

2010 MAR 29 PM 3:47

# OAKLAND CITY COUNCIL

RESOLUTION No. 82582 C.M.S.

Approved as to Form

  
City Attorney

---

**RESOLUTION AMENDING THE CITY OF OAKLAND'S FY 2009-10 ADOPTED BUDGET, WHICH WAS AMENDED PURSUANT TO RESOLUTION NO 82519 C.M.S., TO APPROVE BALANCING MEASURES FOR THE ANTICIPATED FY 2009-10 SHORTFALLS IN THE GENERAL PURPOSE FUND**

**WHEREAS**, on June 30, 2009, in accordance with City Charter section 800, the City Council adopted the biennial policy budget by passing Resolution No. 82102 C.M.S.; and

**WHEREAS**, on July 28, 2009 and December 17, 2009, the City Council approved amendments to the adopted budget, via Resolutions No. 82235 C.M.S. and 82519 C.M.S., respectively; and

**WHEREAS**, due to continued weakness in the local economy and real estate market and additional pressures in public safety service provision, a \$15.3 million shortfall is anticipated in the General Purpose Fund in Fiscal Year 2009-10; and

**WHEREAS**, administration has developed budget balancing measures for the General Purpose Fund to fully offset the projected Fiscal Year 2009-10 shortfalls, as reflected in **Exhibit A**; and

**WHEREAS**, the administration's balancing proposal includes the use of one-time revenues and requires declaration of a fiscal emergency per the City's financial policy codified in ordinance 12946 C.M.S., now therefore be it

**RESOLVED:** that the City's Fiscal Year 2009-10 Budget is hereby amended to balancing implementation measures reflected in **Exhibit A** included with and made a part of this resolution, subject to additional amendments that may be presented and adopted on the floor at the February 16, 2010 meeting; and be it further

**RESOLVED:** that the City Council pursuant to Ordinance No. 12946 C.M.S. declares a fiscal emergency to use one-time revenues to balance the FY 2009-10 projected General Purpose Fund shortfall; and be it further

**RESOLVED:** that one-time monies used to balance the FY 2009-10 General Purpose Fund projected deficit are restricted revenues to be used only for the purpose of budget balancing; and be it further

**RESOLVED:** that the City Council directs the City Administrator to implement the aforementioned as amended with all deliberate speed.

IN COUNCIL, OAKLAND, CALIFORNIA, FEB 16 2010, 2010

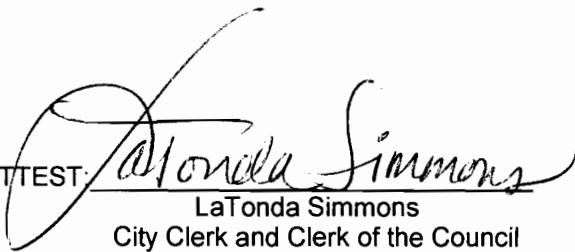
**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, ~~DE LA FUENTE~~, KAPLAN, KERNIGHAN, ~~NADOL~~, QUAN, REID, and PRESIDENT BRUNNER - 6

NOES - Nadel, De La Fuente - 2

ABSENT - 0

ABSTENTION - 0

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

**EXHIBIT A**

**Balancing Measures Addressing Projected FY 2009-10 General Purpose Fund Deficit**

GENERAL PURPOSE FUND  
 DELINEATION OF PROJECTED YEAR-END DEFICIT

	FY 09-10 (18.87)
<b>Pre-December 17th Budget Deficit</b>	
<i>Explanation of Deficit</i>	
Projected revenue shortfall:	
Parking Tax	(0.96)
Other General Tax revenues (PTAX, STAX, TOT, Interest)	(9.12)
Additional spending reduction or revenue enhancement (adopted as part of July 28th budget amendment)	-
Doubtful collection of entertainment surcharge	(4.50)
Projected over-spending:	
Police management reductions net of Police overspending	(3.00)
Other Departments	(1.29)
<b>Balancing Measures Approved by Council on December 17, 2009</b>	
Use of unspent insurance proceeds	3.20
Use of unspent COPs	0.90
Use of TRAN savings	1.00
Use of Non-GPF fund balances	2.84
Departmental balancing	0.50
<b>Subtotal</b>	<b>8.44</b>
<b>Post-December 17th Budget Deficit</b>	
	<b>(10.43)</b>
<b>Additional Anticipated Shortfalls</b>	
Additional revenue shortfall (Property, sales, parking and utility consumption), offset by one-time real estate transfer gain	(2.75)
Parking meter hours roll-back	
Parking citation pass-through payment to Alameda County - prior year	(1.20)
Set aside necessary for the new NSA monitoring contract	(0.70)
Net additional cost of Police academies (participation in Alameda County Sheriff's academy)	-
Increase in PERS retirement rate (for Civilian and Sworn employees)	-
Increase in Self-Insurance Liability cost based on the Phoenix Model analysis	
Additional loss in central services overhead recovery due to vacancies and reduced revenues in non-general funds (mainly Development Services and Measure B Funds)	(0.18)
<b>Subtotal</b>	<b>(4.83)</b>
<b>February 16, 2010 Anticipated Budget Deficit</b>	
	<b>\$ (15.26)</b>

