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# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Kirsten LaCasse  
Interim Controller

**SUBJECT:** FY 2014-15 Q4 R&E Report

**DATE:** October 23, 2015

City Administrator Approval

Date:

10/29/15

## RECOMMENDATION

Staff recommends that City Council accept this informational report on the unaudited Fiscal Year (FY) 2014-15 Fourth Quarter Revenue and Expenditure Results and Year-End Summaries For Four Selected Funds – General Purpose Fund (GPF, 1010), Landscape & Lighting Assessment District Fund (LLAD, 2310), Equipment Fund (4100) and Facilities Fund (4400); and Overtime Analysis for the General Purpose Fund (1010) and All Funds.

## EXECUTIVE SUMMARY

Based on the results of the fourth quarter for FY 2014-15, the unaudited GPF available fund balance (excluding the Council appropriated reserves) at year-end is estimated to be \$9.51 million (*Table 1*). This amount is net of the 7.5% GPF Emergency Reserve, and amounts allocated in the FY 2015-17 Adopted Policy Budget. Revenues grew by approximately \$11.72 million over the FY 2014-15 Third Quarter Projections. The year-end expenditures exceeded the fourth quarter Adjusted Budget (net of amounts carried forward to FY 2015-16) by approximately \$4.35 million.

With respect to the unaudited year end fund balance, please note that the FY 15-16 budget assumed GPF revenues of \$4.4 million from a land sale that has not been completed. Additionally, the recently approved labor agreements include revenue share provisions which are estimated at approximately \$3 million. Further, the City Council recently approved an allocation of \$350,000 for minimum wage and tenant protections education and enforcement. (Resolution No. 85852.) With respect to public safety, the Department of Justice recently announced an award of a new COPS grant to Oakland; this grant will require a local match of over \$2 million per year for four years (it is also possible an additional recruit academy would be needed to accommodate these new positions). Finally, as part of the City's target area response to crime, funding is needed for commercial corridor safety improvements. For these reasons, staff does not recommend any additional appropriation of the unaudited GPF fund balance.

Highlights of this FY 2014-15 fourth quarter revenue and expenditure report include:

- The unaudited actual revenues for the GPF totaled \$499.18 million, which exceeds the Third Quarter (Q3) projections by \$11.72 million (**Attachment A-1**);

Item: \_\_\_\_\_

Finance and Management Committee  
November 10, 2015

- The unaudited actual expenditures for GPF totaled \$499.28 million, which exceeds the Adjusted Budget (net of amounts carried forward to FY 2015-16) by approximately \$4.35 million, (**Attachment A-2**);
- The GPF unaudited ending available fund balance is approximately \$9.51 million (excluding the 7.5% GPF Emergency Reserve, and amounts allocated in the FY 2015-17 Adopted Policy Budget as shown in *Table 1*);
- Citywide overtime (OT) expenditures across all funds is \$58.34 million, exceeding the Adjusted Budget by \$33.96 million, of which \$32.76 million is in the GPF, and is mostly absorbed by salary savings as shown in *Table 4*; overtime spending by department is listed in **Attachment B**; and,
- The total designated 7.5% GPF Emergency Reserve balance is \$39.57 million, which is 7.5% of the FY 2015-16 Adopted Policy Budget (net of reserve set-asides).

The unaudited year-end available GPF fund balance is estimated to be \$9.51 million (*Table 1*). It should be noted that this balance reflects the net difference between the revenue and expenditure results, as well as, adjustments made for: (1) unspent project and encumbrance balances carried forward into FY2015-16, and (2) items allocated in the FY 2015-17 Adopted Policy Budget.

**Table 1: Estimated Year-End Available Fund Balance:**

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2014-15 Unaudited Actuals FYE
<b>Beginning Fund Balance - Audited</b>	<b>\$110.76</b>
Revenue	\$499.18
Expenditures	(\$499.28)
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>(\$0.10)</b>
<b>Subtotal Fund Balance</b>	<b>\$110.66</b>
<b>Use of Fund Balance in FY 2015-16:</b>	
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$43.24)
FY 2015-17 Adopted Policy Budget	(\$16.22)
25% Excess RETT for OPEB	(\$1.06)
25% Excess RETT for Vital Services Stabilization Fund <sup>1</sup>	(\$1.06)
<b>Subtotal Use of Fund Balance</b>	<b>(\$61.58)</b>
<b>Designated / Mandated Reserves:</b>	
7.5% GPF Required Reserve (based on FY 15-16 adopted expenditure budget)	(\$39.57)
<b>Subtotal Reserves</b>	<b>(\$39.57)</b>
<b>Estimated Ending Available Fund Balance</b>	<b>\$9.51</b>

<sup>1</sup> This amount is over and above the \$2.02 million previously set-aside

Generally, the receipts of revenue in FY 2014-15 reflect continued growth in the local economy and recovery from the global recession and housing crisis. Notably, an improved local real-estate market has led to strong growth in real-estate related revenues, including property tax, real estate transfer tax, and transient occupancy tax. The City's assessed valuation increased \$2.6 billion (5.85%), \$2 billion of which is due to either re-appraisal of property upon transfer of ownership or recaptured value under Proposition 8. Details of unaudited revenues in comparison to the third quarter projections are listed in **Attachment A-1**.

The unaudited year-end expenditures for the GPF total \$499.28 million which is approximately \$4.35 million over the net Adjusted Budget Citywide. The overage is primarily attributed to an increase in sworn overtime associated with unanticipated protests (Ferguson and New York City Grand Jury verdicts, etc.). Expenditures by department are listed in **Attachment A-2**.

The three other funds analyzed for this report have historically shown negative fund, or cash, balances; two ended the fiscal year with improved, or positive balances as a result of salary savings associated with vacancies and scheduled repayments; while the LLAD fund overspent due to an increase in PG&E and EBMUD rates as shown below (**Attachments C-1 to E-2**):

- LLAD (\$0.29) million
- Equipment Fund \$0.37 million
- Facilities Fund \$1.04 million

It is important to note that while the GPF available fund balance exceeds the Council-mandated 7.5% GPF Emergency Reserve funding level, and the two Internal Service Funds reflected in this report are improving, the City has several funds with negative balances and the City budget relies on one-time funds to fund on-going expenditures.

This report provides analysis and details on the actual fiscal year-end revenues and expenditures in the General Purpose Fund (GPF; 1010), Landscaping and Lighting Assessment District Fund (LLAD, 2310), Equipment Fund (4100) and City Facilities Fund (4400) based on data through the end of the fiscal year (July 1, 2014 – June 30, 2015). Revenues, expenditures and overtime for these funds, as well as overtime for all funds, are presented in this report, and are compared to the FY 2014-15 Adjusted Budget or the Third Quarter projected results.

## **BACKGROUND / LEGISLATIVE HISTORY**

On July 1, 2014, Council adopted the FY 2014-15 Amended Midcycle Budget of \$493.71 million (both revenues and expenditures) including a transfer of \$30.46 million from fund balance in the General Purpose Fund.

This report contains fiscal year-end budget and actual information for FY 2014-15, as well as items set-aside for future use in the FY 2015-17 Adopted Policy Budget.

**ANALYSIS AND POLICY ALTERNATIVES**

**GENERAL PURPOSE FUND**

**I. REVENUES**

The FY 2014-15 GPF third quarter projected revenue was \$487.46 million. Fourth Quarter (Q4) unaudited actual revenue totaled \$499.18 million, net of Transfers from Fund Balance, which represents an increase of \$11.72 million as compared to the FY 2014-15 Third Quarter projections (*Table 2*) due to continued growth in the economy. It is important to note that as a result of the increase in revenues, as compared to the Adjusted Budget, the City did not have to rely on the one-time budgeted use of fund balance of approximately \$42.00 million.

