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OFFICE OF THE CITY CLERK
OAKLAND

2016 JAN 13 PM 5:19

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Kiran Bawa

SUBJECT: Amend FY 2015-16 GPF Appropriations

DATE: January 7, 2016

City Administrator
Approval

Date

[Signature]
1/13/16

RECOMMENDATION

Staff Recommends That The City Council Approve A Resolution Amending The City Of Oakland's FY 2015-17 Policy Budget Adopted Pursuant To Resolution No. 85672 C.M.S. On June 30, 2015, To 1) Appropriate FY 2015-16 General Purpose Fund Expenditures In An Amount Not To Exceed \$2,876,653 From Undesignated General Purpose Fund Balance For Execution Of The Revenue Share Payment And Other Provisions Per The Recently Negotiated Labor Agreements, And Community Education And Enforcement Of Minimum Wage And Tenants' Protection Ordinances; And 2) Increase The General Purpose Fund Emergency Reserve In An Amount Of \$495,817.

EXECUTIVE SUMMARY

The attached resolution (*Attachment A*) proposes an appropriation of \$2,876,653 to execute the revenue share payment and other provisions per the recently negotiated labor agreements and the community education and enforcement of Minimum Wage and Tenants Protection Ordinances (Resolution No. 85852 C.M.S.) as directed by the City Council. The audit of the City's financials (Comprehensive Annual Financial Report – CAFR) for FY 2014-15 has been completed and will be scheduled for presentation to the Finance & Management Committee on February 9, 2016. Based on the audited revenues and expenditures, there is an undesignated GPF fund balance of \$8.45 million.

Additionally, on December 8, 2015, the City Council approved Resolution No. 85930 C.M.S. which appropriated \$3,734,233 for the Community Oriented Policing Services (COPS) grant local match. However, the required GPF Emergency Reserve resulting from that appropriation was not set-aside.

Item: _____
Finance and Management Committee
January 26, 2016

The GPF Emergency Reserve is required to be 7.5 percent of the total appropriations. An amount of \$495,817 is required to be set aside in the GPF Emergency Reserve based on the total appropriation of \$6,610,886, as recommended in this report and already approved by Resolution No. 85930 C.M.S.

At this time, staff does not recommend any additional appropriations of the audited GPF fund balance as the FY 2015-16 budget assumes GPF revenues of \$4.4 million from a land sale that is not currently expected to be completed by June 30, 2016. Additionally, staff is in the process of completing the second quarter revenue and expenditure analysis, which will provide a better picture of the current year-end projection, including any anticipated available fund balance.

BACKGROUND/LEGISLATIVE HISTORY

The City of Oakland recently negotiated labor agreements for wages and other terms and conditions of employment with Service Employee International Union (SEIU), International Federation of Professional and Technical Engineers (IFPTE), International Brotherhood of Electrical Workers (IBEW) and Confidential Management Employee Association (CMEA) that include provisions requiring use of FY 2014-15 undesignated GPF fund balance.

Additionally, at the October 9, 2015 City Council meeting, Resolution No. 85852 C.M.S. was adopted to fund two priority areas: community-based enforcement of the Minimum Wage and Paid Sick-Leave law (\$240,000) and outreach and education for the Tenants Protection Ordinance and just-cause eviction law (\$100,000).

ANALYSIS AND POLICY ALTERNATIVES

The FY 2014-15 Fourth Quarter Revenue and Expenditure Report projected an undesignated and un-audited fund balance in the GPF comprised of one-time revenue in the amount equal to \$9.51 million. The audit of the City's financials (Comprehensive Annual Financial Report – CAFR) for FY 2014-15 has been completed and will be released in late January. Based on the audited revenues and expenditures, there is an undesignated GPF fund balance of \$8.45 million after incorporating adjustments made during the year-end close and audit adjustments.

This report recommends an appropriation of \$2,876,653 to execute the revenue share payment and other provisions per the recently negotiated labor agreements. The revenue share provision states: *“A one-time revenue share payment shall be made to eligible unit members under the terms of this section. This payment shall be comprised of the FY 2014-15 GPF available undesignated fund balance based on the audited financials”*. See **Attachment B** for approved tentative agreements.

Additionally, the City Council directed that \$240,000 be appropriated for outreach and enforcement of the Minimum Wage & Sick Leave law. These funds will be used to provide support services for community outreach; workers training on labor rights; enforcement support under the supervision of the Minimum Wage Enforcement Officer; counseling & referral services, approved outreach materials; approved publicity for success stories under the supervision of the City of Oakland Public Information Office; and reporting monitoring and evaluation of deliverables.

