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OFFICE OF THE CITY CLERK  
OAKLAND

2019 MAY -2 PM 3: 25

# AGENDA REPORT

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

**FROM:** Nicholas Williams  
Director OPRYD

Katano Kasaine  
Director of Finance

**SUBJECT:** Measure HH Budget Allocation  
Funding FY 2018-19

**DATE:** May 14, 2019

City Administrator Approval

Date:

5/2/19

## RECOMMENDATION

**Staff Recommends that the City Council Adopt A Resolution Authorizing the City Administrator To Allocate An Amount Not to Exceed \$8 Million of Sugar-Sweetened Beverage Distribution Tax Funds From Fiscal Year 2018-19 Adopted Midcycle Budget For Oakland Parks Recreation and Youth Development Programs, Capital Improvements And Grants.**

## EXECUTIVE SUMMARY

Oakland Parks Recreation and Youth Development (OPRYD) is requesting \$8.0 million of Sugar-Sweetened Beverage Distribution Tax funds to (1) provide approximately \$3.88 million in programs and services, (2) upgrade approximately \$2.12 million in capital improvements at its facilities, and (3) distribute approximately \$2.00 million in grants to non-profits and local agencies, which will be authorized by separate resolution. To fully support our children and youth this summer, there is an urgency to allocate budgeted fiscal year (FY) 2018-19 funds for OPRYD programs and services.

Staff will present the proposed funding allocations in this report and resolution at the Community Advisory Board (the "Board") meeting on May 13, 2019.

## BACKGROUND / LEGISLATIVE HISTORY

In November 2016, Oakland voters overwhelmingly adopted Measure HH, the Sugar-Sweetened Beverage Distribution Tax Ordinance (the "Ordinance"). The Ordinance approved a one cent per ounce general excise tax on the distribution of sugar-sweetened beverages in the City of Oakland.

The Ordinance also established the Board to advise and make recommendations on how and to what extent the City Council should establish and/or fund programs to prevent or reduce the

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health consequences of the consumption of sugar-sweetened beverages in Oakland communities.

Resolution No. 87062 C.M.S., established the Sugar-Sweetened Beverage (SSB) Tax Sub-fund within the General Fund and determined that the Oakland Sugar-Sweetened Beverage Distribution tax funds ("SSB tax funds") shall be appropriated by the Oakland City Council only after the Council receives and considers the recommendations of the Board, regarding the expenditure of SSB tax fund revenues for programs that prevent or reduce the health consequences of consuming sugar-sweetened beverages.

**ANALYSIS AND POLICY ALTERNATIVES**

Over the years, the City faces numerous challenges in OPRYD self-sustaining fund which does not fully cover the programs and services provided at our parks. The operational costs have far exceeded the growth in user fee revenues which have been kept at a low level to encourage our most vulnerable communities to access our services and facilities. For example, in FY 2017-18 budgeted revenues were below actual revenues resulting in a \$1.2 million deficit. This does not include the costs of maintaining the facilities and any costs for capital improvements. These challenges cause staff positions to go unfilled and result in OPRYD's inability to deliver, expand, and sustain core programs for youth. OPRYD's facilities are also pressured by limited resources in the Landscaping & Lighting Assessment District that supports all of OPRYD's recreational facilities and grounds. The reduced maintenance of parks & recreation centers results in less desirable City parks and facilities and fewer resources to reinvest and deliver services.

In order for OPRYD to provide programs and services this summer and to upgrade its facilities, staff is recommending the following allocation of funds noted in **Table 1** below:

**Table 1: Measure HH Fund Allocation:**

Programs / Services	Funds
City-wide Sports, Aquatics, Girls Sports and EOOSC	\$3.88 million
Capital Improvements (playgrounds, tot lots, City pools and sports facilities)	\$2.12 million
Grants to Non-Profits and Local Agencies	\$2.00 million
Total	\$8.00 million

These moneys will be used to expand and fund:

- 1) City-wide Aquatics
- 2) City-wide Sports and Fitness Programs
- 3) East Oakland Sports Center; and
- 4) Town Camp