**Table 2: Summary of GPF Revenue Variance:**

<i>(\$ in millions)</i>	
<b>Description</b>	<b>FY 2014-15 Revenue</b>
FY 2014-15 Third Quarter Projected Revenue	\$487.46
Increases/(Decreases):	
Property Tax	(\$1.21)
Real Estate Transfer Tax	\$1.84
Business License Tax	\$1.85
Service Charges	\$4.43
Grants & Subsidies	\$3.48
All Other	\$1.33
<b>FY 2014-15 Unaudited Actual Revenue</b>	<b>\$499.18</b>
<b>Net GPF Revenue Growth</b>	<b>\$11.72</b>

**II. EXPENDITURES**

The unaudited year-end expenditures are \$499.28 million, which is \$4.35 million over the net Adjusted Budget Citywide. The overspending is primarily attributed to sworn overtime costs associated with unanticipated protests (Ferguson and New York City Grand Jury verdicts, etc.).

**Table 3: Summary of GPF Expenditure Variance:**

(\$ in millions)

Department	FY 2014-15 Adjusted Budget (Q4 less CF)	FY 2014-15 Unaudited Year-End Actuals	FY 2014-15 Year-End (Over) / Under Budget
FY 2014-15 Expenditures	\$494.93	\$499.28	(\$4.35)
MAYOR	\$2.00	\$1.99	\$0.01
CITY COUNCIL	\$3.81	\$3.78	\$0.03
CITY ADMINISTRATOR	\$16.36	\$13.77	\$2.60
CITY ATTORNEY	\$5.38	\$5.56	(\$0.18)
CITY AUDITOR	\$1.57	\$1.63	(\$0.06)
CITY CLERK	\$2.20	\$2.31	(\$0.11)
FINANCE	\$21.64	\$19.81	\$1.83
INFORMATION TECHNOLOGY	\$10.75	\$9.78	\$0.97
HUMAN RESOURCES	\$4.32	\$4.41	(\$0.09)
POLICE	\$200.10	\$213.29	(\$13.19)
FIRE <sup>1</sup>	\$114.90	\$111.88	\$3.02
LIBRARY	\$9.26	\$9.11	\$0.15
PARKS & RECREATION	\$14.73	\$14.09	\$0.65
HUMAN SERVICES	\$5.56	\$5.89	(\$0.33)
ECONOMIC & WORKFORCE DEVELOPMENT	\$3.05	\$2.99	\$0.06
HOUSING & COMMUNITY DEVELOPMENT	\$0.20	\$0.20	\$0.00
PLANNING & BUILDING	\$0.49	\$0.59	(\$0.10)
PUBLIC WORKS	\$3.42	\$3.73	(\$0.31)
NON-DEPARTMENTAL	\$77.10	\$73.44	\$3.67
CAPITAL IMPROVEMENT PROGRAM	\$1.11	\$1.11	\$0.00

While the GPF has a net available fund balance, it is important to note that overtime expenditures exceeded the overtime Adjusted Budget by \$32.76 million (**Attachment B**), which is primarily attributed to Public Safety. However, salary savings offset some of these costs with the exception of the Oakland Police Department, again due to the high levels of unanticipated protests in the first two quarters of the fiscal year. Comparison of salary savings to overtime overspending is shown in *Table 4* below.

**Table 4: FY 2014-15 GPF Net Overtime (OT) Overspending and Salary Savings<sup>1</sup>:**

DEPT	Year-End Salary Savings / (Overspending)	Unaudited Year-End OT (Overspending)	NET Savings / (Overspending)
City Administrator	\$1,410,069	(\$142,206)	\$1,267,864
City Attorney	(\$272,288)	(\$310)	(\$272,598)
City Auditor	(\$64,467)	(\$288)	(\$64,755)
City Clerk	(\$122,891)	(\$3,406)	(\$126,297)
Revenue	(\$196,800)	(\$3,583)	(\$200,383)
Treasury	(\$246,337)	(\$3,554)	(\$249,891)
Information Technology	\$1,061,068	(\$84,101)	\$976,967
Police Department	\$2,926,499	(\$14,547,081)	(\$11,620,583)
Fire Department	\$20,526,798	(\$17,938,236)	\$2,588,562
Parks & Recreation	\$312,959	(\$13,178)	\$299,780
Human Services	(\$30,768)	(\$4,981)	(\$35,750)
Planning & Building	(\$8,909)	(\$1,539)	(\$10,448)
Public Works	(\$208,917)	(\$69,400)	(\$278,318)
<b>Grand Total<sup>2</sup></b>	<b>\$25,086,013</b>	<b>(\$32,811,864)</b>	<b>(\$7,725,851)</b>

<sup>1</sup> Table reflects only departments overspending in OT; Refer to Attachment B for all department spending;

<sup>2</sup> The Net Savings / Overspending will vary from Attachment A-2 due to O&M variances not captured above.

As mentioned above, the overtime (OT) overspending in the Police Department is due to costs associated with unanticipated protests and special enforcement as detailed in *Table 5* below.

**Table 5: FY 2014-15 GPF OT Expenditures by Category - Police Department:**

(\$ in millions)

DESCRIPTION	Unaudited Actual Expenditures Jul 1 - Jun 30	Q3 Projected FYE
<b>Protests &amp; Special Enforcement :</b>	<b>\$9.65</b>	<b>\$9.37</b>
<i>Ferguson Protest</i>	\$1.31	
<i>NYC Grand Jury Protest</i>	\$0.86	
<i>Anti-Police Protests</i>	\$0.72	
<i>Port Protests<sup>1</sup></i>	\$0.32	
<i>May Day</i>	\$0.28	
<i>Day of Anger: Millions March Oakland</i>	\$0.20	
<i>Malcolm X Day</i>	\$0.14	
<i>Black Lives Matter Protest</i>	\$0.13	
<i>Sideshow Enforcement</i>	\$0.12	
<i>Urban Shield Protest</i>	\$0.10	
<i>Berkeley/Oakland Protest</i>	\$0.06	
<i>All Other</i>	\$5.42	
<b>Reimbursable Events</b>	<b>\$2.66</b>	<b>\$2.47</b>
<b>Operational Overtime<sup>2</sup></b>	<b>\$18.95</b>	<b>\$18.45</b>
<b>TOTAL</b>	<b>\$31.26</b>	<b>\$30.29</b>

<sup>1</sup> The City has billed the Port for reimbursement

<sup>2</sup> Overtime related to backfilling beats, vacancies, extension of shift, etc.

**III. FUND BALANCE**

The audited FY 2014-15 gross GPF beginning fund balance is \$110.76 million. Importantly, this amount includes the City Council appropriated reserves discussed earlier in this report, as well as project and encumbrance balances carried forward into FY 2015-16. The unaudited year-end available fund balance is estimated to be approximately \$9.51 million, after including year-end revenues and expenditures, project and encumbrance carry forward, and amounts budgeted in FY 2015-17 (Table 6). The City's General Purpose Fund 7.5% GPF Emergency Reserve is set at \$39.57 million.