**PROPOSED BALANCING MEASURES**

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
<b>Citywide/Non-Departmental</b>					
<b>Eliminate or reduce grants and subsidies:</b>					
Vietnamese Senior Services					Action would zero out grant.
Chabot Space & Science Subsidy					Action would zero out grant.
Chabot Science Center					Action would zero out grant.
Cypress-Mandela Training Center					Action would zero out grant.
Hacienda Peralta					Action would zero out grant.
Oakland Asian Cultural Center					Action would zero out grant.
School of the Arts					Action would zero out grant.
Symphony in the Schools Program					Action would zero out grant.
Women's Business Initiative					Action would zero out grant.
Day Laborer Program					Action would zero out grant.
Art Grants					Represents 50% reduction
Zoo subsidy					Represents 25% reduction
Jack London Aquatic Center project					Action would zero out grant.
Human Services – Academies Program					Action would zero out grant.
<b>Subtotal</b>				\$ -	
<b>Cancel carryforward:</b>					
FEMA grant match				0.30	
Head Start waiver (FY 07-08 and FY 08-09)				0.87	Prior years' waivers; not needed
<b>Subtotal</b>				\$ 1.17	
<b>Sale of Assets</b>					
Lease of Scotlan to ORA/Central District or Sale of Other Facilities (\$2 mill / year); repayment of Oak Center debt (\$1 mill / year 1 only)				3.00	This would leave no funds for a loan to the CityWalk developer and purchase of the Valdez property site
Sale of City property to ORA/Coliseum				3.50	Represents City's interest in the Malibu site
Sale of Coliseum tract to ORA				1.00	
Sale of Grandview Lots				0.25	
Sale of City properties to ORA - various areas					
Sale of Henry J. Kaiser Convention Center					
<b>Subtotal</b>				\$ 7.75	

**PROPOSED BALANCING MEASURES**

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs		Prorated FY 09-10	Impacts
	Filled	Vac Total		
<b>New revenues and Other financing</b>				
Guaranteed new parking citation contract revenue			0.50	Reflects revenue guaranteed by the contractor recommended by staff for the parking citation management contract
Proceeds from sale of billboard space				One-time proceeds from sale of billboard space, along with \$0.4 million per year is anticipated from arrangement with Clear Channel Inc.
<b>Subtotal</b>			<b>0.50</b>	
<b>Possible Ballot Measure Alternatives - Requires Council action by March 2, 2010 for the June 2010 ballot; action by early August 2010 for the Nov 2010 ballot</b>				
Public Safety parcel tax				Special tax levy requires 2/3 vote of electorate; must be placed on ballot by March 2, 2010 on the June 2010 ballot for collection during FY 10-11. Single family residential parcel assessment would be approximately \$90 annually, or \$7.50 per month.
Transactions and Use Tax – proceeds to be set aside for public safety and prevention programs*				Temporary 1/4 cent sales tax increase. Requires 2/3 voter approval if earmarked for a special purpose. *NOTE: This option not reflected in subtotals or grand total.
Utility Consumption Tax – temporary 0.5% increase and possible expansion to other utilities*				General tax requires a majority affirmative ("yes") vote for approval. *NOTE: This option not reflected in subtotals or grand total.
<b>Subtotal</b>			<b>\$ -</b>	
<b>Other Savings for Further Research</b>				
Cell phone tower leasing				Over the years there have been various cell phone providers who have expressed interest in leasing City property for the installation of cell phone transmission towers. The Real Estate Division of CEDA has been exploring the feasibility of pursuing such leasing.
Monetizing City garages				Monetizing garages could generate significant upfront revenue to the City. Public assets capable of generating revenues in excess of maintenance and operation costs could be of interest to investors seeking a long-term income stream. Staff is researching the feasibility of monetizing the City garages
<b>Subtotal</b>			<b>\$ -</b>	
<b>Citywide/Non-Departmental Subtotal</b>			<b>\$ 9.42</b>	