Also, an additional allocation of \$100,000 was authorized to fund staff and operations in the Rent Adjustment Program and Housing Assistance Center to provide services around in the implementation of the Tenant Protection Ordinance and the Just Cause Eviction Law. The funds will also augment Legal contractual services to meet the increasing demand for legal services around the implementation of the Tenant Protection Services and Just Cause Eviction Law.

The attached resolution requests a one-time appropriation of \$2,876,653 to execute the revenue share payments to the eligible members, and the community education and enforcement of Minimum Wage and Tenants Protection Ordinances (Resolution No. 85852 C.M.S.).

Finally, approval of this action will require an additional appropriation to the 7.5% GPF Emergency Reserve in the amount of \$495,817 resulting from the appropriations recommended in this report as well as the appropriation approved by Resolution No. 85930 C.M.S, the COPS grant local match.

FISCAL IMPACT

The proposed expenditure of \$2,876,653 is to execute the revenue share payment and other provisions per the recently negotiated labor agreements; and the outreach and enforcement of Minimum Wage and Tenants Protection ordinance. These funds will be appropriated from the GPF undesignated fund balance based on the audited financial information from the CAFR. This is a one-time appropriation using one-time funds. Approval of this action as well as a prior action will require an additional appropriation to the 7.5% GPF Emergency Reserve in the amount of \$495,817.

PUBLIC OUTREACH/INTEREST

Not applicable.

COORDINATION

This report was prepared in coordination with the Controller's Bureau, Contract Compliance, Housing & Community Development and Employee Relations.

SUSTAINABLE OPPORTUNITIES

Economic: None.

Environmental: None.

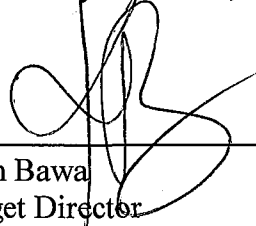
Social Equity: None.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the attached resolution amending the City of Oakland's FY 2015-17 Policy Budget to 1) Appropriate FY 2015-16 General Purpose Fund expenditures in an amount not to exceed \$2,876,653 from undesignated GPF fund balance for execution of the revenue share payment and other provisions per the recently negotiated labor agreements; and community education and enforcement of Minimum Wage and Tenants' Protection Ordinances; and 2) Increase the General Purpose Fund Emergency Reserve in an amount of \$495,817.

For questions regarding this report, please contact Kiran Bawa, Budget Director, at (510) 238-3671.

Respectfully submitted,



Kiran Bawa
Budget Director

Reviewed By:
Renee Mayne, Director of Employee Relations
City Administrator's Office

Kirsten LaCasse,
Interim Controller

Attachments:

- A:** Resolution to Amend FY 2015-17 Policy Budget
- B:** Revenue Share Provisions for SEIU, IFPTE, IBEW and CMEA

Item: _____
Finance and Management Committee
January 26, 2016

**CITY OF OAKLAND AND SEIU 1021
LABOR NEGOTIATIONS 2015**

TENTATIVE AGREEMENT

5.1 Salary Schedules

5.1.1 Wages for represented unit members covered by this Agreement shall be increased by four percent (4.0%) effective July 1, 2015; one percent (1.0%) effective October 1, 2016; and three percent (3.0%) effective April 1, 2017.

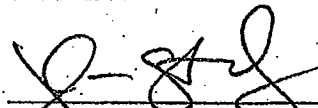
Revenue Sharing Payment

A one-time revenue share payment shall be paid to eligible unit members under the terms of this section. This payment shall be comprised of the FY 2014-15 General Purpose Fund (GPF) available undesignated fund balance based on audited financials. Payment will be issued by the second (2nd) pay period of February 2016. The payment shall be up to one percent (1.0%) of the unit member's gross salary as of July 1, 2015.

In the event there are insufficient funds, the City agrees to make available FY 2015-16 GPF available projected fund balance prior to any new expenditure commitments. This will be computed and set-aside in the FY 2016-17 Mid-Cycle Budget by June 30, 2016. Payment will be issued by the second (2nd) pay period of February 2017 pursuant to issuance of the City's audited financial statements.

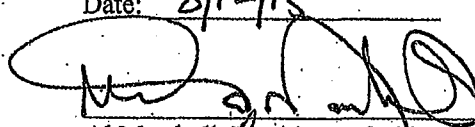
The Revenue Sharing Payment is a one-time payment of up to one percent (1.0%) of gross salary, not subject to CalPERS provisions, and shall not increase the base salary of any unit member. To be eligible, a unit member must be on paid status July 1, 2015, and on paid status on the date of the payout, and have worked 750 (seven hundred and fifty) hours in the prior fiscal year.