**Table 6: FY 2014-15 Year-End Available GPF Fund Balance**

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2014-15 Unaudited Actuals FYE
<b>Beginning Fund Balance - Audited</b>	<b>\$110.76</b>
Revenue	\$499.18
Expenditures	(\$499.28)
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>(\$0.10)</b>
<b>Subtotal Fund Balance</b>	<b>\$110.66</b>
<b>Use of Fund Balance in FY 2015-16:</b>	
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$43.24)
FY 2015-17 Adopted Policy Budget	(\$16.22)
25% Excess RETT for OPEB	(\$1.06)
25% Excess RETT for Vital Services Stabilization Fund <sup>1</sup>	(\$1.06)
<b>Subtotal Use of Fund Balance</b>	<b>(\$61.58)</b>
<b>Designated / Mandated Reserves:</b>	
7.5% GPF Required Reserve (based on FY 15- 16 adopted expenditure budget)	(\$39.57)
<b>Subtotal Reserves</b>	<b>(\$39.57)</b>
<b>Estimated Ending Available Fund Balance</b>	<b>\$9.51</b>

<sup>1</sup> This amount is over and above the \$2.02 million previously set-aside



**GENERAL PURPOSE FUND**  
**(Attachments A-1 and A-2)**

**REVENUE HIGHLIGHTS**

The FY 2014-15 unaudited General Purpose Fund revenue actuals total \$499.18 million, which represents an increase of \$11.72 million compared to Fiscal Year 2014-15 Third Quarter R&E report projected revenues of \$487.46 million net of transfer from fund balance.

**Attachment A-1** provides details of fourth quarter revenue collection in comparison to the third quarter projections. Highlights are provided below.

Property Tax: -\$1.21 million

Property Tax revenue received through the fourth quarter totaled \$159.36 million. Based upon fourth quarter data, this is a 7.06% increase over the adjusted budget but a -0.76% decrease when compared to Q3; and an 11.58% growth in property tax revenues when compared to FY 2013-14 revenues. \$11.31 million of this revenue growth is considered on-going revenues. Of note, starting in FY 2011-12, the City receives a portion of the Residual Property Tax Trust Fund ("RPTTF") as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less wind-down funding obligations, that would have gone to redevelopment agencies if they had not been dissolved.

**Table 7: Historical Property Tax Revenue: FY 2011-12 through FY 2014-15**  
(\$ in millions)

Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15 Q4 FYE
Property Tax	\$125.77	\$129.27	\$133.12	\$141.03
Property Tax - RPTTF	\$13.03	\$24.88	\$9.71	\$18.33
<b>Total Properties</b>	<b>\$138.80</b>	<b>\$154.15</b>	<b>\$142.83</b>	<b>\$159.36</b>

The increase in Property Tax net of RPTTF was due to an improved real estate market resulting in improved assessed property values. According to the City's Property Tax consultants, HDL, "There was \$913 million in Proposition 8 values restored to the assessment roll. This accounted for 42% of the overall GPF growth experienced by the City in FY 2014-15." Proposition 13 caps the growth of a property's assessment at no more than 2% each year unless the market value of property falls lower. When property values decline Proposition 8, passed by the voters in 1978, allows the property to be temporarily assessed at the lower value. Once reduced, the assessed value and property taxes may increase by more than 2% a year as the property values rise during a real estate recovery. The "recaptured" values can be adjusted upward to the annually adjusted Proposition 13 cap.

The increase in RPTTF is based on two factors: 1) Savings from the Recognized Obligation Payment Obligation Schedule ("ROPS") prior period actual spending; and 2) the disallowance by the Department of Finance of requested RPTTF amounts from the review of ROPS 15-16A, which resulted in an increase of RPTTF funds to the City. Note that beginning in FY 2015-16, in accordance with Ordinance No. 13193, 25% of RPTTF will be set aside in the Affordable Housing Trust Fund.

Sales Tax: *-\$0.49 million*

Sales Tax revenue received through the fourth quarter totaled \$ 51.82 million. Based upon fourth quarter data, this is a -0.93% decrease when compared to the Q3 forecast; and a 4.14% growth when compared to FY 2013-14 actual revenues. Most of the City's major business groups posted gains. However, the City is seeing a dip in Business & Industry and Fuel & Service Station sales. New car sales aided by two newer car dealerships, and a recently opened used car dealer produced the gain in autos and transportation seen in the past two fiscal years. During the Great Recession, auto sales slowed as vehicle owners choose to repair instead of replace their aging vehicles. Over the past two years with the end of the Great Recession, the City benefited from the resulting pent-up demand for new vehicles as people now chose to replace their aging vehicles. However, the City is beginning to see a leveling in this category as auto sales return to a more normal economic pattern.

Business License Tax: *+\$1.85million*

Business License Tax revenue received through the fourth quarter totaled \$66.85 million, a 2.85% increase when compared to the Q3 forecast; and a 6.26% growth when compared to FY 2013-14 actual revenues. In FY 2014-15, the Revenue Management Bureau recovered \$4.12 million in business tax audit revenue, which is an additional \$1 million above forecast. Typically, the Bureau recovers approximately \$3 million annually in business tax audit revenue.

Real Estate Transfer Tax: *+\$1.84million*

Real Estate Transfer Tax (RETT) received through the fourth quarter totaled \$ 62.71 million. This is a 3.03% increase over Q3 forecast. Overall, total real estate transactions have increased with an additional 257 properties changing ownership during FY 2014-15. Of this increase, the City experienced a 3.60% increase in residential transactions and a 17.20% increase in commercial transactions.

**Table 8: FY 2014-15 Large Property Sales**

*(\$ in millions)*

Sale Quarter	Property	Date of Knowledge	FY 2014-15 RETT
Quarter 2	1111 Broadway	12/18/2014	\$3.18
Quarter 2	180 Grand Ave.	01/25/2015	\$0.92
Quarter 3	The Uptown	03/23/2015	\$1.35
Quarter 3	Eastmont Mall	04/29/2015	\$0.81
Quarter 4	155 Grand Ave.	06/02/2015	\$0.98
Quarter 4	8350 Pardee St.	06/02/2015	\$0.84
<b>Total</b>			<b>\$8.08</b>

Real Estate Transfer Tax is highly volatile and revenues can increase and decrease rapidly with changing market conditions or as a result of the sale of high value properties. When certain high value commercial properties are sold they can result in anomalously high revenue. Furthermore, depending upon how the property is transferred and/or what type of entity is purchasing the property, the application of the City's RETT may not apply. Of the projected RETT increase,

\$4.08 million is considered nonrecurring revenues derived from the success of the RETT border audit and the sale of large commercial properties listed above. Note that revenues derived from large commercial transactions is off -33.30% when compared to FY 2013-14.

Transient Occupancy Tax: +\$0.46 million

Transient Occupancy Tax (TOT) revenue received through the fourth quarter totaled \$16.79 million. Based upon fourth quarter data, this is a 2.85% increase when compared to the Q3 forecast; and a revenue growth of 17.24% over Fiscal Year 2013-14. The increase in TOT is being felt across the Bay Area as the demand for hotel lodging increases due to the improved business climate and an influx of foreign travelers, which also increases room rates based upon simple supply and demand. Furthermore, TOT revenues benefited from the Golden State Warriors quest for the NBA Championship.

Service Charges: +4.43 million

Revenues received from Service Charges through the fourth quarter totaled \$49.79 million. Based upon fourth quarter data, this is a 5.87% increase over the adjusted budget but a 9.79% increase when compared to the Q3 forecast; and a revenue growth of 14.75% over Fiscal Year 2013-14. The increase is primarily contributed to:

- \$0.81 million is attributable to higher than anticipated revenue from fees for providing fire support services at the Port, which is an 11.52% increase over FY 2013-14.
- \$1.40 million higher than anticipated from OPD cost recovery revenues, which is a 33.63% increase over FY 2013-14.
- \$0.95 million sewer franchise fees, which is a 19.89% increase over FY 2013-14.
- \$0.89 million parking meter revenue, which can be attributed to the new IPS meters.

