\$0.45	\$0.48	\$0.08	\$0.21	\$1.68	\$5.42	\$4.65	\$4.31	\$1.95	\$0.08	\$0.23	\$0.24
Miscellaneous	\$11.84	\$1.79	\$3.20	\$5.73	\$15.44	\$19.22	\$4.32	\$2.75	\$12.22	\$4.04	\$11.43	\$8.04	\$6.48	\$32.08	\$1.79
Interfund Transfers	\$7.14	\$17.11	\$9.70	\$20.10	\$6.68	\$10.56	\$14.40	\$18.88	\$29.27	\$25.70	\$38.69	\$21.86	\$17.09	\$1.72	\$2.90
<b>Total GPF Revenues</b>	<b>\$293.81</b>	<b>\$326.11</b>	<b>\$349.03</b>	<b>\$358.64</b>	<b>\$369.40</b>	<b>\$406.37</b>	<b>\$449.57</b>	<b>\$476.21</b>	<b>\$471.87</b>	<b>\$455.11</b>	<b>\$468.09</b>	<b>\$433.17</b>	<b>\$420.85</b>	<b>\$450.03</b>	<b>\$455.05</b>
GPF Tax Revenues	\$215.60	\$240.69	\$267.01	\$268.61	\$279.22	\$292.06	\$330.73	\$344.98	\$349.40	\$348.64	\$341.25	\$327.12	\$326.33	\$343.91	\$381.78
RETT % Tax Revenues	13.2%	14.3%	14.3%	13.9%	15.1%	19.1%	23.5%	23.0%	17.6%	10.4%	10.0%	11.3%	9.7%	8.9%	12.4%
14% Tax Revenues	\$30.18	\$33.70	\$37.38	\$37.61	\$39.09	\$40.89	\$46.30	\$48.30	\$48.92	\$48.81	\$47.78	\$45.80	\$45.69	\$48.15	\$53.45
	14.4%					14.6%					10.5%				
	15-Year Average					10-Year Average					5-Year Average				