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***CITY-WIDE AQUATICS***

The City-wide Aquatics Program serves 200,000 swimmers annually. OPRYD operates six pool facilities within the City of Oakland, including Temescal Pool, Live Oak Pool, Fremont Pool, Lions Pool at Dimond Park, deFremery Pool, and an indoor aquatic facility at the East Oakland Sports Center. This allocation will give OPRYD the ability to continue free and/or reduced fees for swimming lessons, with the goal that all youth in Oakland have swim lessons by 5<sup>th</sup> grade. Additionally, the allocation will allow OPRYD the ability to provide longer hours during spring, summer and other out-of-school times. The Aquatics program is often an entry point for young employees. This gives Oakland's youth both access to learn to swim and also then access to employment opportunities. Many of OPRYD youth continue training to become certified lifeguards. This funding will also allow for necessary capital maintenance and/or capital improvements at the six facilities.

***CITY-WIDE SPORTS AND FITNESS PROGRAMS***

The City-wide Sports and Fitness Program serves 25,000 participants annually. Youth and adults participate in a variety of program offerings to include basketball, football, baseball, and soccer. This funding gives OPRYD the opportunity to provide introductions to alternative sports and fitness options such as Lacrosse and Tai Chi. With over 100,000 youth living in Oakland, there is a grave need for OPRYD to expand the City-wide sports and fitness programs and provide access to organized and recreational sports at every Recreation Center. Additionally, this allocation of funds will provide the opportunity to create a City-wide sports program in conjunction and coordination with Oakland Unified School District. OPRYD will be intentional about creating sports and fitness opportunities for girls, often left out of sports program. OPRYD will take an equitable approach to creating programming for boys and girls in Oakland.

This funding also provides for a new summer program: Community Fitness Hour. The Community Fitness Hour will occur every Wednesday in June and July and will rotate to various centers throughout the City. The program is free and intended for the whole family to come out and enjoy.

***EAST OAKLAND SPORTS CENTER; AND***

The East Oakland Sports Center (EOSC) is a state-of-the-art Fitness, Aquatic, and Dance Center in a recreation complex that is a destination venue for the City of Oakland residents and visitors. It is affordable and accessible to the community and the 25,000-square foot East Oakland Sports Center offers a wide variety of year-round recreation programs emphasizing health, wellness and fitness that are available to all ages. This allocation of funds creates the opportunity to provide new scholarships and reduced fees for seniors and youth. It will allow OPRYD to create specific programs with the adjacent senior center to get older adults into the pool, into the fitness center and into the fitness classes. Furthermore the funds will help OPRYD to create a Teen Fitness Program that is led by Certified Personal Trainers, Nutrition Specialist, and Aquatic Instructors to develop and achieve individual goals.

***TOWN CAMP***

Town Camp is OPRYD's Youth Summer Experience and now one of Oakland's most sought after summer program. This high-quality learning, exploring, and thinking curriculum of this program includes field trips to some of the Bay Area's great destinations. Over 4,000 youth participated in 2018 inaugural Town Camp. OPRYD expects registration to increase by 20-25 percent this year, based on the successes of 2018. OPRYD created programming relationships with 17 Community/Corporate Partners in the establishment of Town Camp and served 800-1000 healthy meals and 800-1000 snacks daily. With a commitment to never turn a child away, OPRYD provided over \$265,000 in scholarships – not sustainable with current resources. Without SSB tax funding, TOWN CAMP and its high-quality programs are in jeopardy.

Staff will return to City Council with a proposed resolution that authorizes the grant agreements in specific amounts not to exceed the \$2 million allocated by this resolution.

**FISCAL IMPACT**

The \$8.0 million from budgeted FY 2018-19 revenues will be fully covered by SSB tax funds. This will not have an adverse impact on any of the City's other funds.

**PUBLIC OUTREACH / INTEREST**

No public outreach was required in the preparation of this report. However, the department regularly reports to the Sugar-Sweetened Beverage Community Advisory Board concerning project expenditures.

**COORDINATION**

The report was prepared in coordination with the Oakland Parks Recreation and Youth Development, Public Works Department, the Finance Department, and the City Administrator's Office.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** Preserves the ability for residents to live in Oakland, enhancing the local economy and supporting local businesses.