For SEIU:

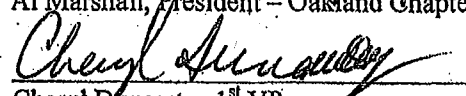


John Stead-Mendez, Chief Spokesperson

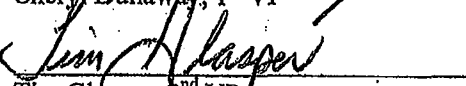
Date: 8/12/15



Al Marshall, President - Oakland Chapter




Cheryl Dunaway, 1st VP



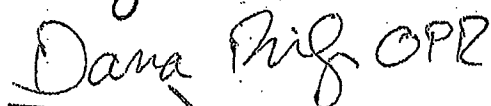
Tim Glasper, 2nd VP

For City:



Renée Mayne, Chief Spokesperson

Date: August 12, 2015



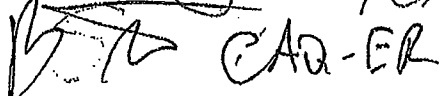
Dana Pritz, OPB



OPW



CAO



CAO-ER

**CITY OF OAKLAND AND IBEW
LOCAL 1245 LABOR
NEGOTIATIONS 2015**

TENTATIVE AGREEMENT

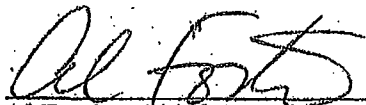
Revenue Sharing Payment

A one-time revenue share payment shall be paid to eligible unit members under the terms of this section. This payment shall be comprised of the FY 2014-15 General Purpose Fund (GPF) available undesignated fund balance based on audited financials. Payment will be issued by the secondnd (2nd) pay period of February 2016. The payment shall be up to one percent (1.0%) of the unit member's gross salary as of July 1, 2015.

In the event there are insufficient funds, the City agrees to make available FY 2015-16 GPF available projected fund balance prior to any new expenditure commitments. This will be computed and set-aside in the FY 2016-17 Mid-Cycle Budget by June 30, 2016. Payment will be issued by the secondnd (2nd) pay period of February 2017 pursuant to issuance of the City's audited financial statements.

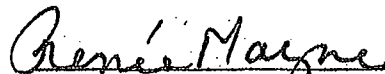
The Revenue Sharing Payment is a one-time payment of up to one percent (1.0%) of gross salary, not subject to CalPERS provisions, and shall not increase the base salary of any unit member. To be eligible, a unit member must be on paid status July 1, 2015, and on paid status on the date of the payout, and have worked 750 (seven hundred and fifty) hours in the prior fiscal year.

For IBEW:


Al Fortier, Chief Spokesperson

Date: 8/13/15

For City:


Renée Mayne, Chief Spokesperson

Date: 8-13-2015

Stephen Roundfield, Lead Spokesperson

Date: _____

Tentative Agreement

City of Oakland to IFPTE Local 21
Revenue Sharing Proposal
September 15, 2015

CITY'S PROPOSAL

A one-time revenue share payment shall be paid to eligible unit members under the terms of this section. This payment shall be comprised of the FY 2014-15 General Purpose Fund (GPF) available undesignated fund balance based on audited financials. Payment will be issued by the second (2nd) pay period of February 2016. The payment shall be up to \$1,100 per eligible unit member.

In the event there are insufficient funds, the City agrees to make available FY 2015-16 GPF available projected fund balance prior to any new expenditure commitments. This will be computed and set-aside in the FY 2016-17 Mid-Cycle Budget by June 30, 2016. Payment will be issued by the second (2nd) pay period of February 2017 pursuant to issuance of the City's audited financial statements.

The Revenue Sharing payment is a one-time payment of up to \$1,100, not subject to CalPERS provisions, and shall not increase the base salary of any unit member. To be eligible, a unit member must be on paid status July 1, 2015, and on paid status on the date of the payout, and have worked 750 (seven hundred and fifty) hours in the prior fiscal year.

Brenie Mayne 9-15-15

James P. Sykes

9-15-15

*Dickie Carson
IFPTE Local 21*

9/15/15

**CITY OF OAKLAND AND CMEA
LABOR NEGOTIATIONS 2015**

TENTATIVE AGREEMENT

City Proposal: Article 5

Tendered to CMEA: August 13, 2015

Subject: Salary Schedule

5.1 Salary Schedule

~~Wages for represented employees covered by this MOU shall be increased by two percent (2.0%) Cost of Living Adjustment (COLA) in FY 2013-2014 effective July 1, 2013 and increased by one percent (1%) COLA in FY 2014-2015, effective July 1, 2014.~~

Wages for represented employees covered by this MOU shall be increased by four percent (4.0%) effective July 1, 2015; two percent (2.0%) effective November 1, 2016; and two percent (2.0%) effective May 1, 2017.