Grants & Subsidies: +\$3.48 million

Revenues received from Grants & Subsidies through the fourth quarter totaled \$3.60 million. The City is beginning to receive revenue from the payback of State Mandated program costs. These revenues were accounted for in the FY 2015-17 budget and will be appropriated accordingly from fund balance. For budgeting purposes, these revenues are considered one-time.

## ***EXPENDITURE HIGHLIGHTS***

As outlined in **Attachment A-2**, the FY 2014-15 Q4 net Adjusted Budget is \$494.93 million. The fiscal year-end General Purpose Fund (GPF) unaudited expenditures were \$499.28 million, resulting in an over-spending of \$4.35 million primarily due to an increase in sworn overtime during recent protests. Additionally, this attachment also summarizes department-level spending. The breakdown of actual fiscal year-end overtime spending for the General Purpose Fund and All Funds is provided in **Attachment B**. Provided below is a discussion of each department's actual savings or overspending in the GPF at year-end as compared to the Adjusted Budget, net of unspent carryforward amounts.

### Mayor's Office

The Mayor's Office stayed within the Adjusted Budget.

### City Administrator

The City Administrator's Office has savings associated with vacancies in Administration, Animal Services and CPRB. The FY 2015-17 Adopted Policy Budget eliminated 3.00 vacant positions in Administration.

### City Council

The City Council stayed within the Adjusted Budget with a slight savings of \$0.03 million.

### City Attorney

The City Attorney has the authority under the Charter to hire at any point within a salary range. However, vacant positions are budgeted at the midpoint of a salary range thus the City Attorney's budget reflects overspending of approximately \$0.18 million. During the biennial budget process, budgets are adjusted to reflect the incumbent's salary.

### City Auditor

The City Auditor exceeded the Adjusted Budget by \$0.06 million due to unrealized budget reductions.

### City Clerk

The Office of the City Clerk spent \$2.31 million compared to the Adjusted Budget of \$2.20 million, a difference of \$0.11 million. The overspending is due to full staffing; therefore the vacancy rate cannot be met. The FY 2015-17 Adopted Policy Budget adjusted the vacancy rate to more accurately reflect staffing levels.

### Finance Department

Finance's (Administration, Treasury, Controller, and Revenue Management) fiscal year-end expenditures are \$19.81 million compared to the net Adjusted Budget of \$21.78 million. Savings

in Revenue Bureau O&M of \$1.22 million was due to the lower than anticipated convenience fee pass through contract (Council Resolution 84776). The under-spending of \$0.30 million in the Controller's Bureau is due to lower than anticipated personnel costs resulting from vacancies which are currently under recruitment or have been recently filled.

Information Technology Department (ITD)

ITD spent \$9.78 million of their \$10.75 million net Adjusted Budget. The savings of \$0.97 million is attributed to vacancies, many of which are recently filled or under recruitment.

Human Resources Department (HRD)

Human Resources exceeded the net Adjusted Budget by \$0.09 million due to higher than anticipated salary costs.

Oakland Police Department (OPD)

OPD spent \$213.29 million compared to its net Adjusted Budget of \$200.10 million. The overspending of \$13.19 million is due to overtime (OT) costs associated with unanticipated protests, targeted crime reduction operations, special events, backfill and extension of shift (*Table 5*). OPD spent approximately \$31.26 million in overtime, as compared to their annual budget of \$16.71 million (as shown in **Attachment B**). The over-expenditure of approximately \$14.55 million in overtime is partially offset by one-time salary savings associated with vacancies (*Table 4*).

Oakland Fire Department (OFD)

The Fire Department ended FY 2014-15 at budget, net of savings from the extension of the SAFER grant which have been allocated in the FY 2015-17 Adopted Policy Budget. Overtime spending in OFD ended the fiscal year at \$18.35 million. The over-expenditure of approximately \$17.94 million in overtime is a result of backfilling the estimated 90 vacant positions, all of which will be off-set by salary savings as shown in *Table 4*. The savings from vacant positions are used to fund the overtime for mandated staff levels and for Fire Academy recruitment and training.

Oakland Public Library (OPL)

OPL ended the year with a underspending of \$0.15 million associated with savings in personnel due to vacancies.

Oakland Parks & Recreation (OPR)

OPR spent \$14.09 million compared to their Adjusted Budget \$14.73 million, resulting in a savings of \$0.65 million primarily due to vacancies, and operations and maintenance.

Human Services Department (HSD)

Human Services exceeded the Adjusted Budget by \$0.33 million due to higher than anticipated personnel costs.

Economic Workforce & Development (EWD)

EWD ended the fiscal year with net under-spending of \$0.06 million from salary savings as a result of vacancies.

Planning & Building

Planning exceeded their Adjusted Budget by \$0.10 million due to higher than anticipated salary costs.

Oakland Public Works (OPW)

OPW spent \$3.73 million compared to their Adjusted Budget of \$3.42 million. The overspending of \$0.31 million is due to higher than anticipated personnel costs due to full staffing, unbudgeted premiums, and standby emergencies.

Non-Departmental

Non-Departmental shows a surplus due to the reduced cost of issuance for the Tax and Revenue Anticipation Note (TRAN).

Citywide COLA

As noted in the FY 2014-15 Third Quarter Revenue & Expenditure Report, the impact of the FY 2013-15 COLA (2% in Y1, 1% in Y2) on the non-GPF funds was reviewed at year-end. Those funds that were able to absorb the increased personnel costs did not require a GPF subsidy. As a result of net operating savings, the majority of non-GPF funds did not require a subsidy from the GPF in FY 2014-15. The remaining FY 2013-15 COLA ALLOCATION of \$1.84 million will carry forward in to FY 2015-16 to offset various non-GPF funds that may not be able to absorb the agreed upon FY 2015-16 wage increases, and may necessitate additional subsidy.

**OTHER FUNDS**

**(Attachments C-1 through E-2)**

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), year-end revenue and expenditure results show a deficit of \$1.85 million (**Attachments C-1 & C2**), reducing the estimated ending fund balance to a negative \$0.29 million. This is primarily attributed to additional utility rate increases from both EBMUD and PG&E. The LLAD has steadily improved its negative fund balance from approximately \$6 million in FY 2008-09, however rapidly increasing utility rates for both electricity and water has prevented the City from reaching its goal of maintaining the positive fund balance. Since the assessment rate cannot be adjusted without voter approval, Public Works will continue to carefully manage personnel and O&M expenses throughout FY 2015-16 in order to mitigate any further reductions to the fund balance. Additionally, staff will propose alternative solutions as part of the FY 2016-17 Midcycle Budget process.

**Table A: FY 2014-15 LLAD Year-End Available Fund Balance**

(\$ in millions)

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2014-15 Adjusted Budget	FY 2014-15 Q4 Unaudited Actual FYE	Year-End (Over) / Under Budget
<b>Beginning Fund Balance - Audited</b>	<b>\$1.56</b>	<b>\$1.56</b>	
Revenue <sup>1</sup>	\$20.74	\$19.60	\$1.14
Expenditures	(\$21.16)	(\$21.45)	(\$0.29)
Budgeted Use of Fund Balance	(\$0.13)	\$0.00	
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>(\$0.55)</b>	<b>(\$1.85)</b>	
<b>Subtotal Fund Balance</b>	<b>\$1.01</b>	<b>(\$0.29)</b>	
<b>Estimated Ending Fund Balance</b>	<b>\$1.01</b>	<b>(\$0.29)</b>	

<sup>1</sup> Includes \$105 mil from PG&E rebates associated with the LED Lighting Conversion Project received in FY 13-14 and used to balance the FY 14-15 Midcycle budget; includes \$0.13 from FB to balance FY 14-15 Midcycle

Equipment Fund

The Equipment Fund (4100) is reported on a cash basis (excluding the value of the equipment). Unaudited actual revenues ended the fiscal year at \$37.62 million which is \$1.97 million higher than the net Adjusted Budget. Additionally, actual expenditures of \$27.31 came in slightly less (\$0.37 million) than the net Adjusted Budget of \$27.68 million (**Attachments D-1 & D-2**). It is important to note that the repayment amount specified in the FY 2014-15 Amended Midcycle Budget will be increased from \$1.39 million to \$2.34 million based on these results, thus eliminating the negative cash balance (*excluding the lease proceeds*). Beginning in FY 2015-16 the Equipment Fund will no longer be on a repayment plan. The revenue reflects actual charges to departments for equipment maintenance, as well as the reduction in aging fleet through auction sales.

