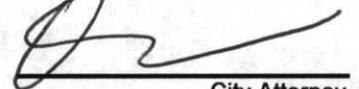


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2014 JUL 14 PM 1:58

Approved as to Form and Legality


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. 85084 C.M.S.

RESOLUTION AUTHORIZING THE USE OF ONE-TIME REVENUES AND EXCESS REAL ESTATE TRANSFER TAX REVENUES FOR PURPOSES OTHER THAN THOSE DENOTED IN SECTION C AND SECTION D OF ORDINANCE NO. 13170 C.M.S., AS AMENDED, BASED ON A FINDING OF NECESSITY, AND DESCRIBING PROSPECTIVE STEPS TO BE TAKEN TO RETURN TO THE PRESCRIBED USES OF ONE-TIME REVENUES AND EXCESS REAL ESTATE TRANSFER TAX REVENUES.

WHEREAS, on June 17, 2003, the City Council adopted Ordinance No. 12502 C.M.S., which repealed the original reserve policy for the City's undesignated general fund balance and adopted new operating budget and capital improvement budget policies, and a higher minimum level of reserves; and

WHEREAS, on June 30, 2009, the City Council adopted Ordinance No. 12946 C.M.S., which revised the amended reserve policy for the City's undesignated general fund balance to clarify the established reserve requirements; establish criteria for the use of GPF reserve, use of excess Real Estate Transfer Tax (RETT) revenue, and use of other one-time revenues, including the requirement to declare a fiscal emergency to use one-time revenue or excess RETT for purposes other than those described by the Ordinance; and to minimize drawdowns from the GPF reserve by previously approved project carryforwards and purchase order encumbrances; and

WHEREAS, on October 2, 2012, the City Council adopted Ordinance No. 13134 C.M.S., which allowed one-time revenues to be used on one-time expenditures; and

WHEREAS, on June 27, 2013, the City Council adopted Ordinance No. 13170 C.M.S., which allowed excess (one-time) Real Estate Transfer Tax revenues to be used on one-time expenditures; and

WHEREAS, on July 1, 2014 the City Council adopted Ordinance No. _____ C.M.S., amending

Ordinance No. 13170 C.M.S., to require a resolution approved by super majority vote of the City Council to authorize the use one-time revenues and excess RETT for purposes other than those denoted in Section C and D; and

WHEREAS, the resolution is to include 1) a finding of necessity 2) a statement explaining this necessity, and 3) a statement describing prospective steps to be taken to return to uses of one-time revenues, and excess RETT described in Section C and Section D of Ordinance No. 13170 C.M.S, and

WHEREAS, it is anticipated that the City Council will adopt amendments to the Fiscal Year ("FY") 2014-15 midcycle budget on July 1, 2014, and appropriating certain funds to provide for the expenditures proposed by said budget; and

WHEREAS, the proposed FY 2014-15 midcycle budget includes revenue uses that are inconsistent with Section C and Section D of Ordinance No. 13170 C.M.S., as amended; therefore, a resolution such as described above is required to approve the FY 2014-15 budget as proposed; now, therefore be it

RESOLVED: That the City finds that a fiscal necessity exists to use one-time revenues and excess RETT Revenues to fund ongoing expenditures reflected in the proposed FY 2014-15 budget; and be it

FURTHER RESOLVED: That this finding of necessity is supported by the attached Statement of Necessity offered by the City Administrator attached hereto as *Exhibit A*, which demonstrates that the use of one-time revenues and excess RETT is necessary for the City to continue to make critical investments over the next fiscal year in public safety, stabilizing the workforce, economic growth, job creation and training, education, equipment and technology, and quality of life. These investments include implementation of signed contracts and memoranda of understand with City of Oakland employee unions, investing in information technology systems and support that are required for the continued operations of financial, public safety, and revenue collection systems; and are detailed in Exhibit 1 to the FY 2014-15 midcycle budget adoption resolution; and be it

FURTHER RESOLVED: That the city may undertake the following steps in order to return to utilizing one-time revenues, and excess RETT for the purposes described in Section C and Section D of Ordinance No. 13170 C.M.S., as amended: Review future estimates of revenues and expenditures to analyze long-term fiscal balance; reprioritize expenditures in coming budget cycles so that future investments are made within available resources; seek efficiencies and costs saving mechanisms to reduced ongoing expenditures; evaluate fees and service charges to enhance ongoing revenues and increase cost recovery where possible; continue to develop revenue collection strategies; collaborate with community groups, city employee unions; and subject matter experts to provide innovative solutions to enhance revenues and reduce costs; and

FURTHER RESOLVED: That this Resolution shall take effect immediately upon passage by super majority vote (6 of 8 council members).

 JUL 01 2014

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

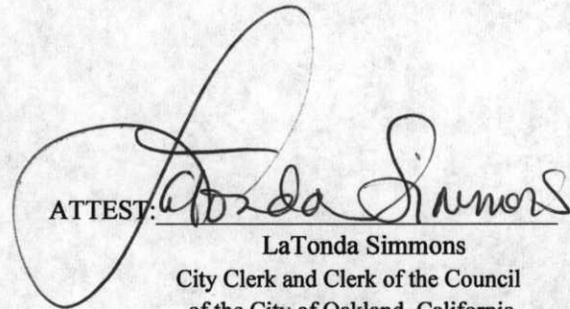
AYES - ~~Brooks~~, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, ~~Schaaf~~ and PRESIDENT KERNIGHAN - 6

NOES - Schaaf - 1

ABSENT - \emptyset

ABSTENTION - Brooks - 1

ATTEST:



LaTonda Simmons

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

EXHIBIT A

Statement of Necessity

The City Administrator has determined the use of one-time revenues and excess Real Estate Transfer Tax (RETT) to be necessary to support ongoing expenditures as detailed in Exhibit 1 to the FY 2014-15 midcycle budget adoption resolution.

The ongoing expenditures supported by these resources include critical investments over the next fiscal year in public safety, stabilizing the workforce, economic growth, job creation and training, education, equipment and technology, and quality of life.

These investments include:

- Implementation of signed contracts and memoranda of understand with City of Oakland employee unions including recently adopted cost of living increases for civilian employees, Firefighters-Local 55, providing certain benefits to temporary part-time employees, and maintaining investments in a skilled workforce.
- Investing in information technology systems and staff that have been reduced by 40% over the past several years. With projects including the Oracle upgrade, implementation of Microsoft 365, the public safety system improvements, and future radio system replacement/upgrade, totaling almost \$50 million, it is necessary to provide ITD with sufficient staff to ensure that these funds are utilized efficiently and that the systems are implemented effectively and maintained in the future. Funding will also support investments in in critical information technology systems in support of crime analysis, PCI compliance, crime data reporting, and budgetary operations.
- Restoring programs that were reduced during the great recession across many areas including, additional support for public ethics enforcement, performance auditing for the Oakland Police Department, staff training to reduce risk exposure and increased support for the cultural art grants program.