**PROPOSED BALANCING MEASURES**

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
City Attorney					
<b>Subtotal</b>	-	-	-	\$ -	
<b>Contracting and Purchasing</b>					
Revenue increases through fees, recoverables, fines					Revenue increase activities: fee for certification (\$.03); fee for plans-specs (\$.02); fee registration iSupplies (\$.02); fee increase LCP tracker usage (\$.01); non-compliance violations fine (\$.01); ARRA Reveune (\$.09); department revenue (\$.05)
<b>Subtotal</b>	-	-	-	\$ -	
<b>Information Technology</b>					
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	There would be significant delay in replacing and or troubleshooting damaged software or hardware for computer equipment citywide. Documentation of computer equipment inventory would be affected as well.
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	There would be a significant and severe delay in the response to failures on systems used by the Libraries and the Museum which would negatively impact downtime. There would also be significant delay in computer replacements and on troubleshooting damaged computer equipment.
Delete Microcomputer Systems Specialist III	1.00		1.00	0.04	There would be significant delay on the response to network related issues. Daily logs would not be monitored as frequent as they should be, possibly on a weekly rotation. Coordination of network services related to relocation of staff and office rearrangements would be delayed significantly as well.
<b>Subtotal</b>	3.00	-	3.00	\$ 0.10	
<b>Finance and Management</b>					
Eliminate Revenue Assistant	1.00		1.00	0.02	Slowdown in collections
<b>Subtotal</b>	1.00	-	1.00	\$ 0.02	

**PROPOSED BALANCING MEASURES**

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs		Prorated FY 09-10	Impacts
	Filled	Vac Total		
<b>Personnel Resource Management</b>				
Eliminate Admin Analyst II	1.00	1.00	0.03	Loss of bill-paying, payroll, other fiscal functions
<b>Subtotal</b>	<b>1.00</b>	<b>1.00</b>	<b>\$ 0.03</b>	
<b>Police Services</b>				
<b>Restructure Personnel Management</b>				
Eliminate Admin Analyst II	1.00	1.00	0.03	
<b>Other</b>				
Eliminate Rangers	2.00	2.00	0.08	
Transfer Cadet Program to Asset Forfeiture fund	9.00	9.00	0.08	
<b>Subtotal</b>	<b>11.00</b>	<b>12.00</b>	<b>\$ 0.19</b>	
<b>Fire Services</b>				
Utilize one-time Metropolitan Medical Response System Funds			0.30	
Utilize balance of funds from Measure N			0.20	
Utilize balance of funds from Alameda County for Emergency Medical Dispatch			0.10	
SAFER Grant for 3 Firefighters			-	
Stricter False Alarm Enforcement Revenue			-	
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>\$0.60</b>	
<b>Museum</b>				
Debt service shift			-	Museum would partially cover debt service that totals \$3.7 million/year.
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>\$0.00</b>	
<b>Library</b>				
Utilize available Measure Q fund balance				Initial analysis shows adequate fund balance remaining for FY 10-11
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>\$0.00</b>	



**PROPOSED BALANCING MEASURES**

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
<b>Parks and Recreation</b>					
Transfer revenues to GPF from Golf Fund				0.10	Added revenue from Lake Chabot & Montclair Courses
<b>Subtotal</b>				<b>\$0.10</b>	
<b>Human Services</b>					
Eliminate Linkages Grant Match	-	-	-	-	State grant funding of \$200k annually is proposed for elimination in FY 10-11 as part of State budget balancing. Elimination of the local grant match would terminate base program services for adults with disabilities, which currently serves approximately 372 clients. With City GPF funding the program could continue serving a base number of clients.
Eliminate Homeless Mobile Outreach/California Hotel grant match	-	-	-	-	Reduces outreach efforts by 2 (two) days from the current 5 (five) days. Currently part of PATH program to do outreach to encourage and engage homeless people in work activities and access to housing. Would need 30 days notice to modify the contract.
<b>Subtotal</b>				<b>\$0.00</b>	
<b>TOTAL SOLUTIONS</b>	<b>15.00</b>	<b>2.00</b>	<b>17.00</b>	<b>10.45</b>	
<b>Subtotal surplus/(deficit)</b>				<b>(4.81)</b>	