**Table B: FY 2014-15 Equipment Fund Year-End Available Cash Balance**

(\$ in millions)

EQUIPMENT FUND (4100)	FY 2014-15 Adjusted Budget	FY 2014-15 Q4 Unaudited Actual FYE	Year-End (Over) / Under Budget
<b>Gross Beginning Cash Balance<sup>1</sup></b>	<b>\$5.49</b>	<b>\$5.49</b>	
Revenue <sup>1</sup>	\$35.65	\$37.62	(\$1.97)
Expenditures <sup>2</sup>	(\$27.68)	(\$27.31)	\$0.37
Budgeted Fund Balance Repayment	\$1.39	\$0.00	
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$9.36</b>	<b>\$10.31</b>	
<b>Subtotal Cash Balance</b>	<b>\$14.85</b>	<b>\$15.80</b>	
Adjust: Net Change in Payables <sup>3</sup>		(\$0.15)	
Restricted Cash (Equipment Master Leases)		(\$15.38)	
<b>Estimated Ending Cash Balance</b>	<b>\$14.85</b>	<b>\$0.27</b>	

<sup>1</sup> Both cash balance and revenue include lease proceeds;

<sup>2</sup> Net Adjusted Budget (Attachment A-2) excludes \$13.30 mil carried forward into FY 2015-16; actual expenditures include use of lease proceeds

<sup>3</sup> Adjustment accounts for outstanding Payables and Receivables (net)



Facilities Fund

This fund is also reported on a cash basis. Actual results for the Facilities Fund (4400) indicate that revenues exceeded expenditures by \$1.40 million (**Attachments E-1 & E-2**). The surplus is due to the scheduled repayment to Fund Balance (\$1.68 million). It is important to note that the repayment amount specified in the FY 2014-15 Amended Midcycle Budget will be decreased from \$1.68 million to \$1.40 million based on these results. The value of the cash balance has improved from negative \$18.32 million to negative \$17.53 million. The Facilities Fund, on a repayment plan through 2019, has steadily improved its fund balance from approximately negative \$31 million in FY 2008-09 to its current year-end negative of \$17.53 million. The Facilities Fund continues on the ten-year graduated repayment plan for the negative fund balance and is on track to become a positive balance on, or before, FY 2018-19. The FY 2015-17 Adopted Policy Budget allocates an additional one-time repayment to the negative Fund Balance of \$4.0 million, which reduces the on-going repayment while still meeting the scheduled elimination of the negative balance.

**Table C: FY 2014-15 Facilities Fund Year-End Available Cash Balance**

(\$ in millions)

FACILITIES FUND (4400)	FY 2014-15 Adjusted Budget	FY 2014-15 Q4 Unaudited Actual FYE	Year-End (Over) / Under Budget
<b>Gross Beginning Cash Balance</b>	<b>(\$18.33)</b>	<b>(\$18.33)</b>	
Revenue	\$27.99	\$27.96	\$0.03
Expenditures	(\$27.99)	(\$26.94)	\$1.05
Budgeted Fund Balance Repayment	\$1.68	\$0.00	
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$1.68</b>	<b>\$1.02</b>	
<b>Subtotal Cash Balance</b>	<b>(\$16.65)</b>	<b>(\$17.31)</b>	
<i>Adjust: Net Change in Payables <sup>1</sup></i>		(\$0.60)	
<b>Estimated Ending Cash Balance</b>	<b>(\$16.65)</b>	<b>(\$17.91)</b>	

<sup>1</sup> Adjustment accounts for outstanding Payables and Receivables (net)

**FUND BALANCE**

It is important to note that the City continued to make progress in FY 2014-15 on its funds that have negative fund balances. Over the past decade, many Non-GPF funds have been depleted creating financial pressures on the GPF. They are largely attributable to historical overspending and/or under-recovery and transfers to the GPF for budget balancing measures. It is important that the City continues to plan for this contingency and cautiously approach the actual GPF fund balance presented in this report, especially in light of large unfunded liabilities, negative fund balances, unanticipated expenditures, and other risks that may impact the fund balance in future years.

The last three Adopted Policy Budgets (FY 2009-2015) included repayment plans for the City to repay itself for the use of pooled cash for both Program Funds and Internal Service Funds (ISFs). The Repayment Plan has been monitored closely by staff, and staff has also instituted

more frequent draw-downs of grant funds, as well as increased oversight and management of expenditures for funds with negative balances. Since FY 2009-10, **over \$39 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest (Table 9). The FY 2015-17 Adopted Policy Budget allocates additional one-time repayments to the Facilities Fund negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduces the on-going repayments from the GPF while still meeting the scheduled elimination of the negative balances. Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. Continued commitment to repayment is strongly encouraged to ensure the necessary financial progress as a commitment to external auditors.

**Table 9: Negative Fund Balance Summary FY 2009-10 through FY 2013-14**

Negative Fund Category	Fund Balance FY 2009-10	Fund Balance FY 2010-11	Fund Balance FY 2011-12	Fund Balance FY 2012-13	Fund Balance FY 2013-14
1 Negative Funds with Repayment Plan	(98,175,474)	(94,379,909)	(78,072,482)	(67,926,367)	(62,278,619)
2 Reimbursable Negative Funds <sup>1</sup>	(22,448,746)	(13,525,732)	(18,629,957)	(30,450,879)	(22,871,116)
3 Non-Reimbursable Negative Funds without Repayment Plan	(17,542,656)	(13,441,408)	(14,091,416)	(13,447,067)	(13,519,597)
<b>Total Negative Funds</b>	<b>(138,166,876)</b>	<b>(121,347,049)</b>	<b>(110,793,855)</b>	<b>(111,824,313)</b>	<b>(98,669,332)</b>
<b>FY 2010-11 through FY 2013-14 repayment amount</b>	<b>39,497,544</b>				

<sup>1</sup> As of June 30, 2013, the City has spend approximately \$4.1 million of former Redevelopment 3rd Party Contracts that the State Department of Finance (DOF) has disallowed. On July 29, 2013 the Oversight Board approved the Bond Expenditure Agreement between the City and Oakland Redevelopment Successor Agency (ORSA) to reimburse these funds. These amounts are excluded from the above totals in FY 2012-13, and included the totals in FY 2013-14.

**NEW REPORTING REQUIREMENTS: FY 2014-15 CONSOLIDATED ANNUAL FINANCIAL REPORT (CAFR)**

Of significant note, in June 2012 the Governmental Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions. The new statement makes significant changes in the way that cities are required to report pension obligations. These long term obligations must now be reflected on the statement of net position, rather than simply included in the footnotes. The new reporting must be included in the CAFR for the fiscal year ending June 30, 2015. The City will be issuing its FY 2014-15 CAFR before the end of the 2015 calendar year.

