

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 MAR 19 PM 7:43

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office
DATE: March 31, 2009

RE: **Resolution Authorizing a Balancing Plan to Address the FY 2008-09 Projected \$8.22 Million Deficit in the General Purpose Fund.**

An Ordinance Amending Ordinance Number 12880 C.M.S. (Master Fee Schedule), as Amended, to Establish, Modify, and Delete Fees Assessed by the Office of Parks and Recreation.

SUMMARY

At its March 17th meeting, the City Council directed staff to return with appropriate legislation with a balancing proposal to address the projected \$8.22 million deficit in the General Purpose Fund (GPF). The attached resolution is necessary to implement position reductions, funding changes and revenue increases.

Attached legislation includes amendments to Ordinance Number 12880 C.M.S. (Master Fee Schedule) to increase fees assessed by the Office of Parks and Recreation.

Responses to Council questions from March 17, 2009 City Council meeting will be included in a supplemental report next week.

FISCAL IMPACT

This report provides balancing options to address the \$8.22 million current-year shortfall, through a combination of spending reductions, revenue enhancements (e.g., increased user fees). The implementation of measures is assumed by April 1 for vacancies and most personnel reductions / transfers, and April 18 for layoffs. Council action on March 31st is essential to meet these timelines.

KEY ISSUES AND IMPACTS

On March 17, 2009, the City Council reviewed the informational report providing additional balancing measures to address the anticipated year-end GPF shortfall. The City Council directed staff to return with appropriate legislation for Council authorization:

A. Resolution on FY 2008-09 options to address the year-end GPF shortfall

The Second Quarter Revenue and Expenditure Report presented at the February 24th Finance and Management Committee projected a year-end deficit of \$8.22 million in the General Purpose

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Fund. The components of this shortfall are:

- \$0.75 million net revenue under collection; and
- \$7.47 million projected overspending in expenditures.

A comprehensive balancing plan has been developed based on direction received from the City Council on March 17, 2009. Generating these savings would require elimination of **13.25 FTEs**. These reductions are summarized below and detailed in Exhibit A.

- Citywide savings of **\$0.01 million** are anticipated as follows:
 - **Suspending auto allowances for unrepresented non-sworn staff positions** – If auto allowances are suspended for unrepresented positions, a savings of \$0.01 million are anticipated from April 1 to June 30, 2009. Please note that auto allowances for agency / department heads were suspended as part of the October 2008 budget revisions for savings of \$0.04 million. Suspension of additional auto allowances would impact 9 employees who are not represented by a union.
- Freeze expenditures on select projects to yield current-year under-spending of **\$4.21 million**:
 - Specific GPF project balances would be **carried forward to the next fiscal year**, thereby shifting the deficit burden to FY 2009-10. Given the time constraints and the pressing need to avoid using the City's diminishing reserves these temporary measure totaling \$4.21 million are essential to address the year-end projected deficit of \$8.22 million. Exhibit A provides a detailed discussion for each of these projects. Per City Council direction deferral of payments for the Red Light Camera Enforcement project to the next fiscal year has been withdrawn.
- Departmental savings of **\$4.18 million** are proposed as follows:
 - **Contract and Purchasing** proposes reduction of a full time Compliance Officer position to a part time position (0.50 FTE) (**\$0.02 million**).
 - If approved, **Police Services** would charge 14 of their Problem Solving Officers to Measure Y to reflect the work that these officers perform; additional overtime savings; overtime claim from BART shooting protests and transferring O&M to State Asset Forfeiture (**\$2.98 million**). Per City Council direction, elimination of 5.0 non-sworn FTEs has been withdrawn.
 - **Museum** proposes savings from authorized leave and freezing current vacancy. (**\$0.08 million**).
 - **Parks and Recreation** proposes parking and pool fee increases; elimination of Public Service Representative, PPT position (0.75 FTE); and transfer of Central Reservation Unit costs to the Self Sustaining Fund (**\$0.30 million**).
 - **Fire Services** proposes to keep the Fire Suppression District Inspector position vacant through year-end. (1.0 FTE) (**\$0.02 million**).
 - **Human Services** proposes to keep a Program Analyst I position vacant through year-end. (**\$0.07 million**).
 - **Library** proposes savings from the closures of the Montclair Branch for two additional weeks after mold and mildew mitigation completion in mid-June (**\$0.08 million**).