Revenue Sharing Payment

A one-time revenue share payment shall be paid to eligible unit members under the terms of this section. This payment shall be comprised of the FY 2014-15 General Purpose Fund (GPF) available undesignated fund balance based on audited financials.

Payment will be issued by the second (2nd) pay period of February 2016. The payment shall be up to \$1,100 or one percent (1.0%) of the unit member's gross salary as of July 1, 2015, whichever is higher.


In the event there are insufficient funds, the City agrees to make available FY 2015-16 GPF available projected fund balance prior to any new expenditure commitments. This will be computed and set-aside in the FY 2016-17 Mid-Cycle Budget by June 30, 2016.

Payment will be issued by the second (2nd) pay period of February 2017 pursuant to issuance of the City's audited financial statements.

City of Oakland and CMEA
Tentative Agreement
Article 5.1 – Salary Schedule

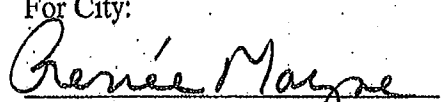
The Revenue Sharing Payment is a one-time payment of up to \$1,100 or one percent (1.0%) of gross salary, whichever is higher, not subject to CalPERS provisions, and shall not increase the base salary of any unit member. To be eligible, a unit member must be on paid status July 1, 2015, and on paid status on the date of the payout, and have worked 750 (seven hundred and fifty) hours in the prior fiscal year.

For CMEA

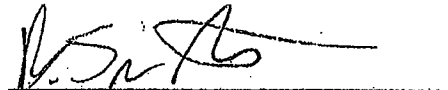

Jamie Smith, Chief Spokesperson

Date: 8.19.2015

For City:

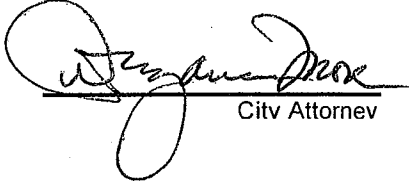

Renée Mayne, Chief Spokesperson

Date: 8-19-2015


Spruce Metzger, Lead Spokesperson

Date: 8-19-2015

2016 JAN 13 PM 5: 19



City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AMENDING THE CITY OF OAKLAND'S FY 2015-17 POLICY BUDGET ADOPTED PURSUANT TO RESOLUTION NO. 85672 C.M.S. ON JULY 30, 2015 TO 1) APPROPRIATE FY 2015-16 GENERAL PURPOSE FUND EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$2,876,653 FROM UNDESIGNATED GENERAL PURPOSE FUND BALANCE FOR EXECUTION OF THE REVENUE SHARE PAYMENT AND OTHER PROVISIONS PER THE RECENTLY NEGOTIATED LABOR AGREEMENTS, AND COMMUNITY EDUCATION AND ENFORCEMENT OF MINIMUM WAGE AND TENANTS' PROTECTION ORDINANCES; AND 2) INCREASE THE GENERAL PURPOSE FUND RESERVE IN AN AMOUNT OF \$495,817

WHEREAS, on June 30, 2015, the City Council adopted the FY 2015-17 Policy Budget (Resolution 85672 C.M.S.), which authorized appropriations of \$534,378,786 in FY 2015-16 in the General Purpose Fund; and

WHEREAS, based on the FY 2014-15 Comprehensive Annual Financial Report, there is an undesignated and un-appropriated fund balance in the General Purpose Fund comprised of one-time revenue in the amount equal to \$8.45 million; and

WHEREAS, an appropriation will be required to execute the Revenue Share Payment provision as recently negotiated in the collective bargaining agreements; and

WHEREAS, also, the City Council adopted Resolution No. 85852 C.M.S. to allocate a total of \$340,000 to two priority areas: \$240,000 to outreach and enforcement of Minimum Wage and Paid Sick-Leave law, and \$100,000 to outreach and education for the Tenants Protection Ordinance and just-cause eviction law; and

WHEREAS, on December 8, 2015, the City Council approved appropriation of \$3,734,233 million for Community Oriented Policing Services grant local match for which GPF Emergency Reserve was not set aside (Resolution 85930 C.M.S.); and

WHEREAS, the General Purpose Fund Emergency Reserve is required to be 7.5% of total General Purpose Fund appropriations; therefore be it

RESOLVED: That the Oakland City Council, hereby amends the Fiscal Year 2015-16 budget to appropriate one-time expenditures in the amount of \$2,876,653 for Revenue Share payments per the recently negotiated labor agreements, and outreach and enforcement of Minimum Wage and Tenants Protection Ordinance and just-cause eviction law allocated per Resolution No. 85852 C.M.S.; and be it

FURTHER RESOLVED: That the Oakland City Council, hereby increases the General Purpose Fund Emergency Reserve by \$495,817.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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