**PUBLIC OUTREACH / INTEREST**

Not applicable.

**COORDINATION**

This report was prepared in coordination between the Controller’s Bureau, the Revenue Management Bureau, the City Administrator’s Budget Office, the City Attorney’s Office and various departments.

**SUSTAINABLE OPPORTUNITIES**

**Economic:** No direct economic opportunities have been identified.

**Environmental:** No direct environmental impacts have been identified.

**Social Equity:** No social equity opportunities have been identified.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that City Council accept this informational report on the unaudited Fiscal Year (FY) 2014-15 Fourth Quarter Revenue and Expenditure Results and Year-End Summaries For Four Selected Funds – General Purpose Fund (GPF, 1010), Landscape & Lighting Assessment District Fund (LLAD, 2310), Equipment Fund (4100) and Facilities Fund (4400); and Overtime Analysis for the General Purpose Fund (1010) and All Funds.

For questions regarding this report, please contact Kirsten LaCasse, Interim Controller, at 238-6776.

Respectfully submitted,



KIRSTEN LACASSE  
Interim Controller, Controller's Bureau

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Attachments (10):

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Overtime Analysis*
- C-1: *Landscape and Lighting Assessment District Fund Revenues*
- C-2: *Landscape and Lighting Assessment District Fund Expenditures*
- D-1: *Equipment Fund Revenues*
- D-2: *Equipment Fund Expenditures*
- E- 1: *Facilities Fund Revenues*
- E- 2: *Facilities Fund Expenditures*
- F: *Detail Expenditure by Council District*

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Fourth Quarter (July 1, 2014 - June 30, 2015)**  
**GENERAL PURPOSE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2014-15 Adjusted Year-End Budget	FY 2014-15 Third Quarter Projected Year-End	FY 2014-15 Unaudited Year End Actuals	FY 2014-15 Year-End \$ (Over) / Under Compared to Q3 Projections	Explanation of (Over) / Under Collection
PROPERTY TAX	148.85	160.58	159.36	1.21	Based upon fourth quarter data, this is a 7.06% increase over the adjusted budget but a -0.76% decrease when compared to Q3
SALES TAX	50.36	52.31	51.82	0.49	Based upon fourth quarter data, this is a -0.93% decrease when compared to the Q3 forecast; Most of the City's major business groups posted gains. However, the City is seeing a dip in Business & Industry and Fuel & Service Station sales
VEHICLE LICENSE FEES	0.00	0.00	0.18	(0.18)	
BUSINESS LICENSE TAX	60.62	65.00	66.85	(1.85)	In FY 2014-15, the Revenue Management Bureau recovered \$4.12 million in business tax audit revenue, which is an additional \$1 million above forecast
UTILITY CONSUMPTION TAX	50.00	50.00	50.59	(0.59)	
REAL ESTATE TRANSFER TAX	53.00	60.86	62.71	(1.84)	Of the projected RETT increase, \$4.08 million is considered nonrecurring revenues
TRANSIENT OCCUPANCY TAX	14.88	16.32	16.79	(0.46)	The increase in TOT is being felt across the Bay Area as the demand for hotel lodging increases due to the improved business climate and an influx of foreign travelers
PARKING TAX	8.18	9.37	9.34	0.03	
LICENSES & PERMITS	1.94	1.67	1.57	0.09	
FINES & PENALTIES	23.27	23.27	23.04	0.23	
INTEREST INCOME	0.74	0.74	0.92	(0.18)	
SERVICE CHARGES	47.03	45.35	49.79	(4.43)	\$2.74 million is attributable to Airport Rescue Fire Fighter Services (ARFF) and higher than anticipated revenue from fees for providing fire support services at the Port. The ARFF funds were accounted for in the FY 2015-17 budget and will be appropriated accordingly from fund balance
INTERNAL SERVICE FUNDS	0.00	0.00	0.00	(0.00)	
GRANTS & SUBSIDIES	0.65	0.12	3.60	(3.48)	The majority is payback of State Mandated program costs. These revenues were accounted for in the FY 2015-17 budget and will be appropriated accordingly from fund balance
MISCELLANEOUS	4.46	1.87	2.29	(0.42)	
INTERFUND TRANSFERS	0.00	0.00	0.34	(0.34)	
<b>Subtotal Revenue</b>	<b>\$463.97</b>	<b>\$487.46</b>	<b>\$499.18</b>	<b>(11.72)</b>	
TRANSFER FROM FUND BALANCE	42.00	40.88	0.00	0.00	The budgeted amount from fund balance was not needed.
<b>Total Revenue</b>	<b>\$505.97</b>	<b>\$528.34</b>	<b>\$499.18</b>	<b>(11.72)</b>	

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**

Through Fourth Quarter (July 1, 2014 - June 30, 2015)

**GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2014-15 Adjusted Year-End Budget (Q4)	Year-end Results Excluding Budget Carried Forward to FY 15-16 <sup>1</sup>				Explanation of (Overspending) / Savings
		Amounts Carried Forward to FY 15-16 (CF)	FY 2014-15 NET Adjusted Budget (Q4 less CF)	FY 2014-15 Unaudited Year-End Actuals	FY 2014-15 Year-End \$ (Over) / Under Adjusted Budget	
MAYOR	2.00	0.01	2.00	2.00	0.00	
CITY COUNCIL	3.97	0.16	3.81	3.78	0.03	
CITY ADMINISTRATOR	18.97	2.60	16.36	13.77	2.60	Savings associated with vacancies in Administration, Animal Services and CPRB. The FY 2015-17 Adopted Policy Budget eliminated 3.00 vacant positions in Administration.
CITY ATTORNEY	9.39	4.00	5.38	5.56	(0.18)	The City Attorney has the authority under the Charter to hire at any point within a salary range. However, vacant positions are budgeted at the midpoint of a salary range thus the City Attorney's budget reflects overspending. During the biennial budget process, budgets are adjusted to reflect the incumbent's salary.
CITY AUDITOR	1.57	0.00	1.57	1.63	(0.06)	Overspending due to higher than anticipated personnel costs
CITY CLERK	3.69	1.49	2.20	2.31	(0.11)	Overspending due to higher than anticipated personnel costs as a result of full staffing; vacancy rate adjusted for FY 2015-17
FINANCE DEPARTMENT						
ADMINISTRATION	0.86	0.01	0.85	0.71	0.14	
CONTROLLER	4.29	0.69	3.60	3.30	0.30	Under-spending of \$0.30 million in the Controller's Bureau is due to lower than anticipated personnel costs resulting from vacancies which are currently under recruitment or have been recently filled
REVENUE	15.57	1.51	14.06	12.85	1.22	Savings in O&M due to lower than anticipated convenience fee pass through (Council Resolution 84776)
TREASURY	3.15	0.03	3.12	2.94	0.18	Savings attributed to vacancies which are currently under recruitment
INFORMATION TECHNOLOGY	13.28	2.54	10.75	9.78	0.97	The savings of \$0.97 million is attributed to vacancies, many of which are recently filled or under recruitment
HUMAN RESOURCES	5.02	0.71	4.32	4.41	(0.09)	Overspending due to higher than anticipated personnel costs
POLICE	209.92	9.82	200.10	213.29	(13.19)	Primarily due to overtime related to: unanticipated deployment of personnel to address protests, targeted crime reduction operations, special events, backfill and extension of shift
FIRE	115.99	4.11	111.88	111.88	(0.00)	Elimination of savings due to extension of SAFER grant used in FY 2015-16
LIBRARY	9.27	0.00	9.26	9.11	0.15	Savings in personnel due to vacancies.
PARKS & RECREATION	15.02	0.28	14.73	14.09	0.65	Savings in personnel due to vacancies.
HUMAN SERVICES	6.83	1.27	5.56	5.89	(0.33)	Overspending due to higher than anticipated personnel costs, and decreased recoveries
ECONOMIC & WORKFORCE DEVELOPMENT	3.87	0.82	3.05	2.99	0.06	
HOUSING & COMMUNITY DEVELOPMENT	1.81	1.61	0.20	0.20	0.00	
PLANNING & BUILDING	1.01	0.52	0.49	0.52	(0.03)	Overspending due to higher than anticipated personnel costs
PUBLIC WORKS	6.61	3.19	3.42	3.73	(0.31)	Overspending due to higher than anticipated personnel costs due to full staffing, unbudgeted premiums, and standby emergencies.
NON-DEPARTMENTAL	81.19	4.09	77.10	73.44	3.67	Savings a result of the reduced cost of issuance for the TRAN; Reduction in CSO subsidy amount
SUBTOTAL	533.29	39.47	493.81	498.17	(4.35)	
CAPITAL IMPROVEMENT PROGRAM	4.88	3.77	1.11	1.11	0.00	
<b>Total Expenditures</b>	<b>\$538.17</b>	<b>\$43.24</b>	<b>\$494.93</b>	<b>\$499.28</b>	<b>(\$4.35)</b>	