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- **Finance and Management** proposes savings from insurance recoveries of City vehicles and property (**\$0.37 million**).
- **Personnel Management** proposes elimination of 4.0 FTE vacancies: Public Service Representative (1.0 FTE) and HR Clerks (3.0 FTE) (**\$0.05 million**).
- **Information Technology** proposes elimination of 7.00 FTEs: Microcomputer Systems Specialist II (4.0 FTE), Systems Analyst I (1.0 FTE), Systems Analyst III (1.0 FTE) and Microcomputer Systems Specialist I (1.0 FTE) (**\$0.21 million**).

B. Ordinance Amending Master Fee Schedule for Office of Parks and Recreation Fees.

The Master Fee Schedule (MFS) changes that would be approved through the attached ordinance are summarized below and in Attachment B. The revenue increases are already reflected in the "Parks and Recreation" section above.

1. Office of Parks and Recreation

- The Office of Parks and Recreation (OPR) is increasing certain MFS fees and adding a new fee. Additionally, OPR proposes a change to the language of an existing fee description. Specifically:

a. Service Fees

- i. Change the description of the fee from Lakeside Park - Saturday, Sunday, All Major Holidays, Special Events to **Lakeside Park – Daily**;
- ii. Increase the current parking fee for cars from \$3 to \$5; and
- iii. Increase the current parking fee for buses from \$6 to \$7.

b. Aquatics, Swimming Pools

- i. Adult Lap Swim Fee: Increase from \$3 to \$4
- ii. Senior/Disabled Lap Swim Fee: Increase from \$2.25 to \$3.00
- iii. Adult Lap Swim Pass Book (10): Increase from \$27.50 to \$33.00
- iv. Senior Lap Pass Book (10): Increase from \$17.50 to \$21.00

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this report and adopt the proposed legislation:

- Resolution authorizing the balancing proposal to address the \$8.22 million projected deficit in General Purpose Fund.
- Ordinance amending Ordinance Number 12880 C.M.S. (Master Fee Schedule) as Amended, to Establish, Modify, and Delete Fees Assessed by the Office of Parks and Recreation.

The implementation of measures is assumed by April 1 for vacancies and most personnel reductions / transfers, and April 18 for layoffs. Council action on March 31st is essential to meet these timelines.

Respectfully submitted,



CHERYL L. TAYLOR
Budget Director

Prepared by:

Robert Davila, Kiran Bawa
Budget Office

APPROVED FOR FORWARDING TO THE
CITY COUNCIL



Office of the City Administrator

Attachments:

Exhibit A: Balancing Proposal for General Purpose Fund

Exhibit B: Proposed changes to the Master Fee Schedule for FY2008-09

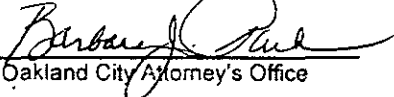
Item: _____
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March 31, 2009

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 MAR 19 PM 7:44

OAKLAND CITY COUNCIL

Approved as to Form and Legality


Oakland City Attorney's Office

Resolution No. _____ C.M.S.

**RESOLUTION AUTHORIZING A BALANCING PROPOSAL TO
ADDRESS THE FY 2008-09 PROJECTED \$8.22 MILLION DEFICIT IN
THE GENERAL PURPOSE FUND**

WHEREAS, the FY 2008-09 second quarter revenue and expenditure analysis projects a deficit of \$8.22 million in the General Purpose Fund (GPF); and

WHEREAS, a balancing proposal has been developed to address the projected deficit comprising one time and ongoing measures; and

WHEREAS, the City Council finds and determines that the herein referenced balancing options are necessary to bridge the projected shortfall in GPF; now, therefore, be it

RESOLVED: That the City Administrator is hereby authorized to implement the balancing proposal to address the projected deficit of \$8.22 million in FY 2008-09, as presented in Exhibit A attached hereto and made hereof, and reflecting any and all amendments made by the City Council at the March 31, 2009 meeting.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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

ADDITIONAL BALANCING MEASURES (\$ in millions)

Item	FY 2008-09 Savings	FTE change	Impact	Implementation Date
TARGET	(8.22)			
BALANCING MEASURES - TOTAL	(8.40)	(13.25)		
CITYWIDE	(4.22)	(0.00)		
Freeze auto allowance to unrepresented positions	(0.01)		Auto allowances will be suspended for unrepresented positions effective April 1, 2009 affecting 9 employees.	April 1, 2009
Defer payments on the following projects until July 2009: Hardy Park Restroom	(0.21)		Install a new single unisex restroom building at Hardy Park. The project is in design phase; received Caltrans Encroachment Permit in Dec 2008. Once the design is complete, the project will be put out to bid with an estimated time of completion of mid- to late 2010. Thus, most of the funds will be expended in FY 2009-10.	April 1, 2009
Rent Arbitration	(0.20)		This project is revenue restricted, however some project funds will not be spent in the current year.	April 1, 2009
Roof Repairs	(0.35)		Repair of city property roofs with a one-time appropriation of \$1.5M in FY 2006-07 midcycle. Many repairs were completed in FY 2006-07 and FY 2007-08 with some still pending. Montclair Library, Manzanita Rec Center, Mosswood Rec Center, Mosshouse projects are in the pipeline for the current fiscal year. Balance of the unspent funds will be spent in FY 2009-10.	April 1, 2009
DHS Projects - Head Start FY 2008-09 - City School Partnership - Senior Shuttle - Emergency Housing Program	(0.67)		Head Start FY 2008-09 Fringe Supplemental project will defer \$0.31M; program ends August 2009 and most payments will be made in early next fiscal year. City School Partnership and Senior Shuttle projects will defer \$0.2M and \$0.05M, respectively, due to invoices received after 7/1/09. The Emergency Housing Program will defer \$0.12M for which a Request for Proposals has been issued; invoices are likely to be received after 06/30/09.	April 1, 2009
Zoning Project	(0.18)		Land use updates to ensure compliance with General Plan. Funding is not needed until FY 2009-10.	April 1, 2009
General Plan Update	(0.23)		General plan updates. Funding is not needed until FY 2009-10.	April 1, 2009
City/County Collaboration	(0.47)		Funding not required until FY 2009-10. With direction from the Mayor's office, DHS will use these funds to administer a Request for Proposals process to select one or several providers that would provide street outreach.	April 1, 2009
Taser Maintenance	(0.06)		The City has a contract with the Taser vendor. Approximately half of the \$0.11M could be deferred to FY 2009-11, but the remaining amount should be added to the 2009-11 budget.	April 1, 2009
Riders Settlement	(0.20)		Actuals will probably be about \$0.2M less than the current budget of \$1.2M.	April 1, 2009
Mandela Parkway	(0.24)		PWA is expected to spend one-third of the total contract amount in FY 2008-09.	April 1, 2009
Necklace of Lights	(0.08)		PWA does not expect to spend any project money for the Necklace of Lights this fiscal year.	April 1, 2009
In Car Video Management	(0.23)		OPD is actively working to comply with Task #32 of the Negotiated Settlement Agreement, though some funds will likely be expended in FY 2009-10.	April 1, 2009
Leona Quarry Development	(0.25)		CEDA Design and Construction Division will only need \$0.03M of the current year appropriation of \$0.3M (rounded).	April 1, 2009
Permit, Enforcement, and Records Tracking System (PERTS)	(0.51)		CEDA commits not to spend any of the \$511,526 currently appropriated in GPF prior to July 1, 2009, after which time it will be available for project spending.	April 1, 2009
FEMA matching grant funds (projects)	(0.10)		Five projects totalling \$0.1M in process of being closed; closures will be deferred until after July 1, 2009.	April 1, 2009
Recording Material Purchase	(0.26)		Library will defer purchase of records, tapes, microfilm, microfiche, minor tools and equipment to the next fiscal year.	April 1, 2009
Red Light Camera Enforcement	(1.37)		This project is currently experiencing delays related to PG&E connections. O&M funds pay for the lease, installation and maintenance of cameras; only two installations to date. Revenue from violations is expected to cover the costs associated with the program.	

ADDITIONAL BALANCING MEASURES (\$ in millions)

Item	FY 2008-09 Savings	FTE change	Impact	Implementation Date
CONTRACT & PURCHASING				
Full-time to part-time Compliance Officer (linked)	(0.02)	(0.50)	Assistance in contract compliance function are limited	April 15, 2009
POLICE SERVICES				
Appropriately charge 14.0 FTE Problem Solving Officers to Measure Y	(0.53)		Legal opinion from OCA supports this. Implementing this plan will accelerate OPD's GPF subsidy needs in 2010-11; a \$400k GPF subsidy is already in OPD's 2010-11 GPF baseline budget.	April 1, 2009
Additional Overtime savings	(1.50)		Estimated savings of \$0.5M from 40 percent (weekdays) / 60 percent (weekend) deployment change plus 25 percent across the board overtime reduction.	In place
BART Shooting Protest -- Overtime Claim	(0.50)		OPD is working with Risk Management to file a claim with the City's insurer.	In process
Transfer O&M to State Asset Forfeiture	(0.45)		OPD to transfer eligible O&M to State Asset Forfeiture.	April 1, 2009
Delete vacant positions (6.0 FTE) — Administrative Analyst II (1.0 FTE) — Police Services Technician II (3.0 FTE) — Police Records Specialist (1.0 FTE)	(0.11)	(6.00)	OPD is already experiencing increased overtime as a result of the October revised non-sworn reduction in force and eliminating these positions will exacerbate OPD's non-sworn overtime needs. In addition, this will impact OPD's ability to meet its vacancy factor.	April 1, 2009
MUSEUM				
Savings from authorized leave and freezing current vacancy	(0.08)		No long term impact	April 1, 2009
PARKS & REC				
Parking fee increase	(0.02)	0.00	Users of current parking area would be assessed a greater parking. The Master Fee Schedule would need to be amended accordingly.	May 15, 2009
Pool fee increases	(0.01)	0.00	Increase in Adult Lap Swimming: daily pass; 10 day pass; and monthly pass.	May 15, 2009
Delete Public Service Representative, PPT position	(0.01)	(0.75)	No access to RecWare system for major reports and tracking of funds received from satellite; limited accountability. These services will not be re-assigned.	April 18, 2009
Transfer Central Reservation Unit costs to the Self Sustaining Fund (1820)	(0.26)		OPR will transfer eligible Central Reservation Unit costs to the Self Sustaining Fund (1820).	In process
FIRE SERVICES				
Eliminate vacant Fire Suppression District Inspector	(0.02)	(1.00)	This position is vacant, but elimination will pose a challenge for OFD to complete all vegetation management inspections in a timely manner.	April 1, 2009
HUMAN SERVICES				
Savings from Vacant Program Analyst I	(0.07)		This is the only position providing leadership development to Oakland youth. Reduction offered only through the end of fiscal year.	April 1, 2009
LIBRARY				
Montclair Branch Closure	(0.08)	0.00	Library would be closed through mid-June to conduct mold and mildew mitigation; proposal would keep branch closed for the remainder of the year. Residents would have to utilize neighboring branches.	June 16, 2009
Oakland History Room Closure	(0.02)	0.00	Research utilizing the archives and historical depository would be eliminated through year end, except by appointment only.	April 1, 2009
FINANCE & MANAGEMENT				
Unbudgeted insurance recoveries of City vehicles and property	(0.37)	0.00	Revenue enhancement - savings reflect actual recoveries of insurance claims related to City vehicles and property.	In process
PERSONNEL MGMT				
Eliminate Public Service Rep vacancy	(0.01)	(1.00)	Vacant positions. No operational impact.	April 1, 2009
Eliminate HR Clerk vacancies	(0.04)	(3.00)	Vacant positions. No operational impact.	April 1, 2009
INFORMATION TECHNOLOGY				
Reduction of Microcomputer Systems Specialist II (4.0 FTE)	(0.12)	(4.00)	This will eliminate all trouble call responses to all Departments except for Public Safety and agencies that have non-GPF support staff (CEDA & Public Works). The DIT Help Desk will continue to assist with user-performed repairs. On-site repairs will be performed by appointment only and will have a substantial wait time (up to one month). Drop off service and repair will continue to be performed.	April 18, 2009

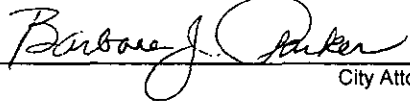
ADDITIONAL BALANCING MEASURES (\$ in millions)

Item	FY 2008-09 Savings	FTE change	Impact	Implementation Date
Reduction of Systems Analyst I (1.0 FTE)	(0.03)	(1.00)	This will impact the system trouble tickets for Public Safety and applications testing. Work of the position will be performed by other staff within the Public Safety support division.	April 18, 2009
Reduction of Systems Analyst III (1.0 FTE)	(0.04)	(1.00)	This will eliminate the early detection of application issues. This position is used to test applications and provide quality control analysis. The position assists with the tape back-up process, cataloging and reports.	April 18, 2009
Reduction of Microcomputer Systems Specialist I (1.0 FTE)	(0.03)	(1.00)	This will reduce the repairs to desktop computers in the City of Oakland with the exception of Public Safety, Public Works and CEDA Agencies. All other departments will need to deliver computers to DIT for repairs.	April 18, 2009

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 MAR 19 11:14

APPROVED AS TO FORM AND LEGALITY


City Attorney

OAKLAND CITY COUNCIL

ORDINANCE No. _____ C.M.S.

AN ORDINANCE AMENDING ORDINANCE NUMBER 12880 C.M.S. (MASTER FEE SCHEDULE), AS AMENDED, TO ESTABLISH, MODIFY AND DELETE FEES ASSESSED BY THE OFFICE OF PARKS AND RECREATION

WHEREAS, the City of Oakland periodically updates its Master Fee Schedule to account for general cost of living increases and program changes or other costs; and

WHEREAS, the fee modifications and additions proposed herein have been justified by the respective agency and are identified in an "Agenda Report" dated March 31, 2009 to Dan Lindheim, City Administrator, entitled "An Ordinance Amending Ordinance Number 12880 C.M.S. (Master Fee Schedule), as Amended, to Establish, Modify, and Delete Fees Assessed by the Office of Parks and Recreation"; and

WHEREAS, the City Council finds and determines that the herein-referenced modifications and additions are necessary to reimburse the City for the costs of performing the various municipal and regulatory functions; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. The Master Fee Schedule as set forth in Ordinance Number 12880 C.M.S., as amended, is hereby amended to modify and establish fees assessed by the Office of Parks and Recreation and as set forth in Exhibit B, attached hereto and made a part hereof.

Section 2. This ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter, if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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



City of Oakland
Master Fee Schedule
Effective July 1, 2009

PARKS AND RECREATION

FEE DESCRIPTION	CURRENT FEE (FY 2008-09)		PROPOSED FEE (FY 2009-10)		% CHANGE
	FEE	UNIT	FEE	UNIT	
ADMINISTRATION					
D. SERVICE FEES					
1 Parking					
a. Lakeside Park—Saturday, Sunday, All Major Holidays, Special Events					
4	Cars	3.00	Entry		N/A
2	Buses	6.00	Entry		N/A
a. Lakeside Park - Daily					
1	Cars		<u>5.00</u>	Entry	New
2	Buses		<u>7.00</u>	Entry	New
RECREATION SERVICES					
A. AQUATICS					
7 Swimming Pools					
c. Adult Lap Swim					
1	Adult (Except for Seniors)	3.00	Person/	<u>4.00</u>	Person/ 33.33%
2	Senior	2.25	Person/	<u>3.00</u>	Person/ 33.33%
3	10 Swim Pass Book - Adult	27.50	Pass Book	<u>33.00</u>	Pass Book 20.00%
4	10 Swim Pass Book - Senior or Disabled	17.50	Pass Book	<u>21.00</u>	Pass Book 20.00%