***Environmental:*** Clean parks, tot lots, and recreational facilities and provide plants that produce oxygen and trees that filter air.

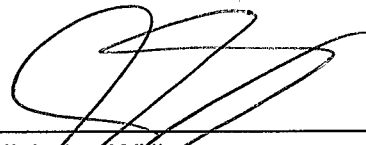
***Social Equity:*** Parks and recreational facilities provide a venue for healthy activities and a safe environment for the public.

**ACTION REQUESTED OF THE CITY COUNCIL**

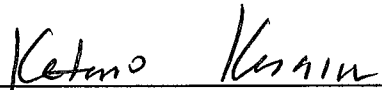
Staff Recommends that the City Council Adopt A Resolution Authorizing the City Administrator To Allocate An Amount Not to Exceed \$8.0 Million of Sugar-Sweetened Beverage Tax Funds From FY 2018-19 Adopted Midcycle Budget For Oakland Parks Recreation and Youth Development Programs, Capital Improvements and Grants.

For questions regarding this report, please contact Nicholas Williams at (510) 238-7527 or Katano Kasaine at (510) 238-2989.

Respectfully submitted,



Nicholas Williams  
Director of Oakland Parks Recreation and  
Youth Development



Katano Kasaine  
Director of Finance

Prepared by:  
Jason Wong  
Finance Manager

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Life Enrichment Committee  
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FILED  
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Approved as to Form and Legality

  
City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ALLOCATE AN AMOUNT NOT TO EXCEED \$8 MILLION OF SUGAR-SWEETENED BEVERAGE DISTRIBUTION TAX FUNDS FROM FISCAL YEAR 2018-19 ADOPTED MIDCYCLE BUDGET FOR OAKLAND PARKS RECREATION AND YOUTH DEVELOPMENT PROGRAMS, CAPITAL IMPROVEMENTS AND GRANTS**

**WHEREAS**, Measure HH, the Sugar-Sweetened Beverage Distribution Tax Ordinance (the "Ordinance"), was approved by the Oakland voters in the November 8, 2016 General Election; and

**WHEREAS**, the Ordinance established the tax of 1 cent per ounce on the distribution of sugar-sweetened beverages effective July 1, 2017; and

**WHEREAS**, the Ordinance also established the Sugar-Sweetened Beverage Distribution Tax Advisory Board ("Board") to advise and make recommendations to the City Council on the expenditure of these tax revenues; and

**WHEREAS**, all Sugar-Sweetened Beverage (SSB) Tax revenue collected and remitted to the City is deposited in the City of Oakland's unrestricted general fund and in the Sugar-Sweetened Beverage Tax Sub-fund to be used for any lawful government purpose; and

**WHEREAS**, Resolution No. 87062 C.M.S. established the Sugar-Sweetened Beverage Distribution Tax Fund (the "SSB Fund") for the purpose of collecting the revenues from the tax, and established City Council policy to consider the Board's recommendations regarding appropriations; and

**WHEREAS**, staff will present the proposed funding allocations referenced in this resolution at the Board's meeting on May 13, 2019; and

**WHEREAS**, appropriations in the amount of approximately \$3.88 million is available for Oakland Parks Recreation and Youth Development programs and services, approximately \$2.12 million is available for capital improvements and approximately \$2.0 million is available for grants to non-profits and other local agencies in the FY 2018-19 adopted Midcycle Budget; and

**WHEREAS**, staff will return to Council with separate resolution(s) authorizing the grant agreements with various agencies in specific amounts not to exceed the \$2 million allocated by this resolution; now therefore be it

**RESOLVED:** That the City Administrator is authorized to allocate an amount not to exceed \$8 million of Sugar-Sweetened Beverage Distribution Tax funding from Fiscal Year 2018-19 adopted Midcycle Budget for Oakland Parks Recreation and Youth Development programs, capital improvements and grants; and be it

**FURTHER RESOLVED:** That the specific grant agreements and grant amounts shall be authorized by separate resolution.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND  
PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of the  
City of Oakland, California