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Fourth Quarter (July 1, 2014 - June 30, 2015)**

OVERTIME ANALYSIS (in Dollars)

GENERAL PURPOSE FUND

Agency / Department	FY 2014-15 Adjusted Year-End Budget	FY 2014-15 Unaudited Year-End Actual Overtime	FY 2014-15 Year-End \$ (Over) / Under Adjusted Budget
MAYOR	8,960	0	8,960
CITY ADMINISTRATOR	86,981	229,186	(142,206)
CITY ATTORNEY	0	310	(310)
CITY AUDITOR	0	288	(288)
CITY CLERK	11,570	14,976	(3,406)
FINANCE DEPARTMENT			
ADMINISTRATION	550	0	550
CONTROLLER'S OFFICE	37,411	2,659	34,752
REVENUE	15,560	19,143	(3,583)
TREASURY	0	3,554	(3,554)
HUMAN RESOURCES	26,390	22,861	3,529
INFORMATION TECHNOLOGY	2,040	86,141	(84,101)
POLICE	16,711,334	31,258,415	(14,547,081)
FIRE	411,874	18,350,110	(17,938,236)
HUMAN SERVICES	0	4,981	(4,981)
LIBRARY	6,260	1,593	4,667
PARKS & RECREATION	0	13,178	(13,178)
ECONOMIC & WORKFORCE DEVELOPMENT	22,590	22,590	0
HOUSING & COMMUNITY DEVELOPMENT	0	0	0
PLANNING & BUILDING	0	1,539	(1,539)
PUBLIC WORKS	184,550	253,950	(69,400)
<b>TOTAL</b>	<b>\$17,526,069</b>	<b>\$50,285,475</b>	<b>(\$32,759,406)</b>

ALL FUNDS

Agency / Department	FY 2014-15 Adjusted Year-End Budget	FY 2014-15 Unaudited Year-End Actual Overtime	FY 2014-15 Year-End \$ (Over) / Under Adjusted Budget
MAYOR	8,960	0	8,960
CITY ADMINISTRATOR	86,981	230,263	(143,282)
CITY ATTORNEY	0	928	(928)
CITY AUDITOR	0	288	(288)
CITY CLERK	11,570	35,548	(23,978)
FINANCE DEPARTMENT			
ADMINISTRATION	550	0	550
CONTROLLER'S OFFICE	40,581	5,594	34,987
REVENUE	15,560	21,666	(6,106)
TREASURY	0	3,600	(3,600)
HUMAN RESOURCES	26,390	23,111	3,279
INFORMATION TECHNOLOGY	10,710	145,305	(134,595)
POLICE	17,245,864	31,690,464	(14,444,600)
FIRE	4,781,455	22,757,669	(17,976,214)
HUMAN SERVICES	52	6,681	(6,629)
LIBRARY	6,260	4,769	1,491
PARKS & RECREATION	0	19,773	(19,773)
ECONOMIC & WORKFORCE DEVELOPMENT	70,616	71,967	(1,350)
HOUSING & COMMUNITY DEVELOPMENT	2,204	39,755	(37,552)
PLANNING & BUILDING	307,520	716,577	(409,057)
PUBLIC WORKS	1,766,821	2,564,838	(798,017)
<b>TOTAL</b>	<b>\$24,382,094</b>	<b>\$58,338,797</b>	<b>(\$33,956,703)</b>

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**

Through Fourth Quarter (July 1, 2014 - June 30, 2015)

**LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND REVENUES (\$ in millions)**

Revenue Category	FY 2014-15 Adjusted Year-End Budget	FY 2014-15 Unaudited Year-End Actuals	FY 2014-15 Year-End \$ (Over) / Under Adj. Bud.	Explanation of (Over) / Under Collection
TAX LEVY	18.97	19.20	(0.23)	
LICENSES & PERMITS	0.01	0.05	(0.04)	
INTEREST INCOME	0.00	0.00	(0.00)	
SERVICE CHARGES	0.17	0.15	0.02	
TRANSFERS FROM FUND BALANCE	0.13	0.00	0.13	
OTHER	1.46	0.19	1.27	FY 13-14 \$1.05 mil of PG&E rebates associated with the LED Lighting Conversion Project committed to balance FY 14-15 MidCycle
<b>Total Revenue</b>	<b>\$20.74</b>	<b>\$19.60</b>	<b>\$1.14</b>	



**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Fourth Quarter (July 1, 2014 - June 30, 2015)**
**LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2014-15 Adjusted Year-End Budget (Q4)	Amounts Carried Forward to FY 15-16 (CF)	FY 2014-15 NET Adjusted Budget (Q4 less CF)	FY 2014-15 Unaudited Year-End Actuals	FY 2014-15 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.06	0.05	0.02	0.02	0.00	
FINANCE DEPARTMENT						
CONTROLLER	0.01	0.01	0.00	0.00	0.00	
REVENUE	0.03	0.00	0.03	0.03	(0.00)	
PARKS & RECREATION	4.33	0.00	4.33	4.33	0.00	
PUBLIC WORKS	17.65	0.89	16.76	17.08	(0.31)	Utility costs higher than anticipated due to PG&E & EBMUD rate increases
NON-DEPARTMENTAL	0.02	0.00	0.02	0.00	0.02	
<b>Total Expenditures</b>	<b>\$22.10</b>	<b>0.94</b>	<b>21.16</b>	<b>21.45</b>	<b>(0.29)</b>	

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Fourth Quarter (July 1, 2014 - June 30, 2015)**  
**EQUIPMENT FUND REVENUES (\$ in millions)**

Revenue Category	FY 2014-15 Adjusted Year-End Budget	FY 2014-15 Unaudited Year- End Actuals	FY 2014-15 Year-End \$ (Over) / Under Adj. Bud.	Explanation of (Over) / Under Collection
INTERNAL SERVICE	19.94	21.36	(1.42)	Increase due to higher than anticipated work order revenues (e.g., vehicle repairs, etc.)
SERVICE CHARGES	0.00	0.00	0.00	
INTEREST INCOME	(0.10)	0.00	(0.10)	Interest rates lower than anticipated
LICENSES & PERMITS	0.08	0.06	0.02	
MISCELLANEOUS	15.73	16.21	(0.47)	Higher than anticipated Work Order revenues, and sales related to auctioned vehicles
<b>Total Revenue</b>	<b>\$35.65</b>	<b>\$37.62</b>	<b>(1.97)</b>	

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Fourth Quarter (July 1, 2014 - June 30, 2015)**  
**EQUIPMENT FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2014-15 Adjusted Year-End Budget (Q4)	Amounts Carried Forward to FY 15-16 (CF)	FY 2014-15 NET Adjusted Budget (Q4 less CF)	FY 2014-15 Unaudited Year-End Actuals	FY 2014-15 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
POLICE	0.00	0.00	0.00	0.00	(0.00)	
HUMAN RESOURCES	0.02	0.02	0.00	0.03	(0.03)	
PARKS & RECREATION	0.00	0.00	0.00	0.00	(0.00)	
PUBLIC WORKS	39.57	13.28	26.29	29.39	(3.10)	Non-cash expense for depreciation, net out below
NON-DEPARTMENTAL	1.39	0.00	1.39	12.60	(11.21)	Non-cash expense for debt service contra account, net out below
CAPITAL IMPROVEMENT PROGRAM	0.00	0.00	0.00	0.11	(0.11)	
<b>Total Expenditures</b>	<b>\$40.98</b>	<b>13.30</b>	<b>27.68</b>	<b>42.13</b>	<b>(14.45)</b>	
Less:						
Depreciation	0.00	0.00	0.00	(2.58)	2.58	
Debt Service: Contra Account	0.00	0.00	0.00	(12.44)	12.44	
Inventory Expense & Bond Proceeds	0.00	0.00	0.00	0.21	(0.21)	
<b>NET EXPENDITURE</b>	<b>\$40.98</b>	<b>\$13.30</b>	<b>\$27.68</b>	<b>\$27.31</b>	<b>\$0.37</b>	

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Fourth Quarter (July 1, 2014 - June 30, 2015)**  
**FACILITIES FUND REVENUES (\$ in millions)**

Revenue Category	FY 2014-15 Adjusted Year-End Budget	FY 2014-15 Unaudited Year- End Actuals	FY 2014-15 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Over) / Under Collection
INTERNAL SERVICE	27.29	27.13	0.15	
SERVICE CHARGES	0.11	0.58	(0.47)	Additional revenue from Musuem complex
INTEREST INCOME	(0.08)	(0.05)	(0.02)	Interest rates lower than anticipated
MISCELLANEOUS	0.54	0.30	0.24	
GRANTS & SUBSIDIES	0.12	0.00	0.12	SRA payment for Solar Panel Lease
<b>Total Revenue</b>	<b>\$27.99</b>	<b>\$27.96</b>	<b>\$0.03</b>	

**FY 2014-15 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Fourth Quarter (July 1, 2014 - June 30, 2015)**  
**FACILITIES FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2014-15 Adjusted Year-End Budget (Q4)	Amounts Carried Forward to FY 15-16 (CF)	FY 2014-15 NET Adjusted Budget (Q4 less CF)	FY 2014-15 Unaudited Year-End Actuals	FY 2014-15 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
MAYOR	0.00	0.00	0.00	0.01	(0.01)	
HUMAN RESOURCES	0.00	0.00	0.00	0.03	(0.03)	
PUBLIC WORKS	26.73	1.05	25.68	26.68	(0.99)	Utility costs higher than anticipated due to PG&E & EBMUD rate increases
NON-DEPARTMENTAL	1.68	0.00	1.68	(0.25)	1.92	
CAPITAL IMPROVEMENT PROGRAM	0.90	0.27	0.62	0.28	0.35	
<b>Total Expenditures</b>	<b>\$29.31</b>	<b>1.32</b>	<b>27.99</b>	<b>26.75</b>	<b>1.24</b>	
Less:						
Depreciation				(0.05)	0.05	
Inventory Expense Budgetary Control				0.24	(0.24)	
<b>NET EXPENDITURE</b>	<b>\$29.31</b>	<b>1.32</b>	<b>27.99</b>	<b>26.94</b>	<b>\$1.05</b>	

## FY 2014-15 CITY COUNCIL DISTRICT EXPENDITURES \*

EXPENDITURES *	ADMIN	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	AT-LARGE	TOTAL
<b>COUNCIL MEMBER</b>										
SALARY		72,859.28	77,824.43	75,894.38	78,241.07	75,894.38	80,715.41	75,894.38	75,894.38	613,217.71
FRINGE & BENEFITS		54,321.34	57,807.88	57,793.30	56,046.19	57,793.30	62,073.34	56,336.14	56,336.14	458,507.63
<b>TOTAL **</b>		<b>127,180.62</b>	<b>135,632.31</b>	<b>133,687.68</b>	<b>134,287.26</b>	<b>133,687.68</b>	<b>142,788.75</b>	<b>132,230.52</b>	<b>132,230.52</b>	<b>1,071,725.34</b>
<b>COUNCIL STAFF</b>										
SALARY	104,254.87	130,986.05	128,049.92	144,080.71	137,679.60	138,490.63	124,477.35	178,863.37	155,144.35	1,242,026.85
FRINGE & BENEFITS	111,206.92	137,732.66	122,138.03	151,517.53	149,581.82	118,756.93	53,234.77	188,094.85	163,153.59	1,195,417.10
<b>TOTAL</b>	<b>215,461.79</b>	<b>268,718.71</b>	<b>250,187.95</b>	<b>295,598.24</b>	<b>287,261.42</b>	<b>257,247.56</b>	<b>177,712.12</b>	<b>366,958.22</b>	<b>318,297.94</b>	<b>2,437,443.95</b>
<b>TOTAL PERSONNEL</b>	<b>215,461.79</b>	<b>395,899.33</b>	<b>385,820.26</b>	<b>429,285.92</b>	<b>421,548.68</b>	<b>390,935.24</b>	<b>320,500.87</b>	<b>499,188.74</b>	<b>450,528.46</b>	<b>3,509,169.29</b>
<b>TOTAL O&amp;M</b>	<b>229,585.13</b>	<b>4,305.05</b>	<b>3,520.53</b>	<b>6,176.98</b>	<b>7,541.69</b>	<b>7,953.78</b>	<b>11,167.33</b>	<b>3,056.50</b>	<b>964.62</b>	<b>274,271.61</b>
<b>TOTAL EXPENDITURES</b>	<b>445,046.92</b>	<b>400,204.38</b>	<b>389,340.79</b>	<b>435,462.90</b>	<b>429,090.37</b>	<b>398,889.02</b>	<b>331,668.20</b>	<b>502,245.24</b>	<b>451,493.08</b>	<b>3,783,440.90</b>
<b>TOTAL BUDGET **</b>	<b>456,219.10</b>	<b>423,059.03</b>	<b>426,807.03</b>	<b>423,081.95</b>	<b>423,434.05</b>	<b>426,813.52</b>	<b>424,069.83</b>	<b>423,048.01</b>	<b>423,066.07</b>	<b>3,849,598.59</b>
<b>(OVER) / UNDER</b>	<b>11,172.18</b>	<b>22,854.65</b>	<b>37,466.24</b>	<b>(12,380.95)</b>	<b>(5,656.32)</b>	<b>27,924.50</b>	<b>92,401.63</b>	<b>(79,197.23)</b>	<b>(28,427.01)</b>	<b>66,157.69</b>

\* Budget and expenditure numbers exclude prior year project carryforwards.

\*\* Budgeted variances in Council Districts reflect differences in premium pay elements; voluntary reductions in Council Member salaries are reflected in actual expenditure: