



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** FY 2021-22 Q3 R&E Report

**DATE:** May 19, 2022

City Administrator Approval 

Date: May 26, 2022

## **RECOMMENDATION**

**Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2021-22 Third Quarter Revenue and Expenditure (R&E) Results And Year-End Summaries For The General Purpose Fund (GPF, 1010) and Select Funds.**

## **EXECUTIVE SUMMARY**

This report details the City of Oakland's (the City) unaudited **Third** Quarter (Q3) financial results for FY 2021-22 in the General Purpose Fund (GPF) and other funds. The purpose of the quarterly revenue and expenditure (R&E) report is to monitor collection and spending trends in relation to the plan and to guide the City in managing its ongoing budget as more financial data becomes available. The report also contains preliminary FY 2021-22 projected year-end revenues and expenditures based on **Third** Quarter (Q3) trends. With the timing of this report, inevitably there are current economic trends that may not be reflected.

The Third Quarter represents revenue collections and expenditure trends from July 2021 to March 2022. It is important to note, the collection of revenue is seasonal and thus only 60% of revenues are collected through the third-quarter in the fiscal year. Likewise, expenditures are at 52% spent at three quarters of the fiscal year.

Many of the economically sensitive revenue categories in the GPF have experienced growth in the first half of the fiscal year and revenues projections indicate that they are on pace to exceed budgeted levels. However, one-time Federal relief funding from American Rescue Plan Act (ARPA) is used to buffet the pandemic-caused historical revenue decline. ARPA funds are budgeted at a value of \$87 million or approximately 11% of budgeted revenues to continue to support qualified GPF expenditures. Overall GPF expenditures are trending below the Adjusted Budget and are projected to be at or just below budgeted levels.

Analysis of revenues and expenditures through the **Third** Quarter indicates that GPF revenues are projected to exceed GPF expenditures by \$59.23 million by year-end for FY 2021- 22 in comparison to the adopted budget. In comparison to Q2, analysis of revenues and expenditures

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through the Second Quarter indicated that GPF revenues projected to exceed GPF expenditures by \$40.28 million by year-end which was a \$18.95 million variance lower than the current Third Quarter projection. This creates a projected Fund Balance of \$59.93 million at the end of FY 2021-22, however including fund obligations and use in the Mid-cycle budget, the projected Fund Balance is estimated at \$0 million, as shown on **Table 4**.

This report also highlights non-GPF funds beginning with **Table 15** through **Table 60** that are of interest to the City due to their special revenue source (local measure, local tax) or because of particular expenditure restrictions. A fund summary for all other non-GPF funds, grouped by fund type, is captured at the end of **Attachment A: Report Details** beginning with **Table 61** through **Table 67**.

## **BACKGROUND / LEGISLATIVE HISTORY**

Below is a summary of Council's actions that have occurred from the beginning of the fiscal year through Q3 that have modified the FY 2021-22 Budget:

- Action to allocate funding for Oakland's Mobile Assistance and Community Responders (MACRO) and capital and transportation projects Resolution [88784 C.M.S.](#)
- Action to fund Head Start Programming Resolution [88801 C.M.S.](#)
- Action to Add Two Police Academies Resolution [88942 C.M.S.](#)

## **ANALYSIS AND POLICY ALTERNATIVES**

### ***General Purpose Fund (GPF)***

#### **Revenues**

The 2021-22 GPF Adopted Budget was developed assuming that many of the revenue categories would continue to recover with the rollout of highly effective Covid-19 vaccines and corresponding loosening of public health restrictions. Based on the available data through the first nine months, \$486.24 million, or 59.82%, of adopted GPF revenues have been collected at the end of Q3. GPF revenues are projected to exceed the adopted budget by 5.71%. Some revenue categories are collecting and trending higher than anticipated and projected to exceed the adopted budget

These include:

- Property Tax, projected 1.34% higher than budgeted,
- Sales Tax, projected 3.51% higher than budgeted,
- Business Tax, projected 6.63% higher than budgeted,
- Real Estate Transfer Tax, projected 21.46% higher than budgeted.

Details of adjustments for these categories are further discussed in **Table 6** of the attached detailed report. **Table 1:** below summarizes all the GPF year-to-date and projected year-end revenues combined.

**Table 1: FY 2021-22 Q3 GPF Revenues Budget to Actuals (\$ in millions)**

FY2021-22 Adopted Budget	FY2021-22 Adjusted Budget	FY2021-22 Q3 Actual Revenue	FY 2021-22 Adjusted Q3 Year End Estimate	Year-End \$ Over/(Under) Adjusted Budget	Projected Percentage Over / (Under) Adjusted Budget
784.39	812.81	486.24	859.25	46.44	5.71%

**Expenditures**

The GPF year-end expenditure projection is \$800.02 million, which is \$46.44 million or 1.67% under the \$813.39 million adjusted budget before accounting for \$87.02 million in eligible Public Safety expenditure transfers from GPF to the ARPA Fund (2072). Factoring for the one-time aid from ARPA funds, GPF expenditures are projected to end the fiscal year at \$713.00 million.

**Table 2** summarizes GPF's FY 2021-22 expenditures budget to actuals at Q3 and projects year-end, adjusted to reflect the impact of the expenditures transferred out to the ARPA Fund:

**Table 2: FY 2021-22 Q3 GPF Expenditures Budget to Actuals (\$ in millions)**

A	B	C	D	E	D + E =	B - F = G	
FY 2021-22 Adopted Budget	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 Actuals	FY 2021-22 Q3 Year-End Estimate	ARPA Adjust.	FY 2021-22 Q3 Adjust. Year-End Estimate	Year-End (Over) / Under Budget	Percentag (Over) / Under Budget
784.39	813.39	426.01	713.00	87.02	800.02	13.37	2%

\*The adjusted budget includes Council Budget Amendment per Resolutions 88784 C.M.S adopted on July 26, 2021, 88942 C.M.S (Police Academies), 88940 C.M.S. (Head Start) and \$28.07 million in Carryforwards

State and federal aid were the essential factors in the City's own economic and financial recovery. Under regulations administered through the United States Treasury Department, ARPA provided the City with an allocation of \$188 million, split between FY 2020-21 and FY 2021-22. Oakland's City Council directed these funds to replace revenue losses experienced during the pandemic and address budget imbalances in FY 2020-21, FY 2021-22, and FY 2022-23. Through this aid, the City is able to maintain most of its services intact while also preserving its emergency reserve.

In addition to federal aid, the City's number of vacancies is a contributing factor to projected expenditure savings in the GPF. At Q3, the GPF's vacancy rate (net positions that are frozen as part of the FY 2021-23 Adopted Budget), is 18.52% as shown in **Table 3** below. The vacancy rate assumed in the FY 2021-23 Adopted Budget is 8% across most City Departments, which is less than half of the actual vacancy rate reported at Q3.

**Table 3: FY 2021-22 Q3 GPF Filled and Vacant Positions (Percent %)**

Status as of Q3 FY2021-22	Percent (%)
Filled or Encumbered (linked)	81.48%
Vacant	18.52%

### Fund Balance

As shown in **Table 4** on the following page, after meeting mandated reserves required by City Ordinances and the City Charter (mandated emergency reserves) & Oakland Municipal Employees' Retirement System (OMERS) totaling \$154.69 million, the preliminary estimated FY 2021-22 available Fund Balance is \$59.93 million (Unaudited Ending Fund Balance - Obligations). The estimated FY 2021-22 available Fund Balance is the amount of unobligated funding available to the City in the GPF, however for this reporting period this amount has been assumed the use in the Mid-Cycle Proposed Budget, yielding \$0 as the current projection.

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**Table 4: Summary of FY 2021-22 Fiscal Situation with GPF Fund Balance (\$ in millions)**

<b>GENERAL PURPOSE FUND (1010)</b>	<b>FY 2021-22 Q3 Projected FYE</b>
<b>Estimated FY 2021-22 Beginning Audited Fund Balance</b>	<b>\$95.46</b>
<b>FY2021-22 Performance</b>	
Revenue	859.25
Expenditures	800.02
<b>FY 2020-21 Operating Surplus / Deficit</b>	<b>59.23</b>
<b>Unaudited Ending Fund Balance</b>	<b>154.69</b>
<b>Obligations Against Ending Fund Balance</b>	<b>(154.69)</b>
OMERS Reserves (Reso. No. 85098 C.M.S)	(2.36)
Budgeted use of Fund Balance during Biennial FY21-23	(28.07)
Prior Year Transfer of Fund Balance to the Emergency Reserve (Fund 1011)	(48.31)
<b>Subtotal Obligations Against Ending Fund Balance</b>	<b>(75.95)</b>
<b>Other Commitments Against Fund Balance</b>	<b>(75.95)</b>
New Revenue Subject to Excess RETT CFP Policy Including 50% for One Time Use, 25% for VSSF, 25% for Long Term Obligations -	(14.99)
Contractually Obligated Transfers to Scotlan Convention Center (Report to Council Under Development)	(1.03)
Use of Undesignated Fund Balance in the FY2022-23 Midcycle Proposed Budget	(59.93)
<b>Estimated FY 2021-22 Ending Available Fund Balance</b>	<b>\$0</b>

In accordance with the Consolidated Fiscal Policy (CFP), Section 2 Reserve Fund Policies, Emergency Reserves, it shall be the policy of the City of Oakland to provide in each fiscal year a reserve of undesignated, uncommitted fund balance equal to seven and one-half (7.5%) of the General Purpose Fund (Fund 1010) appropriations for such fiscal year. That amount is \$54.61 million of which \$48.31 million will come from prior year GPF Fund balance and 6.3 million will come from current year GPF revenues; these amounts are reserved in Fund 1011.

The FY2021-22 Adopted Budget includes, \$2.58 million budgeted to the Vital Services Stabilization Fund Reserve. Using the FY21-22 Q3, revenue projections, the policy would require an additional allocation of \$3.75 million based on the Excess RETT formula for a total of \$6.33 million.

The CFP also provides guidance for use of One-Time Funds, CFP Section 1, Part D. Appropriate uses and requirements are One-time uses, debt retirement and long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post- Employment Benefits (OPEB) unfunded liabilities or remain as fund balance. Negative balances of prime concern include the Self-Insurance Liability Fund (1100), Internal Service Funds (ISFs), and the Capital Reserves Fund (5510). In alignment with the goals of the CFP, these funds, among others, are on formal repayment plans to reduce negative fund balances. In FY21-22, a total \$4.89 million is budgeted in the GPF for this purpose. The FY21-22 Q3 revenue projections, indicate that \$11.24 million (\$14.99 million of Excess Rett less 3.75 million for the VSSF) could be appropriated to address negative fund balances; and such appropriation would be consistent with the required use of such funds under the CFP.

### **Summary**

In summary, FY 2021-22 Q3 revenue analysis suggests that GPF revenues may exceed budgeted expenditures by approximately \$59.23 million. On the expenditure side, projected savings is attributable to one-time federal ARPA aid and citywide vacancies. However, caution is warranted for two reasons: 1) less revenue data is collected in the first 9 months of the fiscal year, and 2) the economy remains volatile and unpredictable due to the ongoing COVID-19 pandemic. The effects of the rapidly growing inflation are not reflected in the Q3 expenditure trends however are expected to change spending trends in Q4. Note also that if not for the one-time ARPA funds, which are only available in this fiscal year and next, the City would be projecting a \$27.79 million GPF shortfall this fiscal year.

While the Q3 revenue collections are trending ahead of expectations, FY 2021-22 City revenues remain uncertain due to the pandemic, supply chain disruptions, economic impacts of war, inflation, and federal monetary policy.

**Staff recommends City Council receive this report but take no action based upon unaudited figures from the Third Quarter. Staff strongly recommends that City Council take any budgetary actions as a part of the FY 2022-23 Midcycle Budget process.** During the Midcycle budget process, staff will be able to provide more firm assessments of available resources and context of the City's near-term financial outlook.

### **Non-GPF Funds**

The selected non-GPF Funds that are analyzed in this report reflect an overall reduction in available fund balance and appropriations in the FY 2021-23 Adopted Biennial Budget as shown on **Table 5** on the following page. Please note the City's Consolidated Fiscal Policy (CFP) requires the adoption of a balanced budget that limits appropriations to the total of estimated revenues and unallocated fund balances projected to be available at the close of the current fiscal year. The City Administrator shall be responsible for ensuring that the budget proposed to the City Council by the Mayor, adheres to the balanced budget policy.

**Table 5: FY2021-22 Q3 Beginning and Year End Estimated Fund Balance (\$ in millions)**

FUND	FY 2021-22 Audited Beginning Balance	FY 2021-22 Revenue Projected Year-End Estimate	FY 2021-22 Expenditure Projected Year-End Estimate	FY 2021-22 Net (Use of) / Contribution to Fund Balance	FY 2021-22 Estimated Ending Balance
Measure HH - Sugar Sweetened Beverage Distribution Tax (SSBT) Fund (1030)	7.82	14.35	14.72	(7.32)	0.14
Self-Insurance Liability Fund (1100) ^	(19.07)	57.36	54.81	0.79	(16.75)
Comprehensive Clean-Up Fund (1720)	4.31	26.18	24.79	(2.75)	2.95
Multipurpose Reserve Fund (1750)	(0.66)	12.15	10.08	(0.57)	(0.60)
OPRCA Self Sustaining Revolving Fund (1820)	3.54	3.93	5.36	(0.07)	2.45
Affordable Housing Trust Fund (1870)	38.49	53.63	49.33	(35.02)	7.76
Measure B/BB and Measure F Funds (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, 2220)	31.21	51.72	47.14	(17.95)	17.84
State Transportation (Gas Tax) Funds (2230, 2232)	4.59	27.05	17.31	(4.22)	9.45
Measure Q - OPR Preservation, Litter Reduction, Homelessness Support Act Fund (2244)	11.99	39.69	35.81	(12.72)	(1.20)
Measure Z -Violence Prevention and Public Safety Act of 2014	1.73	30.17	26.62	(2.47)	0.26
Measure W - Vacant Property Tax Fund (2270)	0.94	10.95	10.71	(5.35)	(4.17)
Landscaping & Lighting Assess. District Fund (LLAD) (2310)	0.50	20.08	19.76	(0.24)	0.13
Development Service Fund (2415)	146.66	131.04	114.58	(77.10)	86.03
Measure C- Transient Occupancy Tax (TOT) Surcharge Fund (2419)	0.22	4.64	4.64	(0.07)	0.15
Reproduction Fund (4300)*^	(1.31)	1.70	1.39	0.26	(0.74)
City Facilities Fund (4400)*	2.83	43.64	41.27	(3.95)	1.25
Central Stores Fund (4500)*^	(3.58)	1.29	1.33	0.78	(2.84)
Purchasing Fund (4550)*^	(0.21)	1.78	1.85	—	(0.28)
Measure KK Funds (5330, 5331,	112.79	201.90	201.90	(109.98)	2.81

\* FY 2021-22 Beginning Cash Balance is used for Internal Service Funds

Non-GPF Funds projected to end with negative balance should be monitored over the next quarter and addressed or allowances made in the Mid-cycle budget for subsidy.

## **Conclusion**

The City faced tremendous economic challenges during FY 2020-21, but its outlook was much improved by year-end and continued through the first half of FY 2021-22. One-time Federal relief funding from American Rescue Plan Act (ARPA) of \$188 million and the utilization of excess of prevented the City's fiscal crisis at a time when residents have been especially reliant on City services. Despite the fortune of receiving these one-time funds, the City still faces a structural imbalance in the GPF and other funds, including funds reliant upon hotel taxes and parking revenues. The FY 2021-22 Q3 forecast indicates the economy is recovering, however, the full impact of the COVID-19 pandemic on the City, its businesses, and its residents is still unfolding. The City's short-term recovery and long-term fiscal outlook will depend on how City Council continues to manage the City's fiscal health over the coming year.

Between FY 2022-23 and FY 2023-24 The City will likely lose \$54 million in one-time revenue support to the GPF despite growing GPF Revenues. This \$54 million only reflects lost one-time revenues and does not account for the impacts of rising inflation, increasing medical and pension costs or the settlement on of future labor MOUs on the GPF.

## **PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

## **COORDINATION**

This report was prepared in coordination between the Finance Department, the City Administrator's Office, and various departments.

## **SUSTAINABLE OPPORTUNITIES**

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

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

**Race & Equity:** No direct Race & Equity opportunities have been identified in this informational report.



**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council receive an informational report on the unaudited Fiscal Year (FY) 2021-22 Third Quarter Revenue and Expenditure (R&E) results and year-end summaries for the General Purpose Fund (GPF, 1010) and select funds.

For questions regarding this report, please contact Bradley Johnson, Budget Administrator, at (510) 238-6119.

Respectfully submitted,



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Attachments (1):

A: FY 2021-22 Q3 Detailed Report

Appendix A: Consolidated Fiscal Policy



## **Attachment A**

### **FY 2021-22 3rd Quarter Detailed Report**

### **Budget to Actual Revenue and Expenditure (R&E)**

## **Attachment A: FY 2021-22 Q3 Detailed Report**

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The report has the following major sections:

1. General Purpose Fund Q3 Revenues
2. General Purpose Fund Q3 Expenditures
3. General Purpose Fund Q3 Fund Balance
4. Reserves
5. Select Non-GPF Q3 Analysis
6. All Other Funds - Fund Balance Summary

## 1. GENERAL PURPOSE FUND Q3 REVENUES

### The City's FY 2021-22 Q3 Forecast Assumes a Continued Slow & Steady Recovery

The exact economic impacts from the Covid-19 pandemic over the next few years remains unknown. The good news is that the GPF revenues through the first nine months continue the upward trend started in the latter half of Fiscal Year 2020-21.

Through the first three quarters of the current fiscal year, several revenue categories in the General Purpose Fund are projected to exceed adopted budget thereby increasing the projected GPF revenues by approximately \$46.44 million, or 5.71%, over the Adjusted Budget. Those are Property Tax, Sales Tax, Business Tax, and Real Estate Transfer Tax. It is worth noting that inflationary pressures and possible increase in the interest rates may slow the rate of growth.

As with any projections, there is a level of uncertainty reflecting historical patterns, seasonality, and other unknown factors that may affect certain revenue streams. Furthermore, there is a lag in timing when revenue is received and recorded. Revenues reported in Q3 do not necessarily equate to three-fourths of the Adopted Budget as presented in **Table 6**.

Revenue projections are showing recovery however, note in ongoing global economic dislocations, including Russia's invasion of Ukraine and COVID-19 disruptions of office work and supply chains, these revenue projections remain uncertain. The projections are sensitive to changes in personal income, inflation, and the extent to which workers return to offices. Nevertheless, the projections reflect the most up to date economic and financial data available at the time of writing.

Rising personal incomes and sustained inflation have generated higher-than-expected tax revenues despite modest employment growth. Due in part to the COVID-19 pandemic's Delta and Omicron waves, Oakland's employment rebound during calendar years 2021 and 2022 to date has been slower than predicted. Fiscal policies enacted at the state and federal levels, however, have led to nominal personal income growth that has exceeded expectations, generating higher revenues across a broad range of categories. The American Rescue Plan, a new federal child tax credit, student loan relief, and California's Golden State Stimulus helped to boost statewide per capita incomes, expected to increase by more than 6% in FY 21-22. Growth in real incomes was more modest, as the state's CPI increased 4.2% during FY 20-21 and is expected to increase 6.6% in FY 2021-22

Finally, Between FY 2022-23 and FY 2023-24 The City will likely lose \$54 million in one-time revenue support to the GPF despite growing GPF Revenues. This \$54 million only

reflects lost one-time revenues and does not account for the impacts of rising inflation, increasing medical and pension costs or the settlement on of future labor MOUs on the expenditure side of the GPF.

**Table 6: FY2021-22 Q3 Adopted Budget to Actuals and Year End Estimate (\$ in millions)**

Revenue Category	FY 2021-22 Adopted Budget	FY2021-22 Adjusted Budget	FY2021-22 Q3 Actual Revenue	FY 2021-22 Q3 Year End Estimate	FY 2020-21 Year-End Over / (Under) to Adjusted Budget	FY 2020-21 Year-End % Over / (Under) to Adjusted Budget
Property Tax	247,151,668	247,151,668	159,816,396	250,460,000	3,308,332	1.34%
Business License Tax	97,751,670	97,751,670	89,368,056	104,230,000	6,478,330	6.63%
Real Estate Transfer Tax	96,426,320	96,426,320	94,041,385	117,115,584	20,689,264	21.46%
Sales Tax	58,970,992	58,970,992	36,150,144	61,040,000	2,069,008	3.51%
Service Charges	50,273,399	50,273,399	29,298,690	50,273,399	—	—%
Utility Consumption Tax	49,137,923	49,137,923	39,150,761	53,256,860	4,118,937	8.38%
Transient Occupancy Tax	16,733,334	16,733,334	9,903,935	16,733,334	—	—%
Fines & Penalties	15,735,857	15,735,857	13,325,154	18,440,000	2,704,143	17.18%
Parking Tax	7,841,157	7,841,157	6,176,285	9,183,183	1,342,026	17.12%
Licenses & Permits	4,050,104	4,050,104	1,102,428	4,050,104	—	—%
Interest Income	484,097	484,097	80,725	484,097	—	—%
Internal Service Funds	—	0	1,800	1,800	1,800	—%
Grants & Subsidies	—	0	1,126,825	1,126,825	1,126,825	—%
Miscellaneous	1,600,000	1,600,000	6,196,461	6,196,461	4,596,461	287.28%
Inter-Fund Transfers	89,926,745	89,926,745	0	89,926,745	—	—%
<b>Sub-Total Revenue</b>	<b>\$ 736,083,266</b>	<b>\$ 736,083,266</b>	<b>\$ 486,242,174</b>	<b>\$ 781,018,392</b>	<b>\$ 44,935,126</b>	<b>6.10 %</b>
TRFS From Fund Balance (including Carry Forward)	48,310,000	76,728,790	\$ —	76,728,790	—	—%
<b>Total Revenue</b>	<b>\$ 784,393,266</b>	<b>\$ 812,812,056</b>	<b>\$ 486,242,174</b>	<b>\$ 859,247,182</b>	<b>\$ 44,935,126</b>	<b>5.71 %</b>

GENERAL PURPOSE FUND ADJUSTMENTS Q3 FY 2021-22

**Property Tax:** Revenues collected through Q3 are \$159.82 million, or 63.8% of the adjusted budget. Property tax revenues are projected to be \$250.46 million representing an increase of \$3.31 million from the adjusted budget of \$247.15 million due to higher than expected Residual Property Tax Trust Fund revenues from the winding down of the Redevelopment Agency.

**Sales Tax:** Revenues collected through Q3 are \$36.15 million, or 59.2% of the adjusted budget. Sales tax revenues are projected to be \$61.04 million representing an increase of \$2.07 million in revenue compared to the adjusted budget due to higher than expected new & used car sales, continuing growth in online shopping, and a return to indoor dining which began in Q4 of FY2020-21. **Table 7** provides a year over year comparison of the major sales tax categories.

**Table 7: Q2 Sales Tax Comparison by Category FY2020-21 and FY 2021-22 (\$ in millions)**

Category	Thru Q3 2021	Thru Q3 2022	Inc/Dec
Autos & Transportation	\$3.86	\$4.49	16.39%
Building & Construction	\$2.95	\$2.60	-12.10%
Business & Industry	\$2.81	\$3.05	8.65%
Food & Drugs	\$3.32	\$3.09	-7.05%
Fuel & Service Stations	\$1.84	\$3.61	96.13%
General Consumer Goods	\$1.59	\$2.98	87.37%
Restaurants & Hotels	\$3.21	\$4.97	54.97%
State/County Pools & Transfers	\$6.38	\$6.03	-5.44%
<b>Total</b>	<b>\$25.95</b>	<b>\$30.81</b>	<b>13.30%</b>

**Business Tax:** Revenues collected through Q3 are \$89.37 million, or 91.4% of the adjusted budget. Business tax revenues are projected to be \$104.23 million representing an increase of \$6.48 million in revenue compared to the adjusted budget due to growth in gross receipts reported by businesses of approximately 2.2% over the previous year and continuing efforts by staff in identifying noncompliant businesses.

**Utility Users Tax:** Revenues collected through Q3 are \$39.15 million, or 79.7% of the adjusted budget. Utility users tax revenues are projected to be \$53.26 million representing an increase of \$4.12 million in revenue compared to the adjusted budget due to increases in both electricity and gas rates expected in the second half of the fiscal year.

**Real Estate Transfer Tax (RETT):** Revenues collected through Q3 are \$94.04 million, or 97.5% of the adjusted budget. RETT revenues are projected to be \$117.12 million representing an increase of \$20.69 million in revenue compared to the adjusted budget due to the growth in number of sales of properties valued in the \$2-\$5 million range over the previous fiscal year.

**Table 8: RETT Growth Rate (\$ in millions)**

Sale Price	FY 2020-21		FY 2021-22		Year-Over-Year Variance Thru Q3	
	Gross Sales	Volume	Gross Sales	Volume	Gross Sales	Volume
\$300,000 or below	32.58	197	32.70	195	-3.37%	-3.83%
\$300,001 to \$2 Million	2,284.85	2,557	2,211.80	2,375	-4.50%	-9.05%
\$2 million to \$5 Million	254.14	97	486.95	179	67.40%	61.54%
\$5 -10 Million	161.51	22	101.97	15	-11.22%	-11.11%
\$10 - 50 Million	235.07	11	263.13	12	53.42%	53.85%
\$50.01-100 Million	0.00	0	65.00	1	—%	—%
Over \$100 Million	449.77	1	327.50	1	-62.30%	-50.00%
<b>Total</b>	<b>3,417.91</b>	<b>2,885</b>	<b>3,489.04</b>	<b>2,778</b>	<b>-20.24%</b>	<b>-5.89%</b>

**Parking Tax:** Revenues collected through Q3 are \$6.18 million, or 78.8% of the adjusted budget. Parking tax revenues are projected to be \$7.84 million representing an increase of \$1.34 million due to expected improved parking activities at the airport from the lows experienced in FY2020-21.

**Fines and Penalties:** Revenues collected through Q3 are \$13.23 million, or 84.7% of the adjusted budget. RETT revenues are projected to be \$18.44 million representing an increase of \$2.70 million in revenue compared to the adjusted budget due to the expected increase in the issuance of parking citations, which makes up a significant portion of this revenue category, as parking activity increases from the lows experienced in FY 2020-21.

**Miscellaneous:** Revenues collected through Q3 are \$6.20 million, or 387.3% of the adjusted budget. Miscellaneous revenues are projected to be \$6.20 million representing an increase of \$4.60 million in revenue compared to the adjusted budget.

**2. GENERAL PURPOSE FUND Q3 EXPENDITURES**

**GENERAL PURPOSE FUND EXPENDITURE HIGHLIGHTS**

GPF year to date expenditures for Q3 are 52.37% of the Adjusted budget. The overall projection of GPF expenditures is 2% under the adjusted budget. The larger concern with the GPF expenditures is the large savings projected in personnel savings. However, expenditure projections are based on the first nine months of the year and are not picking up the inflationary trend expected in the 4th quarter. A Citywide vacancy rate in excess of 16% also affects the City’s ability to provide services to residents

**ARPA Adjustments**

The City Council directed the use of \$87.02 million of the \$188 million of ARPA funds allocated to the City to address projected FY 2021-22 budget imbalances.

**Table 9** below reflects the GPF expenditure budget and year-end estimates to include transfers of eligible expenditures to the ARPA Fund. Factoring in the budgeted FY 2021-22 ARPA funding relieves the GPF of projected year-end expenditures by \$87.02 million. GPF expenditures are forecasted to come in \$13.37 million under the adjusted budget of \$813.39 million.

**Table 9: Summary of FY 2021-22 Q2 GPF Expenditures Budget to Actuals (\$ in millions)**

	A	B	C	D	E	D + E = F	B - F =	
Department	FY 2021-22 Adopted Budget	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 Actuals	FY 2021-22 Q3 Year-End Estimate	ARPA Adjust.	FY 2021-22 Q3 Adjust. Year-End Estimate	Year-End (Over) / Under Budget	Percentage (Over) / Under Budget
<b>FY 2021-22 Expenditures</b>	\$784.39	\$813.39	\$426.01	\$713.00	\$87.02	\$800.02	\$13.37	<b>2%</b>

*\*The adjusted budget includes Council Budget Amendment per Resolutions 88784 C.M.S adopted on July 26, 2021, 88942 C.M.S (Police Academies), 88940 C.M.S. (Head Start) and \$28.07 million in Carryforwards*



Department Level Spending Trends

**Table 10** reflects department level spending and the impact on projected year-end GPF expenditures with ARPA funds support.

**Table 10: Summary of FY 2021-22 GPF Projected Expenditure Variance (\$ in millions)**

<u>Department</u>	<u>FY 2021-22 Adopted Budget</u>	<u>FY 2021-22 Adjusted Budget</u>	<u>FY 2021-22 Q3 Actuals</u>	<u>FY 2021-22 Q3 Year-End Estimate</u>	<u>ARPA Adjust.</u>	<u>FY 2021-22 Q3 Adjust. Year-End Estimate</u>	<u>Year-End (Over) / Under Budget</u>	<u>Percentage (Over) / Under Budget</u>
<b>FY 2021-22 Expenditures</b>	<b>784.39</b>	<b>813.39</b>	<b>426.01</b>	<b>713.00</b>	<b>87.02</b>	<b>800.02</b>	<b>13.37</b>	<b>1.64%</b>
Mayor	4.26	4.27	2.55	3.48	—	3.48	0.79	18.55%
City Council	6.28	6.45	4.68	6.57	—	6.57	(0.12)	(1.88)%
City Administrator	8.01	7.90	4.38	7.67	—	7.67	0.23	2.90%
City Attorney	15.00	15.06	8.95	15.29	—	15.29	(0.23)	(1.51)%
City Auditor	2.41	2.54	1.78	2.48	—	2.48	0.05	2.14%
City Clerk	3.56	3.81	1.47	5.67	—	5.67	(1.86)	(48.92)%
Police Commission	4.49	5.03	2.35	4.41	—	4.41	0.62	12.37%
Public Ethics Commission	1.49	1.56	1.01	1.47	—	1.47	0.09	5.53%
Finance Department	21.57	21.49	14.07	21.69	—	21.69	(0.19)	(0.89)%
Information Technology Department	13.31	15.61	8.73	15.55	—	15.55	0.06	0.39%
Race and Equity Department	0.92	0.99	0.62	0.94	—	0.94	0.06	5.72%
Human Resources Management Department	6.48	6.67	4.64	6.70	—	6.70	(0.03)	(0.42)%
Department of Violence Prevention	11.36	12.97	4.15	11.23	—	11.23	1.75	13.45%
Police Department	313.92	324.46	179.22	225.35	87.02	312.37	12.09	3.73%
Fire Department	171.96	176.30	121.23	174.94	—	174.94	1.36	0.77%
Oakland Public Library Department	14.11	14.12	10.02	12.73	—	12.73	1.39	9.83%
Oakland Parks and Recreation Department	16.68	16.85	11.22	14.76	—	14.76	2.09	12.40%
Human Services Department	15.26	21.67	8.88	20.83	—	20.83	0.83	3.85%
Economic and Workforce Development Department	10.96	13.91	7.26	13.24	—	13.24	0.67	4.84%
Housing and Community Development Department	0.10	0.10	0.03	0.10	—	0.10	—	—%
Animal Services	5.41	5.48	3.52	4.96	—	4.96	0.52	9.52%
Oakland Public Works Department	1.86	4.24	1.27	4.50	—	4.50	—	—%
Department of Transportation	15.95	17.61	11.33	17.58	—	17.58	0.04	0.22%
Department of Workplace and Employment Standard	4.36	4.36	2.45	3.62	—	3.62	0.73	16.83%
Non Departmental and Port	114.14	108.31	10.08	115.61	—	115.61	(7.31)	(6.75)%
Capital Improvement Projects	0.55	1.62	0.14	1.62	—	1.62	—	—%
Use of Salary Savings Per Council Resolutions	—	—	—	—	—	—	2.75	—%

The following section details projected GPF savings or overspending by Department, as compared to the Q3 FY 2021-22 Adjusted Budget.

Mayor's Office

The Mayor's Office is projected to have savings of \$792,921, or 19% of their budget, due primarily to vacancies.

City Council

The City Council is projected to overspend their budget by \$121,538, approximately 2% of their budget due to personnel.

City Administrator (CAO)

The City Administrator's Office is projected to have savings of \$229,134, approximately 3% of their budget due to vacancies.

City Attorney

The City Attorney is projected to overspend their budget by \$227,240, approximately 2% of their budget due to personnel.

City Auditor

The City Auditor is projected to have savings of \$54,341, approximately 2% of their budget due to vacancies.

City Clerk

The Office of the City Clerk is projected to overspend their budget by \$1.86 million which is 49% of their budget due to unbudgeted June election costs.

Police Commission

The Police Commission is projected to have savings of \$622,333, which is 12% of their budget, due to vacancies.

Public Ethics Commission (PEC)

The Public Ethics Commission is projected to have savings of \$86,382, which is 6% of their budget, due to vacancies.

Finance Department

The Finance Department is projected to overspend their budget by \$191,540, or 1% of their budget, due to overspending in personnel.

Information Technology (ITD)

The Information Technology Department is projected to have savings of \$61,509, which is —% of their budget due to vacancies.

Race & Equity

The Department of Race & Equity is projected to have savings of \$56,846, which is 6% of their budget, due to vacancies.

Human Resources Management (HRM)

Human Resources Management is projected to overspend their budget by \$27,902, which is —% of their budget, due to personnel.

Violence Prevention (DVP)

The Department of Violence Prevention is projected to have savings of \$1.75 million, which is 6% of their budget, due to vacancies.

Oakland Police Department (OPD)

The Police Department is projected to have savings of \$12.09 million, which is 4% of their budget, due to vacancies.

Oakland Fire Department (OFD)

The Oakland Fire Department is projected to have savings of \$1.36 million, which is 1% of their budget, due to vacancies.

Oakland Public Library (OPL)

Oakland Public Library is projected to have savings of \$1.39 million, which is 10% of their budget, due to vacancies.

Oakland Parks, Recreation and Youth Development (OPRYD)

Oakland Parks, Recreation and Youth Development is projected to have savings of \$2.09 million, which is 12% of their budget, due to vacancies.

Human Services Department (HSD)

Human Services Department is projected to have savings of \$833,251, which is 4% of their budget, due to vacancies.

Economic & Workforce Development (EWD)

Economic & Workforce Development is projected to have savings of \$674,155, which is 5% of their budget, due to vacancies.

Housing & Community Development (HCD)

Housing & Community Development is projected to end the fiscal year at budget. Their budget in the GPF is a very negligible portion of their overall department budget across all funds Citywide.

Oakland Public Works (OPW)

Oakland Public Works is projected to end the year at budget.

Department of Transportation (DOT)

The Department of Transportation is projected to have savings of \$39,483, which is —% of their budget due to overspending in O&M.

Department of Workplace & Employment Standards (DWES)

The Department of Workplace & Employment Standards is projected to have savings of \$733,404, which is 17% of their budget, due to vacancies.

Non-Departmental

Non-Departmental is projected to overspend their budget by \$7.31 million which is 7% of their budget due to under recovering Overheads in Non-GPF Funds and use of salary savings according to mid-year Council Resolutions.

Capital Improvement Program (CIP)

The Capital Improvement Program is projected to end the fiscal year at budget.

Department of Animal Services

The Department of Animal Services is projected to have savings of 521,461, which is 10% of their budget, due to vacancies.

**Public Safety Costs & Analysis**

**Table 11** below shows the personnel expenditures, including overtime, for Public Safety in the GPF. Once all other personnel costs are accounted for, Oakland Police Department currently shows a projected year-end budget to be under spent by \$8.14 million and Oakland Fire Department currently shows a projected year-end budget to be under spent by \$1.19 million. Details are provided on **Table 11** below.

**Table 11: FY 2021-22 Public Safety GPF Personnel Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Year-End Estimate	Year-End (Over) / Under Budget	Percentage (Over) / Under Budget
<b>Police Department</b>					
Overtime (OT)	\$33,360,269	\$25,216,696	\$33,622,261	\$-261,992	(0.79)%
Reimbursable OT (Special Events, etc.)		\$-2,359,167	\$-2,359,167	\$-2,359,167	
All Other Personnel (non-OT)	\$245,005,00	\$177,086,977	\$234,243,266	\$10,761,736	4.39%
<b>OPD Total Personnel</b>	<b>\$278,365,271</b>	<b>\$199,944,507</b>	<b>\$265,506,361</b>	<b>\$8,140,576</b>	2.92%
<b>Fire Department</b>					
Overtime (OT)	\$18,520,634	\$23,205,679	\$30,940,906	\$12,420,272	(67.06)%
All Other Personnel (non-OT)	\$131,908,292	\$88,906,252	\$118,297,489	\$13,610,802	10.32%
<b>OFD Total Personnel</b>	<b>\$150,428,265</b>	<b>\$112,111,931</b>	<b>\$149,238,395</b>	<b>\$ 1,190,530</b>	0.79%

**Table 12: Year-Over-Year Comparison of Public Safety GPF Personnel Expenditures  
(\$ in millions)**

<b>Police Department</b>				
<b>Overtime (OT)</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY2021-22</b>
Adjusted Budget	14.05	16.56	15.39	\$ 33.36
Actuals (FY22 Proj)	36.36	35.07	29.18	\$ 33.62
<b>(Over)/Under</b>	<b>(22.31)</b>	<b>(18.51)</b>	<b>(13.79)</b>	<b>\$ (0.26)</b>
<b>All Other Personnel (non-OT)</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY2021-22</b>
Adjusted Budget	211.35	232.95	239.29	\$ 245.01
Actuals (FY22 Proj)	212.68	242.01	244.23	\$ 234.24
<b>(Over)/Under</b>	<b>(1.33)</b>	<b>(9.06)</b>	<b>(4.94)</b>	<b>\$ 10.76</b>
<b>Total Personnel</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY2021-22</b>
Adjusted Budget	225.40	249.51	254.68	\$ 278.37
Actuals (FY22 Proj)	249.04	277.08	273.41	\$ 265.51
<b>(Over)/Under</b>	<b>(23.64)</b>	<b>(27.57)</b>	<b>(18.73)</b>	<b>\$ 12.86</b>
<b>Fire Department</b>				
<b>Overtime (OT)</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY2021-22</b>
Adjusted Budget	3.34	2.37	4.22	\$ 18.52
Actuals (FY22 Proj)	19.65	20.63	24.22	\$ 30.94
<b>(Over)/Under</b>	<b>(16.31)</b>	<b>(18.26)</b>	<b>(20.00)</b>	<b>\$ (12.42)</b>
<b>All Other Personnel (non-OT)</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY2021-22</b>
Adjusted Budget	128.90	142.70	144.73	\$ 131.91
Actuals (FY22 Proj)	117.84	123.59	126.99	\$ 118.30
<b>(Over)/Under</b>	<b>11.06</b>	<b>19.11</b>	<b>17.74</b>	<b>\$ 13.61</b>
<b>Total Personnel</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY2021-22</b>
Adjusted Budget	132.24	145.07	148.95	\$ 150.43
Actuals (FY22 Proj)	137.49	144.22	151.21	\$ 149.24
<b>(Over)/Under</b>	<b>(5.25)</b>	<b>0.85</b>	<b>(2.26)</b>	<b>\$ 1.19</b>

## Fire

The Oakland Fire Department currently is on target to achieve overall projected savings of \$1.19 million due to salary savings in the amount of \$13.61 million. These salary savings are currently being offset by overspending in overtime which is projected to be overspent by \$12.42 million. Fire's overtime budget has been affected by staff out due to injury, staff out due to COVID-19, and extreme weather events which has made it difficult for Fire to maintain its minimum staffing levels. A historical analysis of Fire's budget is shown in **Table 12**.

Overspending in overtime continues to be an issue for Fire. As **Table 12** above shows, Fire's overtime went over its budgeted amount by \$16.31 million in FY 2018-19, \$18.26 million in FY 2019-20 and \$20.00 million in FY 2020-21 and is projected to be over by \$12.42 million in FY 2021-22. However, this overtime overspending was offset with savings in all other personnel (non-OT) pay. Consequently, Fire's total personnel budget has oscillated between ending close to budget or having a slight operating deficit.

Fire's overtime use is due to three main causes: their staff vacancy level with unfilled positions, their compliance with the Local 55 MOU for minimum staffing provisions, and a reduced number of Fire Academies in recent years.

However, Fire has been able to balance their overtime use with salary savings across their total personnel budget from the number of vacancies they currently have. At this point, due to Local 55 MOU, Fire has been averaging about 70% of its overtime to backfill required Fire Suppression minimum service levels. In FY 2020-21, with the increase in services due to the COVID-19 pandemic, this resulted in the highest level of overtime Fire has had in recent years. What also contributed to Fire's higher use of overtime is that a higher level of sworn staff is on paid disability leave, which has forced the department to utilize overtime to backfill for what would otherwise be 35 present firefighters. In addition, due to the pandemic, Fire was unable to conduct its FY 2020-21 academy to recruit more staff, which has also led to a higher usage of overtime to meet current service demands. Until Fire has more staff, this is anticipated to be a reoccurring problem. However, Fire has been managing it in part through its overall vacancy savings.

## Police

The Police Department is pursuing different ways to control personnel spending. In the FY 2021-23 Biennial Budget, the administration reviewed the Oakland Police Department's service levels and overtime budget. In an effort to realign OPD service levels, there was a careful assignment of available personnel to units and sub-unit for each sworn and professional staffing positions. A new staffing plan was created which primarily focused on sworn police officers' assignments based on current service level demands in the City of Oakland. The new

staffing plan is now consistent with the availability of actual police officers based upon budget and service levels needed.

This year fewer police academy graduates anticipated, and higher attrition rates have led to current salary savings due to vacancies and has also contributed the need for additional overtime.

With the realignment of OPD's service levels, OPD is currently projected to underspend in its annual personnel budget primarily due to salary savings.

For further details, please see the OPD Quarterly Overtime Reports which has an in-depth analysis on this matter.

### Historical Police Overtime

As **Table 12** above shows, Police has overspent its personnel budget for the past 3 years. However, the Police's total personnel spending is projected to end with savings this fiscal year, interrupting what has been a negative trend: in FY 2018-19 the Police's total personnel overspending amounted to being \$23.64 million over their budget (10% of total budget), in FY 2019-20 it was \$27.57 million over budget (11% of total budget), but in FY 2020-21 police personnel overspending was \$18.73 million over budget (7% of total budget) despite rising salary and benefit costs from the City's contract-mandated COLA increase to Sworn employees. Currently FY 2021-22 is projected to end the year with \$12.86 million in savings, due to non- overtime salary savings and \$2.36 million in reimbursable overtime.

In FY 2019-20, the Police spent \$15.62 million in Special Enforcement overtime which accounted 37.98% of the total overtime for that year. Of this \$15.62 million, police coverage of demonstrations and protests accounted for \$2.63 million, sideshows enforcement accounted for \$1.54 million, patrol covered \$1.35 million, and Uptown walking patrol accounted for \$1.11 million. To meet the FY 2020-21 midyear reductions, the Police Department began to curtail its Special Enforcement overtime in January of 2021, which dropped to \$11.9 million for FY 2020-21. In comparison to FY 2019-20, police coverage of demonstrations and protests dropped to \$0.95 million, sideshows enforcement decreased to \$1.11 million, patrol was reduced to \$0.70 million, and the Uptown walking patrol became \$0.34 million.

A significant portion of Police's personnel policies are mandated from the Negotiated Settlement Agreement (NSA), which therefore also impacts the Police Department's overtime use. Of pertinence, two of NSA mandates on Police have particular impact on patrol overtime. The first is that a patrol sergeant may not supervise more than eight officers. The second is that Police cannot use acting sergeants in patrol. Taken together, a significant amount of overtime is generated because Police must have five regular permanent (not temporary acting) sergeants



in patrol for every shift to supervise the minimum of 35 officers. The NSA requires the City to therefore expend a portion of its overtime for "backfill" and "extension of shift" overtime to meet this mandate.

The work of the Reimagining Public Safety Task Force and continued public dialogue around police spending initiated the Police Department in undergoing an overhaul of its budgeting for personnel costs, including and especially overtime use, during the FY 2021-23 Biennial Budget.

As a part of the FY 2021-23 Biennial Budget process, the Police Department provided for the first time a detailed breakdown of its overtime allocations and limited or eliminated several categories for FY 2021-22. For the upcoming year, the Police Department will not be providing coverage of demonstrations or large events and it has completely eliminated its foot patrol units. For a more detailed explanation, please refer to the Police Department's Q4 Overtime Report.

### 3. GENERAL PURPOSE FUND Q3 FUND BALANCE

The City's GPF available Fund Balance, net of obligations & other commitments, is projected at \$— million in FY 2021-22. Obligations are reserves required by City Ordinances and the City Charter (mandated emergency & OMERS reserves). Note that \$54.61 million of the mandated FY 2021-22 emergency reserves is included in the projected year-end expenditures in **Table 13** below (as a committed transfer to the designated reserve GPF Emergency Reserve Fund (Fund 1011)).

**Table 13** provides detail of obligations against Fund Balance, which reduces the estimated year-end FY 2021-22 Fund Balance from \$154.69 million to the available balance of \$— million.

**Table 13: FY 2021-22 Year-End Available GPF Fund Balance**

GENERAL PURPOSE FUND (1010)	FY 2021-22 Q3 Projected FYE
<b>Estimated FY 2021-22 Beginning Audited Fund Balance</b>	<b>\$95.46</b>
<b>FY2021-22 Performance</b>	
Revenue	859.25
Expenditures	800.02
<b>FY 2020-21 Operating Surplus / Deficit</b>	<b>59.23</b>
<b>Unaudited Ending Fund Balance</b>	<b>154.69</b>
<b>Obligations Against Ending Fund Balance</b>	
OMERS Reserves (Reso. No. 85098 C.M.S)	(2.36)
Budgeted use of Fund Balance during Biennial FY21-23	(28.07)
Prior Year Transfer of Fund Balance to the Emergency Reserve (Fund 1011)	(48.31)
<b>Subtotal Obligations Against Ending Fund Balance</b>	
<b>Other Commitments Against Fund Balance</b>	
New Revenue Subject to Excess RETT CFP Policy Including 50% for One Time Use, 25% for VSSF, 25% for Long Term Obligations - Appropriated in the FY2022-23 Midcycle Budget	(14.99)
Contractually Obligated Transfers to Scotlan Convention Center (Report to Council Under Development)	(1.03)
Use of Undesignated Fund Balance in the FY2022-23 Midcycle Proposed Budget	(59.93)
<b>Estimated FY 2021-22 Ending Available Fund Balance</b>	

## 1. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's [Consolidated Fiscal Policies](#) to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (*refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax*<sup>1</sup>). It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups.

### Emergency Reserve

The City's 7.5% GPF Emergency Reserve<sup>1</sup> is funded at \$54.61 million based on the FY 2021-22 Adopted Budget (**Table 14**). The reserve is equivalent to almost one month of FY 2021-22 Adopted Budget of \$784.39 million in GPF (8.19%). This reserve is now held in Fund 1011 as directed by Council in Resolution 88717 C.M.S. The reserve requirement, pursuant to the CFP has been met.

However, the emergency reserve policy level of 7.5% is inadequate to sustain city services in an economic downturn as evidenced by the events of the last 2 years. The recommended policy level is 16.7% or two months of operating expenditures. This recommended level is supported by best practices outlined by Government Finance Officer's Association's (GFOA). Additionally, this recommended level can be witnessed in the levels of funding needed in the balancing of the FY2019-20 and FY2020-21 budget by programming CARES dollars (\$36.99 million), ARPA dollars (\$56.13 million) and use of VSSF (\$14.65 million) for a total of \$107.77 million which was 15.6% of FY20 GPF expenditures. Finally, the City Auditor's [Financial Condition for Fiscal Years 2012-13 through 2019-20](#) Report cites the need for additional reserves to bolster the city's financial standing.

### Vital Services Stabilization Fund

The Vital Services Stabilization Fund (VSSF) was established in 2014 by City Council after the Great Recession to serve as the City's "Rainy Day" fund. Per the Consolidated Fiscal Policy, 25% of excess RETT revenue is intended to go into the VSSF. The current balance is \$2.58M, the target funding level is \$120.3M, or 15% of the GPF revenues.

<sup>1</sup> The 7.5% GPF reserve is not a cumulative balance.

**Table 14: FY 2021-22 Q3 Reserve Balances (\$ in millions) As Budgeted**

Description	FYE 2021-2022 Balances
Mandated Emergency Reserves FY 2021-221	54.61
OMERS Reserves (Reso. No. 85098 C.M.S)	2.36
Vital Services Stabilization Fund	2.58
<b>Total Reserves</b>	<b>59.55</b>

<sup>1</sup> The 7.5% GPF reserve is not a cumulative balance.

### SELECT NON-GPF Q3 ANALYSIS

This section of the Q3 report contains additional analysis on selected non-GPF funds.

For additional Fund descriptions, please visit

<https://stories.opengov.com/oaklandca/published/L7kWa4FcY>

This Q3 report discusses selected funds that are of special interest to the City because the revenue comes from a special tax or local measure, or because of the particular revenue or expenditure restrictions.

For these funds, the revenue tables below will show the adopted budget, the revenue received for the fund through Q3 and the projected budget. The expenditure tables in this section compares the FY 2021-22 Adjusted Budget to FY 2021-22 year-end estimates based on Q3 expenditure actuals for these funds.

The fund balance tables compare the FY 2021-22 audited beginning fund balance to the FY 2021-22 projected ending fund balance for these funds. Please note that some of the fund tables below show a budgeted transfer from fund balance. These amounts represent either approved obligated carryforward from the prior year or dollars designated to balance the Adopted Budget.

All other funds are summarized in **Table 62** through **Table 68**.

**Measure HH - Sugar Sweetened Beverage Distribution Tax (SSBT) Fund (1030)**

Measure HH - SSBT Fund (1030) is a City of Oakland ballot initiative approved by voters on November 8, 2016, that established a general tax of one cent per ounce on the sugar sweetened beverage products. The tax was imposed in 2017 on those who distribute sugar- sweetened beverage products in the City. While this revenue is not restricted by State statute, City Council has elected to restrict it by policy and separate it into its own fund.

The measure formed a nine-member Community Advisory Board, appointed by the Mayor, and approved by City Council. The Board is responsible for:

1. Making recommendations to City Council on use of funding/programs that will reduce the health consequences from consuming sugar-sweetened beverages (final allocations are still determined by City Council);
2. Publishing an annual report regarding the implementation of the Board's recommendations and the impact on the use of these funds.

Revenues - Revenues continue to decline each year in this fund at an average rate of about 10% each year since the inception of the tax beginning in FY 2017-2018. Reasons for the decline include distributors passing the tax onto the consumer through higher shelf prices that results in less demand for sugar sweetened beverages.

Based on historical and the average collection through the first nine months, a decrease of \$1.26 million is anticipated from the FY 2021-22 adopted budget.

**Table 15: FY 2021-22 Measure HH (SSBT) Fund Revenues (\$ in millions)**

Revenue Category	FY 2021-22 Adjusted Budget	Q3 YTD Actuals	Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Local Tax	8.19	4.83	6.92	1.27
Interest Income	—	0.01	0.01	(0.01)
Interfund Transfers	0.11		0.11	—
Project Offsets & Carryforwards	7.32	—	7.32	—
<b>Total</b>	<b>15.62</b>	<b>4.84</b>	<b>14.35</b>	<b>1.26</b>

Expenditures - The FY 2021-22 year-end expenditures are projected to come in at \$14.26 million, which is a savings of \$1.36 million when compared to the Adjusted Budget of \$15.62 million.

**Table 16: FY 2021-22 Measure HH (SSBT) Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Capital Improvement Projects	2.71	0.10	2.72	—
City Administrator	0.20	0.04	0.06	0.15
Department of Transportation	—	—	—	—
Economic and Workforce Development Department	0.45	0.40	0.45	—
Finance Department	0.36	0.15	0.36	—
Human Services Department	7.54	0.97	6.76	0.78
Oakland Parks and Recreation Department	4.24	2.86	3.65	0.60
Oakland Public Library Department	0.12	—	0.12	—
Oakland Public Works Department	—	0.12	0.15	(0.16)
<b>Total Expenditures</b>	<b>15.62</b>	<b>4.64</b>	<b>14.26</b>	<b>1.36</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforward*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$14.35 million. Expenditures are projected to end the year at \$14.26 million. The adjusted budget assumes fund balance to balance expenditures and support Carryforwards, in the amount of \$7.32 million. As a result, the fund balance in the Measure HH (SSBT) is projected to decrease from \$7.82 million in FY 2020-21 to \$0.59 million in FY 2021-22.

**Table 17: Measure HH (SSBT) Fund Year-End Available Fund Balance (\$ in millions)**

MEASURE HH SSBT (1030)	FY 2021-22 Q3 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>7.82</b>
Revenue (including CarryForward)	14.35
Expenditures	14.26
Estimated Current Year Surplus/(Shortfall)	0.09
<b>Subtotal Fund Balance</b>	<b>7.91</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(7.32)
Budgeted Fund Balance Repayment	—
<b>Estimated Ending Fund Balance</b>	<b>0.59</b>

### Self-Insurance Liability Fund (1100)

The Self-Insurance Liability Fund (1100) receives contributions from the General Purpose Fund and select funds to cover costs associated with liability claims and settlements, insurance premiums, outside legal services, and court costs. Projecting these costs, particularly the settlements, are difficult as they are driven by unpredictable lawsuits which have varying settlement values. Additionally, Insurance costs continue to increase over time due to market factors within the national insurance environment. Fixes will be in arrears as the negative balances must be trued up.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$57.36 million, which are higher by \$0.92 million when compared to the Adjusted Budget of \$56.44 million.

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$55.83 million, which is a savings of \$0.61 million compared to the Adjusted Budget of \$56.44 million.

**Table 18: FY 2021-22 Self-Insurance Liability Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
City Attorney	3.92	0.34	3.31	0.61
Fire Department	1.93	0.15	1.93	—
Non Departmental and Port	40.39	23.74	40.39	—
Oakland Parks and Recreation Department	0.59	—	0.59	—
Oakland Public Works Department	4.64	1.83	4.64	—
Police Department	4.97	1.41	4.97	—
<b>Total Expenditures</b>	<b>56.44</b>	<b>27.47</b>	<b>55.83</b>	<b>0.61</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

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Fund Balance - FY 2021-22 revenue is projected to end the year at \$57.36 million. Expenditures are projected to end the year at \$55.83 million. The adjusted budget assumes fund balance, to balance expenditures and support Carryforwards, in the amount of \$1.01 million. Inversely, there is a budgeted contribution to fund balance in the amount of \$1.80 million. As a result, the fund balance in the Self-Insurance Liability Fund (1100) is projected to decrease from negative \$19.07 million in FY 2020-21 to negative \$16.75 million in FY 2021-22.

**Table 19: FY 2021-22 Self-Insurance Liability Fund Year-End Available Fund Balance (\$ in millions)**

SELF-INSURANCE LIABILITY FUND (1100)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>-19.07</b>
Revenue	57.36
Expenditures	55.83
Estimated Current Year Surplus/(Shortfall)	1.53
<b>Subtotal Fund Balance</b>	<b>-17.54</b>
<b>FY2021-22 Budgeted Contribution to Fund Balance</b>	
Budgeted Transfer from Fund Balance	-1.01
FY2021-22 Budgeted Contribution to Fund Balance	1.80
<b>Estimated Ending Fund Balance</b>	<b>-16.75</b>



**Comprehensive Clean-Up Fund (1720)**

The Comprehensive Clean-Up Fund (1720) collects revenues from a special surcharge on refuse collection bills to cover costs associated to illegal dumping enforcement, street sweeping, custodial services, and other clean-up activities.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$26.18 million, which are higher by \$0.02 million when compared to the Adjusted Budget of \$26.16 million.

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$24.08 million, which is a savings of \$2.08 million when compared to the Adjusted Budget of \$26.16 million

**Table 20: FY 2021-22 Comprehensive Clean-Up Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
City Administrator	0.18	0.14	0.19	(0.01)
City Attorney	0.31	0.28	0.37	(0.06)
Economic and Workforce Development Department	—	—	—	—
Fire Department	0.22	—	0.20	0.02
Human Services Department	—	—	—	—
Oakland Public Works Department	25.46	14.99	23.32	2.13
<b>Grand Total</b>	<b>26.1</b>	<b>15.41</b>	<b>24.08</b>	<b>2.08</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$26.18 million. Expenditures are projected to end the year at \$24.08 million. The adjusted budget assumes fund balance, to balance expenditures and support Carryforwards, in the amount of .\$(2.75) million. As a result, the fund balance in the Comprehensive Clean-Up Fund (1720) is projected to decrease from \$4.31 million in FY 2020-21 to \$3.66 million in FY 2021-22.

**Table 21: FY 2021-22 Comprehensive Clean-Up Fund Year-End Fund Balance (\$ in millions)**

COMPREHENSIVE CLEAN-UP FUND (1720)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>4.31</b>
Revenue	26.18
Expenditures	24.08
Estimated Current Year Surplus/(Shortfall)	2.10
<b>Subtotal Fund Balance</b>	<b>6.41</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(2.75)
Budgeted Fund Balance Repayment	—
<b>Estimated Ending Fund Balance</b>	<b>3.66</b>

### Multipurpose Reserve Fund (1750)

The Multi-Purpose Reserve Fund (1750) collects fees from City-owned off-street parking facilities, and other revenues at Council discretion. The off-street parking facilities revenue is not derived from a special, restricted revenue source, it is restricted by Council policy to use for parking facility construction and operation. All other revenue may be spent at Council discretion.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$12.15 million, which is at budget.

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$11.52 million, which is a savings of \$0.63 million when compared to the Adjusted Budget of \$12.15 million.

**Table 22: FY 2021-22 Multipurpose Reserve Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted
Capital Improvement Projects	0.04	—	0.04	—
City Administrator	0.07	0.06	0.08	(0.01)
Department of Transportation	8.50	3.74	7.17	1.32
Economic and Workforce Development Department	0.05	—	0.05	—
Finance Department	0.59	0.11	0.54	0.05
Non Departmental and Port	2.90	—	3.64	(0.73)
<b>Total Expenditures</b>	<b>12.15</b>	<b>3.91</b>	<b>11.52</b>	<b>0.63</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$12.15 million. Expenditures are projected to end the year at \$11.52 million. The adjusted budget assumes fund balance, to balance expenditures and support Carryforwards, in the amount of \$1.30 million. Inversely, there is a budgeted contribution to fund balance in the amount of \$0.73 million. As a result, the fund balance in the Multipurpose Reserve Fund (1750) is projected to increase from negative\$0.66 million in FY 2020-21 to negative \$0.60 million in FY 2021-22.

**Table 23: FY 2021-22 Multipurpose Reserve Fund Year-End Available Fund Balance (\$ in millions)**

MULTIPURPOSE RESERVE FUND (1750)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>(0.66)</b>
Revenue	12.15
Expenditures	11.52
Estimated Current Year Surplus/(Shortfall)	0.63
<b>Subtotal Fund Balance</b>	<b>(0.03)</b>
<b>Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(1.30)
FY2021-22 Budgeted Contribution to Fund Balance	0.73
<b>Estimated Ending Fund Balance</b>	<b>(0.60)</b>

**OPRCA Self Sustaining Revolving Fund (1820)**

The OPRCA Self Sustaining Revolving Fund (1820) is a fee-based fund that supports Oakland Parks, Recreation and Youth Development's (OPRYD) recreation, cultural arts, science, sports, and aquatics programs for families in Oakland. Revenues in this fund have been significantly impacted by COVID-19 and the mandated stay-in-place orders that closed OPRYD facilities and decreased the availability of provided services.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$4.27 million, which are lower by \$3.60 million when compared to the adjusted budget of \$7.87 million.

Expenditures - Projected expenditures are \$5.29 million, which is a savings of \$2.58 million compared to the Adjusted Budget of \$7.87 million.

**Table 24: FY 2021-22 OPRCA Self Sustaining Revolving Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget		FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Parks, Recreation, & Youth Development	7	7.8	3.47	5.29	2.58
<b>Total Expenditures</b>	7	7.8	3.47	5.29	2.58

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$4.27 million. Expenditures are projected to end the year at \$5.29 million. The adjusted budget assumes fund balance, to balance expenditures and support Carryforwards, in the amount of \$0.07 million. As a result, the fund balance in the OPRCA Self Sustaining Revolving Fund (1820) is projected to decrease from \$3.54 million in FY 2020-21 to \$2.45 million in FY 2021-22.

**Table 25: FY 2021-22 OPRCA Self Sustaining Revolving Fund Year  
 End Available Fund Balance (\$ In Millions)**

OPRCA SELF SUSTAINING REVOLVING FUND (1820)	FY 2021-22 Year- End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>3.54</b>
Revenue	4.27
Expenditures	5.29
Estimated Current Year Surplus/(Shortfall)	(1.02)
<b>Subtotal Fund Balance</b>	<b>2.52</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(0.07)
Budgeted Contribution to Fund Balance	0.00
<b>Estimated Ending Fund Balance</b>	<b>2.45</b>

### Affordable Housing Fund (1870)

The Affordable Housing Trust Fund (1870) receives revenue from jobs/housing impact fees, affordable housing impact fees, fines and penalties, and redevelopment dissolution funds from the County's Real Property Tax Trust Fund (RPTTF). RPTTF is a unrestricted property tax revenue source collected by the County, however, City Council has chosen to restrict 25% of its value for uses related to affordable housing. Fund 1870 revenues are then provided as loans and grants for the development of rental and owner-occupied affordable housing within the City.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$53.63 million, which are higher by \$3.03 million when compared to the Adjusted Budget of \$50.60 million.

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$49.33 million, which is a savings of \$1.27 million compared to the Adjusted Budget of \$50.60 million

**Table 26: FY 2021-22 Affordable Housing Fund (1870) Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$(Over) / Under Adjusted Budget
City Administrator	0.22	0.18	0.24	(0.02)
City Attorney	0.17	0.13	0.18	(0.01)
Finance Department	0.24	0.18	0.25	(0.01)
Housing and Community Development Department	49.47	5.08	48.14	1.32
Human Resources Management Department	0.12	0.11	0.14	(0.02)
Human Services Department	0.00	0.00	—	—
Planning and Building Department	0.38	0.00	0.38	—
<b>Grand Total</b>	<b>50.60</b>	<b>5.68</b>	<b>49.33</b>	<b>1.27</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$53.63 million. Expenditures are projected to end the year at \$49.33 million. The adjusted budget assumes fund balance to balance expenditures and support Carryforwards in the amount of \$35.02 million. As a result, the fund balance in the Affordable Housing Trust Fund (1870) is projected to decrease from \$38.49 million in FY 2020-21 to \$7.76 million in FY 2021-22.

**Table 27: FY 2021-22 Affordable Housing Trust Fund Balance (\$ in millions)**

AFFORDABLE HOUSING TRUST FUND (1870)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>38.4</b>
Revenue	53.6
Expenditures	49.3
Estimated Current Year Surplus/(Shortfall)	4.3
<b>Subtotal Fund Balance</b>	<b>42.7</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(35.0)
Budgeted Contribution to Fund Balance	
<b>Estimated Ending Fund Balance</b>	<b>7.7</b>



**Measure B/BB & Measure F Funds (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, 2220)**

Measure B, BB, and F Funds are administered by the Alameda County Transportation Commission (Alameda CTC) which manages the following three local fund sources:

3. Measure B, passed by voters in 2000, authorized a special half-cent sales tax and will be in effect for 20 years. Sales tax collection began on April 1, 2002 and will extend through March 31, 2022. Uses of funds support traffic and transportation projects, including street and signal construction, bicycle and pedestrian, paratransit, roads maintenance and repair.
4. Measure BB, passed by voters in November 2014, authorized collection of the initial half-cent transportation sales tax by the Board of Equalization. Collection began on April 1, 2015 and will extend through March 31, 2022. The full one-cent sales tax authorized by Measure BB will begin April 1, 2022 and will extend through March 31, 2045. Starting in July 2015, Alameda CTC began making monthly direct local distribution payments to local jurisdictions and transit agencies, per the 2014 Transportation Expenditure Plan, for the following programs: local streets and roads (including county bridges), bicycle and pedestrian, transit, and paratransit.
5. Measure F, approved by voters in November 2010, authorizes the collection of \$10 per year per vehicle registration fee to fund the Local Road Improvement & Repair Program and other congestion relief, transportation technology, and pedestrian/bicyclist safety programs in Alameda County.

Revenues - Based on the current collection trends and updates provided by the Alameda County Transportation Commission, revenues from these Measures are expected to come in at \$51.72 million, which are higher by \$1.04 million when compared to the Adjusted Budget of \$50.68 million.

**Table 28: FY 2021-22 Measure B, BB & F Fund Revenues (\$ in millions)**

Revenue Category	FY 2021-22 Adjusted Budget	YTD Actuals	Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Sales Tax	28.38	19.92	28.56	(0.19)
Fines & Penalties	—	—	—	—
Interest Income	—	0.02	0.02	(0.02)
Service Charges	0.12	0.08	0.12	—
Internal Service Funds	—	—	—	—
Grants & Subsidies	1.81	—	1.81	—
Miscellaneous Revenue	—	0.84	0.84	(0.84)
Interfund Transfers	2.42	—	2.42	—
Transfers from Fund	3.92	—	3.92	—
Project Offsets & Carryforwards	14.03	—	14.03	—
<b>Total Revenue</b>	<b>50.68</b>	<b>20.85</b>	<b>51.72</b>	<b>(1.04)</b>

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$43.95 million, which is a savings of \$6.43 million compared to the Adjusted Budget of \$50.38 million.

**Table 29: FY 2021-22 Measure B/BB/F Funds Expenditures (\$ in millions)**

Agency / Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Capital Improvement Projects	17.02	0.97	17.02	—
City Attorney	0.04	0.04	0.04	—
Department of Transportation	27.26	11.17	21.43	5.839
Finance Department	0.09	0.04	0.06	0.03
Human Services Department	4.55	1.55	4.02	0.53
Mayor	0.21	0.13	0.17	0.04
Non Departmental and Port	0.03	—	0.03	—
Oakland Public Works Department	1.18	0.54	1.18	
Police Department	—	—	—	—
<b>Total Expenditures</b>	<b>50.38</b>	<b>14.44</b>	<b>43.95</b>	<b>6.43</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$51.72 million. Expenditures are projected to end the year at \$43.95 million. The adjusted budget assumes fund balance, to balance expenditures and support Carryforwards, in the amount of \$17.95 million. As a result, the fund balance in the Measure B/BB and Measure F Funds (2211, 2212, 2213, 2215, 2217, 2218, 2219, 2220) is projected to decrease from \$31.21 million in FY 2020-21 to \$21.03 million in FY 2021-22.

**Table 30: FY 2021-22 Measure B/BB/F Funds Year-End Available Fund Balance (\$ in millions)**

Measure B/BB/F Funds (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, 2220)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>31.21</b>
Revenue	51.72
Expenditures	43.95
Estimated Current Year Surplus/(Shortfall)	7.77
<b>Subtotal Fund Balance</b>	<b>38.98</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(17.95)
Budgeted Contribution to Fund Balance	—
<b>Estimated Ending Fund Balance</b>	<b>21.03</b>

**State Transportation Gas Tax Funds (2230, 2232)**

The State of California imposes a per-gallon excise tax on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel, and registration taxes on motor vehicles with allocations dedicated to transportation purposes. The local (city and county) portions of these allocations flow through the Highway Users Tax Account (HUTA) into the Gasoline Tax Fund (2230) and the Road Maintenance and Rehabilitation Account (RMRA) (Fund 2232), which allocates much of the revenue from the Road Repair and Accountability Act of 2017.

Revenues - Based on the current collection trends and updates provided by the state, revenues from these sources are expected to come in at \$27.05 million which exceeds the adjusted budget of \$23.02 million by approximately \$4.03 million.

**Table 31: FY 2021-22 State Transportation Gas Tax Fund Revenues (\$ in millions)**

Revenue Category	FY 2021-22 Adjusted Budget	Q3 YTD Revenue	Q3 Budget Forecast	Year-End \$ (Over) / Under Adjusted Budget
Gas Tax	18.65	10.16	20.24	(1.59)
Interest Income	—	—	—	—
Service Charges	0.01	—	0.01	—
Internal Service Funds	—	—	—	—
Grants & Subsidies	0.14	—	0.14	—
Miscellaneous Revenue	—	2.44	2.44	(2.44)
Interfund Transfers	—	—	—	—
Transfers from Fund Balance	0.85	—	0.85	—
Project Offsets & Carryforwards	3.37	—	3.37	—
<b>Total</b>	<b>23.02</b>	<b>12.60</b>	<b>27.05</b>	<b>(4.03)</b>

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$22.20 million, which is a savings of \$0.74 million when compared to the Adjusted Budget of \$23.02 million

**Table 32: FY 2021-22 State Transportation Funds Gas Tax Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Capital Improvement Projects	\$ 1.91	\$ 0.04	\$ 1.91	\$ —
City Administrator	\$ 0.15	\$ 0.06	\$ 0.15	\$ 0.00
Department of Transportation	\$ 20.81	\$ 9.33	\$ 20.07	\$ 0.74
Economic and Workforce Development Department	\$ 0.08	\$ 0.06	\$ 0.08	\$ —
Oakland Public Works Department	\$ —	\$ —	\$ 0.01	\$ —
<b>Grand Total</b>	<b>23.02</b>	<b>9.49</b>	<b>\$ 22.20</b>	<b>0.74</b>

\*The adjusted budget includes Council Budget Amendments and Carryforwards

Fund Balance - FY 2021-22 revenue is projected to end the year at \$27.05 million. Expenditures are projected to end the year at \$22.20 million. The adjusted budget assumes fund balance, to balance expenditures and support Carryforwards, in the amount of \$4.22 million. As a result, the fund balance in the State Transportation Gas Tax Funds (2230, 2232) is projected to increase from \$4.59 million in FY 2020-21 to \$9.45 million in FY 2021-22.

**Table 33: FY 2021-22 State Transportation Funds Year-End Available Fund Balance (\$ in millions)**

State Transportation Funds - Gas Tax (2230, 2232)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>4.59</b>
Revenue	27.05
Expenditures	22.20
Estimated Current Year Surplus/(Shortfall)	4.84
<b>Subtotal Fund Balance</b>	<b>9.43</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(4.22)
Budgeted Fund Balance Repayment	—
<b>Estimated Ending Fund Balance</b>	<b>5.21</b>

**Measure Q - OPR Preservation, Litter Reduction, Homelessness Support Act Fund (2244)**

Measure Q, the 2020 Oakland Parks and Recreation, Preservation, Litter Reduction, and Homelessness Support Act Fund (2244), is a City of Oakland ballot initiative approved by voters on March 3, 2020 that established an annual special parcel tax for 20 years. This measure, which passed by more than a two-thirds majority, imposes a special parcel tax for the purpose of raising revenue to provide services for parks, landscape maintenance, and recreational services; to address homelessness and enable unsheltered and unhoused residents to access temporary shelters, transitional, supportive, and permanent housing; and to address water quality and litter reduction, including the maintenance and cleaning of stormwater trash collection systems.

Revenues - Based on the collection through the first three quarters of the fiscal year, revenues from these sources are expected to come in at \$39.69 million which exceeds the adjusted budget of \$40.22 million by approximately \$0.53 million.

**Table 34: FY 2021-22 Preservation, Litter Reduction, Homelessness Support Act Fund Revenues (\$ in millions)**

Revenue Category	FY 2021-22 Adjusted Budget	Q3 YTD Revenue	Q3 Year End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Local Tax	27.50	17.30	26.77	0.74
Interest Income	—	0.01	0.01	(0.01)
Miscellaneous Revenue		0.19	0.19	(0.19)
Transfer from Fund Balance	1.58	—	1.58	—
Project Offsets & Carryforwards	11.14	—	11.14	—
<b>Total</b>	<b>40.22</b>	<b>17.50</b>	<b>39.69</b>	<b>0.53</b>

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$42.20 million which is at budget.

**.Table 35: FY 2021-22 Measure Q - OPR Preservation, Litter Reduction, Homelessness Support Act Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Capital Improvement Projects	0.86	—	0.86	0
City Administrator	2.40	0.11	2.40	0
Finance Department	0.11	—	0.11	—
Human Services Department	10.24	3.29	10.24	—
Non Departmental and Port	0.92	0.23	0.92	—
Oakland Parks and Recreation Department	0.25	0.01	0.25	—
Oakland Public Works Department	25.46	10.23	25.46	0
<b>Total Expenditures</b>	<b>40.22</b>	<b>13.87</b>	<b>40.22</b>	<b>0.00</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$39.69 million. Expenditures are projected to end the year at \$40.22 million. The adjusted budget assumes the use of fund balance to support \$12.72 million of carryforward funds. As a result, the fund balance in the Measure Q Fund (2252) is projected to decrease from \$11.99 million in FY 2020-21 to negative \$1.27 million in FY 2021-22.

**Table 36: FY 2021-22 Measure Q Year-End Fund Balance (\$ in millions)**

MEASURE Q (2244)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>11.99</b>
Revenue	39.69
Expenditures	40.22
Estimated Current Year Surplus/(Shortfall)	(0.53)
<b>Subtotal Fund Balance</b>	<b>11.45</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(12.72)
Budgeted Fund Balance Repayment	—
<b>Estimated Ending Fund Balance</b>	<b>(1.27)</b>

**Measure Z - Public Safety and Services Violence Prevention Act of 2014 Fund (2252)**

Measure Z, the Public Safety and Services Violence Prevention Act of 2014 Fund (2252), is a City of Oakland ballot initiative approved in November 2014 that provides annual funding for 10 years for violence prevention programs, police officers, fire services, and evaluation services. The measure requires a citizen's oversight commission to oversee the proper administration of the revenue collection, spending, and implementation of the strategies funded through the measure. The Measure has two revenue sources: a parcel tax which is stable and grows with inflation, and an 8.5% parking tax which is subject to economic pressures.

Revenues - FY 2021-22 year-end revenues are projected to come in at \$30.17 million, which are lower by \$1.26 million when compared to the Adjusted Budget of \$28.90 million.

**Table 37: FY 2021-22 Public Safety and Services Violence Prevention Act of 2014 Fund Revenues (\$ in millions)**

Revenue Category	FY 2021-22 Adjusted Budget	Q3 YTD Revenue	Q3 Budget Forecast	Year-End \$ (Over) / Under Adjusted Budget
Parking Tax	7.43	5.51	8.70	(1.26)
Local Tax	19.00	12.11	19.00	—
Project Offsets & Carryforwards	2.47		2.47	—
<b>Total</b>	<b>28.90</b>	<b>17.63</b>	<b>30.17</b>	<b>(1.26)</b>



Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$28.90 million, which is at budget.

**Table 38: FY 2021-22 Measure Z Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
City Administrator	0.88	0.06	0.88	
Department of Violence Prevention	13.21	4.88	13.21	
Finance Department	0.36	0.19	0.36	
Fire Department	2.00	1.00	2.00	
Human Services Department	0.48	—	0.48	
Police Department	11.96	8.30	11.96	
<b>Total Expenditures</b>	<b>28.9</b>	<b>14.43</b>	<b>28.90</b>	<b>(0.27)</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$30.17 million. Expenditures are projected to end the year at \$28.90 million. The adjusted budget assumes the use of fund balance to support \$2.47 million of carryforward funds. As a result, the fund balance in the Measure Q Fund (2252) is projected to decrease from \$1.73 million in FY 2020-21 to \$0.53 million in FY 2021-22 .

**Table 39: FY 2021-22 Measure Z Year-End Fund Balance (\$ in millions)**

MEASURE Z (2252)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>1.73</b>
Revenue	30.17
Expenditures	28.90
Estimated Current Year Surplus/(Shortfall)	1.26
<b>Subtotal Fund Balance</b>	<b>3.00</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(2.47)
Budgeted Fund Balance Repayment	0.00
<b>Estimated Ending Fund Balance</b>	<b>0.53</b>

**Vacant Property Tax Fund (2270)**

Measure W - Vacant Property Tax Fund (2270) is a City of Oakland ballot initiative approved by voters on November 6, 2018 that established an annual special tax on vacant property for 20 years to raise revenue necessary to support and fund homelessness programs and services, affordable housing, code enforcement, and clean-up of blighted properties and illegal dumping. A property is considered vacant if it is not in-use for at least 50 days in a calendar year. "Use" is defined as the performance of a function or operation. The per-parcel tax rates are \$6,000 for vacant properties or lots and \$3,000 for vacant condominium, duplex, townhouse and commercial ground floor commercial spaces. The tax is included in the secured property tax bill administered by the Alameda County.

Revenues - Based on the collections in the first year, revenues are expected to come in at \$10.95 million, which is a decrease of \$1.40 million compared to the Adjusted Budget of \$12.35 million due to higher than anticipated delinquencies combined with the newly revised valuation threshold by the County of Alameda to exempt properties with valuations of \$10,000 or less.

**Table 40: FY 2021-22 Vacant Property Tax Fund Revenues (\$ in millions)**

Revenue Category	FY 2021-22 Adjusted Budget	Q3 YTD Revenue	Q3 Budget Forecast	Year-End \$ (Over) / Under Adjusted Budget
Local Tax	7.00	3.80	5.60	1.40
Transfers from Fund Balance	2.48		2.48	—
Project Offsets & Carryforwards	2.87	—	2.87	—
<b>Total</b>	<b>12.35</b>	<b>3.80</b>	<b>10.95</b>	<b>1.40</b>

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$7.24 million which is a savings of \$5.11 million when compared to the Adjusted Budget of \$12.35 million.

**Table 41: FY 2021-22 Vacant Property Tax Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) /Under Adjusted Budget
City Administrator	0.56	0.26	0.3	0.21
Finance Department	0.82	0.50	0.7	0.08
Housing and Community Development Department	0.50	—	0	—
Human Services Department	2.27	—	0.0	2.27
Oakland Public Works Department	8.20	3.53	5.6	2.55
<b>Total Expenditures</b>	<b>12.35</b>	<b>4.29</b>	<b>7.24</b>	<b>5.11</b>

\*The adjusted budget includes Council Budget Amendments and Carryforwards

Fund Balance - FY 2021-22 revenue is projected to end the year at \$10.95 million. Expenditures are projected to end the year at \$7.24 million. The adjusted budget assumes the use of fund balance to support \$5.35 million of prior year carryforward funds. As a result, the fund balance in the Development Service Fund (2415) is projected to decrease from \$0.94 million in FY 2020-21 to negative \$0.69 million in FY 2021-22.

**Table 42: FY 2021-22 Vacant Property Tax Fund Year-End Available Fund Balance (\$ in millions)**

VACANT PROPERTY TAX ACT FUND (2270)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>0.94</b>
Revenue	10.95
Expenditures	7.24
Estimated Current Year Surplus/(Shortfall)	3.71
<b>Subtotal Fund Balance</b>	<b>4.66</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(5.35)
Budgeted Fund Balance Repayment	—
<b>Estimated Ending Fund Balance</b>	<b>(0.69)</b>

**Landscaping and Lighting Assessment District (LLAD) Fund (2310)**

The Landscaping and Lighting Assessment District (LLAD) Fund (2310) revenue is generated through a direct benefit assessment, or special assessment and is restricted by statute to be used for street lighting, landscaping, and public parks and recreation facility maintenance, and multi-use fields.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$20.08 million, which are higher by \$0.06 million when compared to the Adjusted Budget of \$20.02 million

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$19.90 million, which is a savings of \$0.12 million when compared to the Adjusted Budget of \$20.02 million.

**Table 43: FY 2021-22 Landscaping and Lighting Assessment District (LLAD) Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under
Capital Improvement Projects	—	—	—	
Department of Transportation	2.69	2.75	2.75	(0.
Finance Department	0.02	—	0.02	
Non Departmental and Port	5.11	—	5.11	0.
Oakland Parks and Recreation Department	3.79	3.67	3.78	01
Oakland Public Works	8.41	5.42	8.23	0.
<b>Total Expenditures</b>	<b>\$ 20.02</b>	<b>\$ 11.85</b>	<b>\$ 19.90</b>	<b>\$</b>

Fund Balance - FY 2021-22 revenue is projected to end the year at \$20.08 million. Expenditures are projected to end the year at \$19.76 million. The adjusted budget assumes the use of fund balance to support prior year Carryforwards in the amount of \$0.61 million. As a result, the fund balance in the Development Service Fund (2415) is projected to increase from \$0.05 million in FY 2020-21 to \$0.13 million in FY 2021-22.

**Table 44: FY 2021-22 Landscaping and Lighting Assessment District (LLAD)  
 Fund Balance (\$ in millions)**

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2021-22 Year- End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>0.05</b>
Revenue	20.08
Expenditures	19.90
Estimated Current Year Surplus/(Shortfall)	0.18
<b>Subtotal Fund Balance</b>	<b>0.23</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(0.61)
Budgeted Fund Balance Repayment	0.36
<b>Estimated Ending Fund Balance</b>	<b>-0.01</b>

**Development Service Fund (2415)**

The Development Service Fund (2415) was created on June 20, 2006 by Ordinance No. 12741

C.M.S. This fund collects revenues from licenses, fees, and permits from housing and commercial planning and construction-related activities to support planning and zoning services, construction inspections and permit approvals, building code enforcement, plan checks and engineering services. Furthermore, this fund is required to keep a minimum 7.5% reserve of annual budgeted revenues for its balance, which would be \$8.10 million.

**Table 45: Historical Revenue for Fund 2415**

<b>Fiscal Year</b>	<b>Budgeted Revenue</b>	<b>Actual Revenue</b>
FY 2019-20	61.58	60.71
FY 2018-19	49.92	63.20
FY 2017-18	45.14	90.13
FY 2016-17	38.03	77.15

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$131.04 million, which are higher by \$0.14 million when compared to the Adjusted Budget of \$130.91 million.

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$114.58 million, which is a savings of \$16.31 million when compared to the Adjusted Budget of \$130.89 million.

**Table 46: FY 2021-22 Development Service Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
City Administrator	2.35	1.34	2.06	0.29
City Attorney	3.06	2.35	3.13	(0.07)
Department of Transportation	17.77	5.96	15.83	1.94
Economic and Workforce Development Department	0.75	0.54	0.77	(0.01)
Finance Department	1.02	0.76	1.03	(0.01)
Fire Department	9.43	4.08	6.47	2.97
Human Resources Management Department	0.94	0.59	0.79	0.15
Information Technology Department	1.67	1.02	1.38	0.30
Mayor	0.32	0.29	0.38	(0.06)
Non Departmental and Port	8.60	—	8.60	—
Oakland Public Works Department	4.50	0.81	3.99	0.52
Planning and Building Department	80.46	29.65	70.16	10.30
<b>Total Expenditures</b>	<b>130.89</b>	<b>47.38</b>	<b>114.58</b>	<b>16.31</b>

\*The adjusted budget includes Council Budget Amendments and Carryforwards

Fund Balance - The large fund balance, \$146.66 million at the end of FY 2020-21, has accumulated over the life of the fund due to revenues exceeding the budget as well as longstanding underspending or delays in expenditures attributed to a high number of vacancies within the Planning and Building Department. Furthermore, this fund is required to keep a minimum 7.5% reserve of annual budgeted revenues for its balance, which would be \$8.10 million.

FY 2021-22 revenue is projected to end the year at \$131.04 million. Expenditures are projected to end the year at \$114.58 million. The adjusted budget assumes the use of fund balance to support prior year carryforwards in the amount of \$77.10 million. As a result, the fund balance in the Development Service Fund (2415) is projected to decrease from \$146.66 million in FY 2020-21 to \$86.03 million in FY 2021-22 .

**Table 47: FY 2021-22 Development Service Fund Year-End Available Fund Balance (\$ in millions)**

DEVELOPMENT SERVICE FUND (2415)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>146.66</b>
Revenue	131.04
Expenditures	114.58
Estimated Current Year Surplus/(Shortfall)	16.47
<b>Subtotal Fund Balance</b>	<b>163.13</b>
<b>Use of Fund Balance in FY 2021-22</b>	
FY2021-22 Budgeted Transfer from Fund Balance	(77.10)
Budgeted Fund Balance Repayment	0.00
<b>Estimated Ending Fund Balance</b>	<b>86.03</b>



### Transient Occupancy Tax (Measure C) Fund (2419)

The Transient Occupancy Tax (Hotel Tax) Fund (2419) is a City of Oakland initiative approved by voters in July 2009 that imposed a 3% special transient occupancy tax on the privilege of renting a hotel room in the City. The revenue generated by this special tax is allocated as follows: 50% to the Oakland Convention and Visitor’s Bureau for its expenses and promotion of tourism activities, and 12.5% each to the Oakland Zoo, the Oakland Museum of California, the Chabot Space and Science Center and the City’s Cultural Arts Programs and Festivals.

Revenues - Based on current collection trends and updates, revenues from this fund are expected to come in at \$4.64 million which is equal to the adjusted budget.

**Table 48: FY 2021-22 Transient Occupancy Tax (Measure C) Fund Revenues (\$ in millions)**

Revenue Category	FY 2021-22 Adjusted Budget	Q3 YTD Revenue	Q3 Budget Forecast	Year-End \$ (Over) / Under Adjusted Budget
Transient Occupancy Tax	4.56	2.70	4.56	—
Project Offsets & Carryforwards	0.07		0.07	—
<b>Total</b>	<b>4.64</b>	<b>2.70</b>	<b>4.64</b>	

Expenditures - FY 2021-22 year-end expenditures are projected to come in at \$4.64 million, which is equal to the adjusted budget.

**Table 49: FY 2021-22 Measure C Projected Year-End Totals (\$ in millions)**

Department	FY 2021-22 Adjusted Budget	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Economic and Workforce Development Department	0.65	0.49	0.65	—
Non Departmental and Port	3.99	1.70	3.99	—
<b>Total Expenditures</b>	<b>4.64</b>	<b>2.20</b>	<b>4.64</b>	<b>—</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenues and expenditures are both projected to end the year at \$4.64 million. The adjusted revenue assumes the use of fund balance to support prior year carryforwards in the amount of \$0.07 million. As a result, the fund balance in the Measure C Fund (2419) is projected to decrease from \$0.22 million in FY 2020-21 to \$0.15 million in FY 2021-22.

**Table 50: FY 2021-22 Measure C Fund Year-End Available Fund Balance (\$ in millions)**

<b>MEASURE C - TRANSIENT OCCUPANCY TAX FUND (2419)</b>	<b>FY 2021-22 Year-End Estimate</b>
<b>Beginning Fund Balance - Audited</b>	<b>0.22</b>
Revenue	4.64
Expenditures	4.64
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>0.00</b>
<b>Subtotal Fund Balance</b>	<b>0.22</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(0.07)
Budgeted Fund Balance Repayment	0.00
<b>Estimated Ending Fund Balance</b>	<b>0.15</b>

**Reprographics Fund (4300)**

The Reproduction Fund (4300) is reported on a modified full accrual basis to reflect current assets and liabilities. Revenues are generated from equipment rental and services charges to operating departments for personnel, maintenance, and replacement of equipment in the City's print shop.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$1.70 million, which is equal to the adjusted budget.

Expenditures - FY 2021-22 expenditures are projected to end the year at \$1.39 million, which is \$0.30 million lower compared to the adjusted budget of \$1.70 million.

**Table 51: FY 2021-22 Reprographics Fund Projected Year-End Totals (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Information Technology Department	1.39	0.65	1.39	—
Non Departmental and Port	0.30	—	—	0.30
<b>Total Expenditures</b>	<b>1.70</b>	<b>0.65</b>	<b>1.39</b>	<b>0.30</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$1.70 million. Expenditures are projected to end the year at \$1.39 million. The adjusted budget assumes the use of fund balance to support prior year carryforwards in the amount of \$0.05 million and includes a budgeted transfer to fund balance in the amount of \$0.30 million. As a result, the fund balance in the Reprographics Fund (4300) is projected to Increase from a negative \$1.31 million in FY 2020-21 to a negative \$0.74 million in FY 2021-22.

**Table 52: FY 2021-22 Reprographics Fund Year-End Available Fund Balance (\$ in millions)**

REPROGRAPHICS FUND (4300)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>(1.31)</b>
Revenue	1.70
Expenditures	1.39
Estimated Current Year Surplus/(Shortfall)	0.31
<b>Subtotal Fund Balance</b>	<b>(1.00)</b>
<b>Use of Fund Balance in FY 2020-21</b>	
Budgeted Transfer from Fund Balance	(0.05)
Budgeted Fund Balance Repayment	0.30
<b>Estimated Ending Fund Balance</b>	<b>(0.74)</b>

**City Facilities Fund (4400)**

The Facilities Fund (4400) is reported on a modified full accrual basis to reflect current assets and liabilities. The Fund supports the Citywide function for building maintenance and janitorial services of City-owned facilities. Revenues are generated by charges to internal user departments.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$43.64 million, which is lower by \$0.03 million when compared to the adjusted budget of \$43.61 million.

Expenditures - FY 2021-22 expenditures are projected to end the year at \$40.03 million, which is a savings \$3.58 million when compared to the adjusted budget of \$43.61 million.

**Table 53: FY 2021-22 City Facilities Projected Year-End Totals (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Capital Improvement Projects	0.02	—	0.02	—
Department of Transportation	0.05	0.03	0.05	0.01
Human Resources Management Department	0.02	—	0.02	—
Human Services Department	0.77	0.49	0.70	0.07
Non Departmental and Port	0.28	—	0.28	—
Oakland Public Works Department	42.47	26.79	38.98	3.49
<b>Total Expenditures</b>	<b>43.61</b>	<b>27.32</b>	<b>40.03</b>	<b>3.58</b>

\*The adjusted budget includes Council Budget Amendments and Carryforwards

Fund Balance - FY 2021-22 revenue is projected to end the year at \$43.64 million. Expenditures are projected to end the year at \$41.27 million. The adjusted budget assumes the use of fund balance to support prior year carryforwards in the amount of \$3.95 million. As a result, the fund balance in the Reproduction Fund (4400) is projected to decrease from \$2.83 million in FY 2020-21 to \$1.25 million in FY 2021-22.

**Table 54: FY 2021-22 Facilities Fund Year-End Available Fund Balance (\$ in millions)**

FACILITIES FUND (4400)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>2.83</b>
Revenue	43.64
Expenditures	40.03
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>3.61</b>
<b>Subtotal Fund Balance</b>	<b>6.44</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(3.95)
Budgeted Fund Balance Repayment	—
<b>Estimated Ending Fund Balance</b>	<b>2.49</b>

**Central Stores Fund (4500)**

The Central Stores Fund (4500) is reported on a modified full accrual basis to reflect current assets and liabilities. The Central Stores operation and facility was closed during a restructuring of the inventory model in Public Works. This fund now supports the Citywide mail room function and revenues are generated by charges to internal user departments.

Revenues - FY 2021-22 year-end revenues are projected to come in at \$1.29 million, which is at budget.

Expenditures - FY 2021-22 expenditures are projected to end the year at \$1.28 million, which is \$0.01 million higher than the adjusted budget of \$1.29 million.

**Table 55: FY 2021-22 Central Stores Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) /Under Adjusted
Finance Department	0.43	0.41	0.4	0.00
Non Departmental and Port	0.86	—	0.8	0.01
<b>Total Expenditures</b>	<b>1.29</b>	<b>0.41</b>	<b>1.2</b>	<b>0.01</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$1.29 million. Expenditures are projected to end the year at \$1.33 million. The adjusted budget includes a budgeted transfer to fund balance in the amount of \$0.78 million. As a result, the fund balance in the Central Stores Fund (4500) is projected to increase from negative \$3.58 million in FY 2020-21 to negative \$2.84 million in FY 2021-22.

**Table 56: FY 2021-22 Central Stores Fund Year-End Available Fund Balance (\$ in millions)**

CENTRAL STORES FUND (4500)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>(3.58)</b>
Revenue	1.29
Expenditures	1.28
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>0.01</b>
<b>Subtotal Fund Balance</b>	<b>(3.57)</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	
Budgeted Fund Balance Repayment	0.78
<b>Estimated Ending Fund Balance</b>	<b>(2.79)</b>

**Purchasing Fund (4550)**

The Purchasing Fund (4550) is reported on a modified full accrual basis to reflect current assets and liabilities. The Purchasing Fund supports the Citywide purchasing function for good and services. Revenues are generated by charges to internal user departments.

Revenues: - FY 2021-22 year-end revenues are projected to come in at \$1.78 million, which is higher by \$0.01 million when compared to the adjusted budget of \$1.77 million.

Expenditures - FY 2021-22 expenditures are projected to end the year at \$1.44 million, which is \$0.32 million higher than the adjusted budget of \$1.77 million.



**Table 57: FY 2021-22 Purchasing Fund Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q2 YTD Actuals	FY 2021-22 Q2 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Finance Department	1.74	1.35	1.44	0.30
Non Departmental and Port	0.02	0.00	0.00	0.02
<b>Total Expenditures</b>	<b>1.77</b>	<b>1.35</b>	<b>1.44</b>	<b>0.32</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$1.78 million. Expenditures are projected to end the year at \$1.44 million. The adjusted budget assumes the use of fund balance to support prior year carryforwards in the amount of \$0.02 million. Inversely, there is a budgeted contribution to fund balance in the amount of \$0.02 million. As a result, the negative fund balance in the Purchasing Fund (4550) is projected to increase from negative \$0.21 million in FY 2020-21 to \$0.13 million in FY 2021-22.

**Table 58: FY 2021-22 Purchasing Fund Year-End Available Fund Balance (\$ in millions)**

PURCHASING FUND (4550)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance – Audited</b>	<b>(0.21)</b>
Revenue	1.78
Expenditures	1.44
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>0.34</b>
<b>Subtotal Fund Balance</b>	<b>0.13</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(0.02)
Budgeted Fund Balance Repayment	0.02
<b>Estimated Ending Fund Balance</b>	<b>0.13</b>

Measure KK Funds (5330, 5331, 5332, 5333, 5335)

In 2016, Oakland voters passed, with a two-thirds majority, the Measure KK bond measure which allowed the issuance of \$600 million in general obligations bonds to finance City infrastructure projects and affordable housing. Per the ballot, Measure KK funds could be spent on affordable housing development, facilities improvements, and street maintenance.

Revenues - FY 2021-22 revenues are projected to end the year at the adjusted budget of \$201.90 million.

Expenditures - FY 2021-22 expenditures are projected to end the year at the adjusted budget of \$201.90 million

**Table 59: FY 2021-22 Measure KK Expenditures (\$ in millions)**

Department	FY 2021-22 Adjusted Budget*	FY 2021-22 Q3 YTD Actuals	FY 2021-22 Q3 Year-End Estimate	Year-End \$ (Over) / Under Adjusted Budget
Capital Improvement Projects	168.00	32.19	168.00	—
Department of Transportation	1.26	5.62	1.26	—
Housing and Community Development Department	31.82	5.00	31.82	—
Oakland Public Works Department	0.96	2.48	0.96	—
Police Department	(0.14)	0.30	(0.14)	—
<b>Total Expenditures</b>	<b>201.90</b>	<b>45.57</b>	<b>201.90</b>	<b>—</b>

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2021-22 revenue is projected to end the year at \$201.90 million. Expenditures are projected to end the year at \$201.90 million. The adjusted budget assumes use of fund balance to support prior year carryforwards in the amount of \$109.98 million. As a result, the fund balance in the Measure KK Funds (5330, 5331, 5332, 5333, 5335) is projected to decrease from \$112.79 million in FY 2020-21 to \$2.81 million in FY 2021-22 .

**Table 60: FY 2021-22 Measure KK Funds Year-End Available Fund Balance (\$ in millions)**

MEASURE KK FUNDS (5331, 5332, 5333, 5335)	FY 2021-22 Year-End Estimate
<b>Beginning Fund Balance - Audited</b>	<b>112.79</b>
Revenue	201.90
Expenditures	201.90
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>—</b>
<b>Subtotal Fund Balance</b>	<b>112.79</b>
<b>Use of Fund Balance in FY 2021-22</b>	
Budgeted Transfer from Fund Balance	(109.98)
Budgeted Fund Balance Repayment	—
<b>Estimated Ending Fund Balance</b>	<b>2.81</b>

**1. ALL OTHER FUNDS – FUND BALANCE SUMMARY**

**Table 62: FY 2021-22 All Other General Funds Year-End Available Fund Balances (\$ in millions)**

<b>Fund Description</b>	<b>FY21-22 Beg Audited Fund Balance</b>	<b>FY21-22 Year End Rev Projections</b>	<b>FY21-22 Year End Exp Projections</b>	<b>FY21-22 Bud Contribution To/ (Use Of) Fund Balance</b>	<b>FY21-22 Year End Avail Fund Balance (Unaudited)</b>
1011 - General Purpose Emergency Reserve	—	54.61	54.61	54.61	54.61
1020 - Vital Services Stabilization F	0.25	2.58	2.58	2.58	2.83
1030 - Measure HH (SSBDT)	7.82	14.05	14.62	(7.02)	0.23
1100 - Self Insurance Liability	(19.07)	56.77	55.83	0.79	(17.34)
1150 - Worker's Compensation Insurance	0.17	0.03	8.66	(0.02)	(8.48)
1200 - Pension Override Tax Revenue	217.65	118.08	118.08	9.30	226.95
1600 - Underground District Revolving	(0.92)	0.19	0.19	0.19	(0.74)
1610 - Successor Redevelopment Agency	(0.14)	2.35	2.41	(0.03)	(0.23)
1700 - Mandatory Refuse Program	1.69	2.51	2.49	(0.15)	1.56
1710 - Recycling Program	3.27	6.34	5.92	(1.06)	2.63
1720 - Comprehensive Clean-up	4.31	26.18	23.78	(2.75)	3.96
1750 - Multipurpose Reserve	(0.66)	12.15	11.52	(0.57)	(0.60)
1760 - Telecommunications Reserve	(0.48)	1.68	1.68	(0.01)	(0.49)
1770 - Telecommunications Land Use	0.57	0.82	0.84	(0.04)	0.51
1780 - Kid's First Oakland Children's	8.71	25.29	24.74	(7.45)	1.81
1791 - Contract Administration Fee	—	—	—	—	—
1820 - OPRCA Self Sustaining Revolving	3.54	3.93	5.53	(0.07)	1.87
1830 - Central District Project Area	1.92	1.42	1.42	(7.60)	(5.68)
1870 - Affordable Housing Trust Fund	38.49	51.62	49.29	(35.02)	5.80
1880 - Low Mod Operations	1.10	0.13	0.13	(0.13)	0.97

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
1882 - Multi Service Center/Rent	(0.02)	0.18	0.18	(0.18)	(0.20)
1884 - 2006 Housing Bond Proceeds	8.61	1.18	1.18	(1.18)	7.43
1885 - 2011A-T Subordinated Housing	38.13	11.31	10.75	(8.42)	30.26

**Table 63: All Other Special Revenue Funds (\$ in millions)**

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
2063 - FEMA Declarations	(1.08)	1.38	1.96	0.12	(1.53)
2071 - CARES Act Relief Fund	0.96	30.24	29.41	(29.90)	(28.10)
2072 - American Rescue Act Plan	—	99.10	98.68	—	0.42
2102 - Department of Agriculture	(0.07)	1.47	1.30	—	0.10
2103 - HUD-ESG/SHP/HOPWA	(5.22)	83.78	64.14	—	14.42
2108 - HUD-CDBG	(6.69)	16.93	16.55	—	(6.31)
2109 - HUD-Home	4.12	26.04	24.08	—	6.09
2112 - Department of Justice	(0.81)	2.48	0.11	—	1.56
2113 - Department of Justice - COPS H	(1.52)	(0.77)	0.27	0.27	(2.29)
2114 - Department of Labor	0.02	(0.03)	(0.03)	—	0.02
2116 - Department of Transportation	(1.99)	20.86	21.31	—	(2.45)
2120 - Federal Action Agency	(0.04)	0.50	0.38	—	0.08
2123 - US Dept of Homeland Security	(0.04)	7.09	4.76	—	2.30
2124 - Federal Emergency Management A	(2.84)	7.34	5.95	0.28	(1.16)
2125 - Environmental Protection Agency	2.46	1.50	1.50	—	2.46
2128 - Department of Health and Human	(6.87)	30.93	28.10	—	(4.04)
2129 - Trade Corridor Improvement Fun	1.43	1.23	2.20	—	0.46
2134 - California Parks and Recreation	(0.07)	4.88	4.88	—	(0.07)
2138 - California Department of Education	1.05	2.38	1.33	—	2.10

Edward D. Reiskin, City Administrator  
Attachment A: FY 2021-22 Q3 Detailed Report  
May 19, 2022

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
2139 - California Department of Conse	0.22	26.34	25.27	—	1.29
2140 - California Department of Trans	(0.46)	11.96	12.37	—	(0.88)
2144 - California Housing and Community	(0.70)	3.32	2.72	—	(0.10)
2146 - California State Emergency Ser	1.68	0.09	0.09	—	1.68
2148 - California Library Services	0.27	0.16	0.18	—	0.24
2150 - California Department of Fish	0.14	0.21	0.19	—	0.17
2152 - California Board of Correction	(3.68)	5.97	5.76	0.45	(3.02)
2154 - California Integrated Waste Ma	(0.14)	0.06	0.06	—	(0.14)
2158 - 5th Year State COPS Grant, AB	3.09	0.43	0.25	—	3.27
2159 - State of California Other	26.58	63.64	60.71	—	29.51
2160 - County of Alameda: Grants	2.17	5.49	5.58	—	2.08
2162 - Metro Transportation Com: TDA	(0.24)	1.51	1.50	—	(0.23)
2163 - Metro Transportation Com: Prog	(0.29)	(0.05)	0.05	—	(0.39)
2166 - Bay Area Air Quality Management	(0.41)	0.59	0.59	—	(0.41)
2172 - Alameda County: Vehicle Abatement	0.07	0.59	0.83	—	(0.17)
2175 - Alameda County: Source Reduction	0.60	0.40	0.40	—	0.60
2190 - Private Grants	0.02	0.52	0.46	—	0.07
2195 - Workforce Investment Act	0.92	6.55	5.68	—	1.80
2211 - Measure B: Local Streets & Roads	13.02	20.18	20.75	(10.92)	1.53
2212 - Measure B: Bicycle/Pedestrian	2.39	2.72	2.23	(1.48)	1.40
2213 - Measure B: Paratransit - ACTC	1.00	1.96	1.65	(0.90)	0.40
2214 - ACTC Reimbursable Grants	(1.50)	15.54	15.55	(13.91)	(15.41)
2215 - Measure F - Vehicle Registration	2.35	3.30	2.53	(1.08)	2.05
2216 - Measure BB - Alameda County	0.01	0.01	—	(0.01)	0.01
2217 - Measure BB - OAB Roadway Infra	(0.09)	(1.39)	(1.31)	1.39	1.22
2218 - Measure BB - Local Streets and	8.68	18.81	16.36	(2.55)	8.58

Edward D. Reiskin, City Administrator  
Attachment A: FY 2021-22 Q3 Detailed Report  
May 19, 2022

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
2219 - Measure BB - Bike and Pedestrian	1.97	2.81	2.63	(1.06)	1.09
2220 - Measure BB - Paratransit	1.89	2.91	2.30	(1.34)	1.16
2230 - State Gas Tax	2.24	15.45	9.98	(2.09)	5.62
2232 - Gas Tax RMRA	2.35	11.15	7.98	(2.13)	3.39
2241 - Measure Q-Library Services Ret	7.21	18.50	17.54	(0.53)	7.65
2243 - Measure D - Parcel Tax to Main	6.34	13.91	13.15	(0.47)	6.63
2244 - Measure Q - Parks & Recreation	11.99	39.68	40.15	(12.72)	(1.20)
2250 - Measure N: Fund	0.91	2.23	2.20	(0.35)	0.58
2251 - Measure Y: Public Safety Act 2	(0.11)	—	—	—	(0.11)
2252 - Measure Z - Violence Prevention	1.73	30.17	29.17	(2.47)	0.26
2260 - Measure WW: East Bay Regional	(0.57)	0.62	0.62	(0.62)	(1.19)
2270 - Vacant Property Tax Act Fund	0.94	10.95	10.72	(5.35)	(4.18)
2310 - Lighting and Landscape Assessment	0.05	20.06	19.62	(0.61)	0.24
2320 - Fire Suppression Assessment Di	0.03	0.03	0.03	(0.03)	—
2330 - Werner Court Vegetation Mgmt D	0.05	0.05	0.05	(0.05)	—
2331 - Wood Street Community Facility	0.58	0.17	0.14	(0.10)	0.52
2332 - Gateway Industrial Park	0.72	1.11	1.00	(0.27)	0.56
2333 - Brooklyn Basin Public Services	—	0.05	0.05	(0.03)	(0.03)
2411 - False Alarm Reduction Program	(2.94)	3.00	3.02	(0.26)	(3.22)
2412 - Measure M - Alameda County: Em	0.91	2.80	2.68	(0.47)	0.55
2413 - Rent Adjustment Program Fund	4.75	9.47	11.15	(2.83)	0.25
2415 - Development Service Fund	146.66	131.02	114.15	(77.10)	86.43
2416 - Traffic Safety Fund	0.06	0.94	0.94	0.03	0.09
2417 - Excess Litter Fee Fund	1.61	1.19	1.19	(0.74)	0.87
2419 - Measure C: Transient Occupancy	0.22	4.64	4.64	(0.07)	0.15
2420 - Transportation Impact Fee	7.16	6.89	6.72	(5.84)	1.49
2421 - Capital Improvements Impact Fe	3.81	4.47	4.47	(3.55)	0.26

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
2611 - HUD-CDBG (ARRA)	0.82	0.03	0.03	(0.03)	0.79
2826 - Mortgage Revenue	2.10	0.21	0.21	(0.12)	1.98
2830 - Low- and Moderate-Income Housing	21.15	3.87	3.87	(3.87)	17.28
2990 - Public Works Grants	(1.36)	0.53	0.41	0.26	(0.98)
2992 - Parks and Recreation Grants	(2.03)	0.46	0.46	0.46	(1.56)
2994 - Social Services Grants	0.33	0.18	0.18	—	0.33
2995 - Police Grants	0.30	0.02	0.02	—	0.30
2996 - Parks and Recreation Grants 20	(0.06)	0.11	0.11	—	(0.06)
2999 - Miscellaneous Grants	12.39	10.97	11.39	(0.26)	11.70

**Table 64: All Other Enterprise Funds (\$ in millions)**

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
3100 - Sewer Service Fund	85.06	139.08	141.40	(70.10)	12.64
3200 - Golf Course	(0.40)	0.96	0.49	(0.09)	(0.02)

**Table 65: All Other Internal Service Funds (\$ in millions)**

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
4100 - Equipment	28.16	52.8	51.96	(14.97)	14.03
4200 - Radio / Telecommunications	6.51	10.81	10.54	(3.98)	2.81
4210 - Telephone Equipment and Software	0.82	0.91	0.91	(0.13)	0.69
4300 - Reprographics	(1.31)	1.70	1.70	0.26	(1.05)
4400 - City Facilities	2.83	43.61	41.27	(3.95)	1.23

\* FY 2021-22 Beginning Cash Balance is used for Internal Service Funds.



Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
4450 - City Facilities Energy Conservation	0.55	1.16	1.36	(1.16)	(0.81)
4500 - Central Stores	(3.58)	1.29	1.34	0.78	(2.85)
4550 - Purchasing	(0.21)	1.78	1.88	(0.06)	(0.31)
4600 - Information Technology	9.97	31.21	30.49	(14.19)	(3.50)

\* FY 2021-22 Beginning Cash Balance is used for Internal Service Funds.

**Table 66: All Other Capital Project Funds (\$ in millions)**

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
5012 - JPFA Admin Building: Series 19	(1.35)	0.31	0.31	0.31	(1.04)
5055 - Piedmont Pines Underground Ass	0.03	—	—	—	0.02
5130 - Rockridge: Library Assessment	1.13	0.01	0.01	(0.01)	1.12
5200 - JPFA Capital Projects: Series	(0.10)	0.04	0.04	(0.04)	(0.14)
5320 - Measure DD: 2003A Clean Water,	—	0.01	0.01	(0.01)	(0.01)
5321 - Measure DD: 2009B Clean Water,	0.46	0.86	1.73	(0.86)	(1.27)
5322 - Measure DD: 2017C Clean Water,	15.08	14.46	18.22	(14.46)	(3.14)
5330 - Measure KK: Infrastructure and	11.43	9.57	9.57	(9.57)	1.87
5331 - Measure KK: Affordable Housing	13.33	11.13	11.13	(11.13)	2.20
5332 - Measure KK: Infrastructure Series 2020B-1 (Tax Exempt)	67.34	68.59	68.59	(68.59)	(1.25)
5333 - Measure KK: Affordable Housing 2020	20.69	20.70	20.70	(20.70)	(0.01)
5335 - 5335 - Measure KK: Infrastructure 2022	—	91.93	91.93	—	—
5500 - Municipal Capital Improvement	(5.14)	1.03	1.03	1.03	(4.11)
5505 - Municipal Capital Improvement:	2.11	1.39	1.39	(0.91)	1.20
5510 - Capital Reserves	(1.10)	0.22	0.22	0.22	(0.88)
5610 - Central District Projects	24.84	15.71	15.34	(12.21)	13.01
5611 - Central District: TA Bonds Se	13.22	2.79	2.79	(2.79)	10.43
5612 - Central District: TA Bonds Se	8.41	5.00	5.04	(5.00)	3.37

Edward D. Reiskin, City Administrator  
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Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
5613 - Central District: TA Bonds Se	2.94	4.29	4.25	(4.29)	(1.31)
5614 - Central District: TA Bonds Se	7.57	8.05	7.78	(8.05)	(0.21)
5630 - Broadway/MacArthur/San	0.19	0.18	0.18	(0.18)	0.01
5637 - BMSP: TA Bond Series 2006C-TE	—	—	—	—	—
5638 - BMSP: TA Bond Series 2006C-T	0.59	0.28	0.26	(0.28)	0.33
5640 - Central City East Projects	0.17	0.02	0.07	(0.02)	0.10
5643 - Central City East TA Bonds Ser	19.84	7.02	7.03	(7.02)	12.81
5650 - Coliseum Projects	6.05	4.57	4.69	(4.47)	1.46
5653 - Coliseum: TA Bonds Series 2003	(0.11)	0.02	0.02	(0.02)	(0.12)
5656 - Coliseum: TA Bonds Series 2006	47.96	8.76	8.71	(8.76)	39.25
5660 - West Oakland Projects	(1.48)	—	—	—	(1.48)
5670 - Oakland Base Reuse Authority	(0.27)	0.07	0.07	(0.07)	(0.34)
5671 - OBRA: Leasing & Utility	52.12	4.82	4.30	(3.43)	49.20
5672 - Joint Army Base Infrastructure	1.31	(0.23)	(0.23)	0.23	1.55
5674 - Oakland Army Base Joint Remediation	0.17	—	—	—	0.17
5999 - Miscellaneous Capital Projects	(1.59)	3.05	2.64	0.44	(0.74)

**Table 67: All Other Debt Service Funds (\$ in millions)**

Fund Description	FY21-22 Beg Audited Fund Balance	FY21-22 Year End Rev Projections	FY21-22 Year End Exp Projections	FY21-22 Bud Contribution To/ (Use Of) Fund Balance	FY21-22 Year End Avail Fund Balance (Unaudited)
6013 - 2013 LED Streetlight Acquisition	0.39	1.53	1.53	—	0.39
6029 - Taxable Pension Obligation Bon	0.23	18.15	18.15	—	0.23
6032 - Taxable Pension Obligation: Se	0.31	51.63	51.63	—	0.31
6036 - JPFA Refunding Revenue Bonds:	6.96	0.18	0.18	(0.18)	6.78
6064 - GO Refunding Bonds, Series 201	4.88	13.68	13.68	—	4.88
6322 - Measure DD: 2017C Clean Water,	0.81	1.46	1.46	—	0.81
6330 - Measure KK: 2017A-1 (TE) Infra	1.65	2.25	2.25	—	1.65
6331 - Measure KK: 2017A-2 (Taxable)	1.61	4.14	4.14	—	1.61
6540 - Skyline Sewer District – Redem.	0.03	0.02	0.02	(0.02)	0.01
6557 - Piedmont Pines P1 2018 Reassess	0.20	0.11	0.11	—	0.20
6587 - 2012 Refunding Reassessment Bo	1.02	0.42	0.42	—	1.02
6613 - JPFA Lease Revenue Refunding B	—	8.34	8.34	—	—

**Table 68: All Other Fiduciary Funds/Trust & Agency Funds (\$ in millions)**

<b>Fund Description</b>	<b>FY21-22 Beg Audited Fund Balance</b>	<b>FY21-22 Year End Rev Projections</b>	<b>FY21-22 Year End Exp Projections</b>	<b>FY21-22 Bud Contribution To/(Use Of) Fund Balance</b>	<b>FY21-22 Year End Avail Fund Balance (Unaudited)</b>
7100 - Police and Fire Retirement Sys	458.53	3.56	3.34	(3.56)	455.20
7130 - Employee Deferred Compensation	—	0.24	0.24	0.19	0.19
7320 - Police and Fire Retirement Sys	50.97	4.89	4.89	—	50.97
7420 - State Asset Trust	0.49	0.09	0.09	(0.09)	0.40
7440 - Unclaimed Cash	0.63	(0.06)	0.04	0.06	0.59
7540 - Oakland Public Library Trust	1.01	0.81	0.81	(0.60)	0.40
7640 - Oakland Public Museum Trust	0.76	0.72	0.72	(0.71)	0.05
7690 - Kerrison Trust for Police Enha	0.08	—	—	—	0.08
7760 - Grant Clearing	(2.95)	2.53	6.28	(0.26)	(6.97)
7780 - Oakland Redevelopment Agency P	0.15	0.15	0.15	(0.15)	—
7902 - Oakland Senior Center: North	0.02	0.01	0.01	(0.01)	0.01
7903 - Oakland Senior Center: West	0.01	0.01	0.01	(0.01)	0.01
7904 - Oakland Senior Center: East	0.01	0.01	0.01	(0.01)	—
7999 - Miscellaneous Trusts	2.13	1.50	1.51	—	2.12

2018 APR 13 AM 10:21

City Attorney

**OAKLAND CITY COUNCIL**  
**ORDINANCE 11 E-1 a 8,7 "c.M.S.**

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**ORDINANCE AMENDING THE CITY OF OAKLAND  
CONSOLIDATED FISCAL POLICY**

**WHEREAS**, the City Council adopted Ordinance No. 13279, known as the Consolidated Fiscal Policy, on December 9, 2014; and,

**WHEREAS**, the Government Finance Officers Association (GFOA) recommends that local governments adopt formal policies in the areas of financial management, planning, revenues, and expenditures; and

**WHEREAS**, the Consolidated Fiscal Policy sets forth guidelines for budget balancing, use of volatile revenues, use of one-time revenues, process for carryforward appropriations, long-term financial planning, and transparency & public participation; and

**WHEREAS**, the Consolidated Fiscal Policy establishes reserve funds for emergencies, insurmountable and unanticipated hardship, and for capital improvement; and

**WHEREAS**, the Consolidated Fiscal Policy establishes a reserve fund to stabilize the provision of vital services, and protect against service reductions, layoffs, furloughs, and similar measures in times of economic hardship; and

**WHEREAS**, the Consolidated Fiscal Policy provides for accelerated debt repayment and pay-down of unfunded long-term obligations; and

**WHEREAS**, City staff recommends the definition of excess Real Estate Transfer Tax should be modified based on historical experience; and

**WHEREAS**, the Consolidated Fiscal Policy will include the policies on budgeting practices, reserve funds, and budget process, fiscal planning, transparency, and public participation; now, therefore

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

**Section 1.** The Council does find, determine and declare the foregoing recitals to be true and correct and hereby adopts and incorporates them into this Ordinance.

**Section 2.** The City of Oakland Consolidated Fiscal Policy is hereby, amended, approved, and adopted in the form attached hereto as Exhibit 1.

**Section 3.** In conformance with best practice and sound financial management, the City shall continue to separately maintain and submit on an as needed basis to the City Council, statements of the City's Debt Policy and Investment Policy.

IN COUNCIL, OAKLAND, CALIFORNIA, \_ MAY 15, 2018

PASSED BY THE FOLLOWING VOTE:

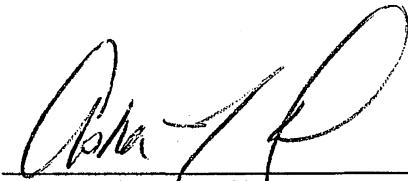
AYES- BR00 J.uCAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, .. **7**  
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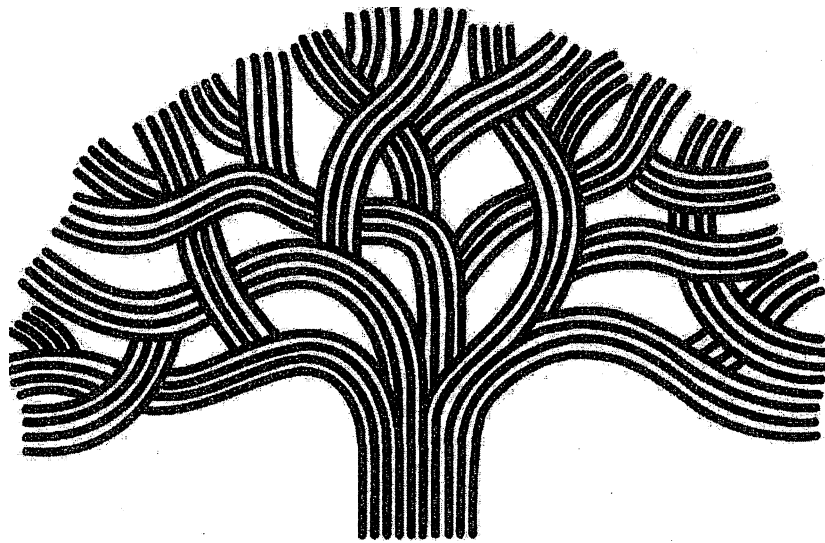
LaTonda Simmans  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**Introduction Date**

**MAYO 12018**

# CITY OF OAKLAND

## CONSOLIDATED FISCAL POLICY



## Section 1. Budgeting Practices

### Part A. General Provisions

The City's Fiscal Year shall begin on July <sup>pt</sup> of each year and end on June 30<sup>th</sup> of the subsequent year. The City shall adopt a two-year biennial policy budget by June 30<sup>th</sup> of odd-numbered calendar years. The City shall amend its biennial policy budget (midcycle) by June 30<sup>th</sup> of even-numbered years. The budget and midcycle amendments shall be adopted by resolution of the City Council as required by the City Charter.

### Part B. Policy on Balanced Budgets,

The City shall adopt a balanced budget that limits appropriations to the total of estimated revenues and unallocated fund balances projected to be available at the close of the current fiscal year. The City Administrator shall be responsible for ensuring that the budget proposed to the City Council by the Mayor, adheres to the balanced budget policy.

This policy entails the following additional definitions and qualifications:

1. The budget must be balanced at an individual fund level.
2. City policies on reserve requirements for individual funds must be taken into account. The appropriated expenditures included in the balanced budget equation must include the appropriations necessary to achieve or maintain reserve targets.
3. Appropriated revenues can include transfers from unallocated fund balance where such fund balance is reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. Transfers from fund balance are not to be counted as revenue if the fund balance is not reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. (Note: The precise definition of 'fund balance' will vary from fund to fund, depending on the fund's characteristics and accounting treatment.)
4. Appropriated expenditures can include transfers to fund balance or to reserves.

From time to time the City Council may present changes in policy and consider additional appropriations that were not anticipated in the most recently adopted budget. Amendments by the City Council shall maintain a balanced budget.

Each fiscal year the City Administrator shall report to the City Council on actual revenues and expenditures in the General Purpose Fund and other funds as deemed necessary.

### Part C. Use of Excess Real Estate Transfer Tax (RETT) Revenues

To ensure adequate levels of the General Purpose Fund reserves and to provide necessary funding for municipal capital improvement projects and one-time expenses, the City shall require that excess Real Estate Transfer Tax revenues be defined and used as follows:



- I. The excess Real Estate Transfer Tax (RETT) revenue is hereby defined as any amount of projected RETT revenues that exceed 15% of General Purpose Fund Tax Revenues (inclusive of RETT).
2. The excess Real Estate Transfer Tax, as described in this section, shall be used in the following manner and appropriated through the budget process:
  - a. At least 25% shall be allocated to the Vital Services Stabilization Fund, until the value in such fund is projected to equal to 15% of total General Purpose Fund revenues over the coming fiscal year; and
  - b. At least 25% shall be used to fund debt retirement and unfunded long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post-Employment Benefits (OPEB) unfunded liabilities; and
  - c. The remainder shall be used to fund one-time expenses or to augment reserves.

Use of the excess RETT revenues for purposes other than those established in this section must be authorized by City Council resolution. The resolution shall explain the need for using excess RETT revenues for purposes other than those established in this section. The resolution shall also include steps the City will take to return to using excess RETT revenues pursuant to this section.

4. Following the completion of the annual audit, excess RETT revenues will be analyzed to determine whether the transfers to the Vital Services Stabilization Fund or expenditures to fund debt retirement and unfunded long-term obligations were sufficient. If insufficient funds were transferred, a true-up payment shall be made in the next fiscal year. If the transfers exceed the actual requirement, the amounts in excess may be credited against allocations in the next fiscal year.

#### **Part D. Use of One-Time Revenues**

1. One-time revenues are defined as resources that the City cannot reasonably expect to receive on an ongoing basis, such as proceeds from asset sales and debt refinancing. This part shall not apply to the use of excess RETT revenues pursuant to Section 1. Part C.
2. Fiscal prudence requires that any unrestricted one-time revenues be used for one-time expenses. Therefore, one-time revenues shall be used in the following manner, unless they are legally restricted to other purposes: to fund one-time expenditures, to fund debt retirement and unfunded long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post-Employment Benefits (OPEB) unfunded liabilities; or shall remain as fund balance.

3. Use of one-time revenues for purposes other than those established in in this section must be authorized by City Council resolution. The resolution shall explain the need for using one-time revenues for purposes other than those established in this section. The resolution shall also include steps the City will take to return to using one-time revenues pursuant to this section.

#### **Part E. Use of Unassigned General Purpose Fund Balance**

Any unassigned General Purpose Fund balance, as projected in the 3rd Quarter Revenue and Expenditure Report, and not budgeted for other purposes, shall be used in accordance with Section 1, Part D.

#### **Part F. Analysis of Funding for Debt or Unfunded Long-Term Obligations From Certain Revenues**

When excess RETT or other one-time revenues are used to fund accelerated debt retirement or unfunded long-term obligations, the City Administrator shall present his or her analysis and recommendations to the Council based on the best long-term financial interest of the City.

#### **Part G. Criteria for Project Carryforwards and Encumbrances**

Previously approved but unspent project appropriations ("carryforwards") and contingent liability reserves for current purchases or contracts that are paid in the following fiscal year ("encumbrances") are financial obligations against reserves. Fiscal prudence requires that such obligations be limited.

Each fiscal year, the Finance Department will submit a list of eligible carryforwards and encumbrances to all departments for evaluation for all funds, including the General Purpose Fund. Departments may request to retain some or all carryforwards and encumbrances when such balances are:

1. Deemed essential to the delivery of active city projects, programs and services; or
2. If the liquidation of such balances would be in violation of legislative or legal requirements.

A departmental request to retain project carryforwards and/or encumbrances must be submitted to the Finance Department. Departments shall provide specific reasons for requested project carryforwards and encumbrance carryforwards, including, but not limited to, those reasons outlined above. Carryforward of project appropriations in funds with negative balances will only be allowed on an exception basis.

The Finance Department will recommend to the City Administrator an action on the departmental requests. The City Administrator shall make a final determination on project carryforward and encumbrances, and will direct the Finance Department to make canyforwards

available to the appropriate department.

#### **Part H. Grant Retention Clauses**

Prior to the appropriation of revenues from any grant outside of the budget process, the City Council shall be informed of any retention clauses that require the City to retain grant-funded staff, services, programs, or operations beyond the term of the grant. The fiscal impacts of such retention clauses shall be disclosed. During the biennial budget process staff shall report to the Council the ongoing projected fiscal impacts of such retention clauses.

#### **Part I. Alterations to the Budget**

Substantial or material alterations to the adopted budget including shifting the allocation of funds between departments and substantial or material changes to funded service levels, shall be made by resolution of the City Council.

The Finance Department will include departmental expenditure projections for the General Purpose Fund in the Second Quarter Revenue & Expenditure Report. **In** the event that a department is projected to overspend in the General Purpose Fund by more than one percent (1%), the City Administrator shall bring an informational report to the City Council within 60 days following acceptance of the Revenue & Expenditure report by the City Council. The report shall list the actions the Administration is taking to bring the expenditures into alignment with the budget.

#### **Part J. Transfers of Funds between accounts.**

The City Administrator shall have the authority to transfer funds between personnel accounts, and between non-personnel accounts within a department. The City Administrator shall have the authority to transfer funds allocated to personnel accounts to non-personnel accounts within a department provided that cumulative transfers within one fiscal year do not exceed 5% of the original personnel account allocation of that department. The City Administrator shall have the authority to transfer funds from non-personnel accounts to personnel accounts within a department. The City Administrator shall have the authority to transfer funds allocated to personnel accounts to non-personnel accounts if the transfer is required to meet the conditions of or maximize the funding derived from a grant that has been approved by the City Council. For the purposes of this section accounts for the provision of temporary personnel services shall be considered personnel accounts.

#### **Part K. Pay-Go Account Expenditures, Priority Project Fund Expenditures, and Grants**

The City Council hereby finds and determines that it is in the public interest to spend Pay-go account fund to facilitate and support programs & services of the City of Oakland, capital improvement projects of the City of Oakland, and programs & capital improvement projects of the public schools and other public entities within the City of Oakland. The Council authorizes Pay-Go account funds to be used for the following purposes:

Capital Improvements:

1. To pay for or augment funding for a City of Oakland capital improvement project including planning and pre-construction services for projects such as, but not limited to, feasibility studies and design, landscaping, architectural and engineering services and all services and materials needed to construct a capital improvements such as, but not limited to, contractor services, lumber, concrete, gravel, plants and other landscape materials, fountains, benches, banners, signs, affixed artwork and any other design and decorative elements of the project; and
2. To provide a grant to a public school, including a school chartered by the State of California or Oakland Unified School District, or other public entity for use on capital improvement project within the City of Oakland, including planning and pre-construction services for projects such as; but not limited to, feasibility studies and design, landscaping, architectural and engineering services and all services and materials needed to construct a capital improvements such as, but not limited to, contractor services, lumber, concrete, gravel, plants and other landscape materials, fountains, benches, banners, signs, affixed artwork and any other design and decorative elements of the project; and

Furniture & Equipment:

3. To pay for or augment funding for purchase of furniture and equipment, including computer equipment and software, to be used by participants in a program operated by the City of Oakland; and
4. To provide a grant to a public school, including a school chartered by the State of California or Oakland Unified School District, or another public entity to be used for furniture and equipment, including computer equipment and software, to be used by participants in a program operated by the public school or public entity.

Pay-go purposes stated above shall operate as restrictions on Pay-go expenditures or Pay-go grants, regardless of the Pay-go account funding source.

Pay-go purposes stated above shall apply to any and all Pay-go expenditures or grants made by the Mayor and each City Councilmember. All Pay-go expenditures and grants shall be administered by the City Administrator on behalf of the city, and grant agreements shall be required for all such grants.

In accord with the City Council's motion approving the initial allocation of Councilmember Priority Project funds on June 8, 2006, the City Councilmembers must obtain City Council approval for all Priority Project expenditures.

All Priority Project fund grants approved by the City Council and shall be administered and executed by the City Administrator on behalf of the city, and grant agreements shall be required for all such grants.

## Section 2. Reserve Funds

### Part A. General Purpose Fund Emergency Reserve Policy

1. Council hereby declares that it shall be the policy of the shall City of Oakland maintain in each fiscal year a reserve equal to seven and one-half (7.5%) of the General Purpose Fund (Fund 1010) appropriations as adopted in the biennial or midcycle budget, and not including prior year carryforwards, encumbrances, or appropriations to Fund Balance for, such fiscal year (the "General Purpose Fund Emergency Reserve Policy"),
2. Each year, upon completion of the City's financial audited statements, the City Administrator shall report the status of the General Purpose Funds Emergency Reserve to the City Council and on the adequacy of the of the 7.5% reserve level. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to Council a strategy to meet the General Purpose Funds Emergency Reserve Policy. Each year, the City Administrator shall determine whether the 7.5% reserve level requires adjustment and recommend any changes to the City Council.
3. The amounts identified as the General Purpose Funds Emergency Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency. For the purposes of this Ordinance, "fiscal emergency" may be declared (1) by the Mayor and approved by the majority of the City Council, or (2) by a majority vote of the City Council.
4. Prior to appropriating monies from the General Purpose Funds Emergency Reserve, the City Administrator shall prepare and present such analysis to the City Council. Upon review and approval of the proposed expenditure by the City Council, and appropriate fiscal emergency declaration necessary for the use of GPF reserve, the City Administrator will have the authority to allocate from the reserves.

### Part B. Vital Services Stabilization Fund Reserve Policy

- L Council hereby declares that it shall be the policy of the City of Oakland to maintain a Vital Services Stabilization Fund (VSSF) with a target funding level of 15% of General Purpose Fund Revenues. The funding of the Vital Services Stabilization Fund shall be made pursuant to Section 1, Part C concerning excess Real Estate Transfer Tax.
2. In years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of this fund must be considered to maintain existing services.

Use of the VSSF must be authorized by City Council resolution. The resolution shall explain the need for using the VSSF. The resolution shall also include steps the City will take in order to replenish the VSSF in future years.

**Part C. Capital Improvements Reserve Fund**

1. Council hereby declares that it shall be the policy of the City of Oakland to maintain a Capital Improvements Reserve Fund.
2. Revenue received from one time activities, including the sale of Real Property, shall be deposited into the Capital Improvements Reserve Fund, unless otherwise directed by a majority vote of the City Council. Interest earnings on monies on deposit in the Capital Improvements Reserve Fund shall accrue to said fund and be maintained therein.
3. Monies on deposit in the Capital Improvements Reserve Fund may be appropriated by Council to fund unexpected emergencies, major capital maintenance, repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program.

### **Section 3. Budget Process Fiscal Planning, Transparency, and Public Participation**

Unless otherwise noted all timelines apply only to budget development years, normally odd numbered years and not to mid-cycle revisions to an adopted two-year budget.

#### **L Assessment of Stakeholder' Needs, Concerns and Priorities**

**Timeline:** Budget Advisory Committee review prior to survey release. Survey completion by December 5<sup>th</sup> of even-numbered years. Results publicly available within three weeks of survey's close.

**Requirements:** The City Administrator should develop or secure a statistically valid survey for assessing the public's concerns, needs and priorities prior to the development of the biennial budget. Whenever feasible, the City should conduct a professional poll administered to a statistically relevant and valid sample of residents that is representative of Oakland's population in terms of race, income, neighborhood, age, profession, family size, homeownership/renter-ship, etc. If that's not possible, then demographic information should be collected and reported out with the survey results.

Prior to release, the survey questions shall be submitted to the Budget Advisory Committee by September 1st of even numbered years for review of bias, relevance, consistency in administration, inclusion of benchmark questions, and ability to assess concerns, needs and priorities. The survey instrument, method of dissemination, and any instructions for administration shall be publicly available. The survey should be conducted following the November election and before December 5<sup>th</sup>

If the City cannot afford a professional survey, an informal survey shall be made available for broad dissemination by the Mayor and Councilmembers through community list serves and other communication channels. Furthermore, the City Administrator shall take steps to promote participation, such as issuing a Flyer promoting participation in the survey and methods of participation (survey internet link, email, phone number) and posting such Fliers near publicly available computers in all City libraries, Recreation Centers, and Senior Centers. A list of those dissemination channels should be publicly available along with survey results.

Survey results should be publicly available within three weeks of the completion and analysis of the survey. Survey results should be made widely available, shared on social media, and published on the City's Budget website. In the event that City's statistically valid survey has been completed, the Mayor and City Administrator shall include in their proposed budget a summary of the survey data and a statement regarding how the data was or was not incorporated into the final proposed budget. Informal surveys and their results shall be made public but not included in their proposed budget document.

The City Administrator shall development a standardized and diverse means of collecting resident input via other means prior to budget development.

#### **2. Council Initial Budget Briefing and Priorities Discussion**

**Timeline:** February

**Requirements:** The Mayor and City Council will hold a bi-annual budget workshop soon after the commencement of the Council term. The workshop will include briefings on estimated baseline expenditures, revenue projections and an overview of the City's budgeting process. The workshop will provide the Mayor and Council with the opportunity to begin discussing priorities for the next budget year based on the Assessment of Stakeholder Needs, Concerns and Priorities.

### 3. Five-Year Forecast

**Timeline:** Produced and heard by the Council's Finance & Management Committee or the full City Council in February or March. Forecast Fact Sheets should be distributed to City community centers and Forecast data should be available on Open Data Portal within two weeks of the Council hearing.

**Requirements:** Each Budget Cycle, the City Administrator must prepare a Five-Year Forecast.

The Five-Year Financial Forecast ("Forecast") is a planning tool that estimates the City's likely revenues and expenditures over five-years, based on appropriate financial, economic, and demographic data. The purpose of the Forecast is to surface all major financial issues and estimate future financial conditions to support informed long-term decision making. Such planning provides for greater financial stability, signals a prudent approach to financial management, and is consistent with best practices.

The Forecast shall contain the two-year baseline budget for the forthcoming budget period, clearly reflecting projected expenditures to maintain existing service levels and obligations, plus an additional three-year forecast of revenues and expenditures. The Baseline Budget shall consist of projected expenditures necessary to maintain existing staffing and service levels, plus an estimate of anticipated revenues for the two-year period.

The Forecast shall also contain information on the variance between prior forecasts and actual amounts, including the factors that influenced these variances. Revenue estimates shall be based on the most current data available; minimally revenue projections shall take into account projected revenue for the current fiscal year, as reflected in the 2nd quarter Revenue and Expenditure Report, with appropriate trending into future years and an explanation as to how such revenue projections were derived.

The report shall include a Five-Year Forecast "Fact Sheet" document, which summarizes the Forecast's key findings with simplified text and graphics to make this important budgetary information more accessible to the general public. Within two weeks after the Forecast is heard by the City Council, the City Administrator shall print and distribute the Forecast Fact Sheet to all City libraries, recreation centers and senior centers, including in languages required by Oakland's Equal Access Ordinance. The **full** Forecast shall also be posted on the City of Oakland's website. Forecast data shall be available in open data format on Oakland's data portal.



#### 4. **Statement of Councilmember :Priorities**

**Timeline:** Written submission due by March 15th.

**Requirements:** City Council Members will have the opportunity to advise the Mayor and City Administrator publicly of their priorities. Each Councilmember shall be invited to submit up to seven expenditure priorities in ranked and/or weighted order for changes to the baseline budget as presented in the Five-Year Forecast. Councilmember priority statements must be submitted as part of a report to be heard by the City Council and/or in a publicly available writing to the Mayor and City Administrator by March 15. In addition to the priorities, Councilmembers may also submit other suggestions, including revenue suggestions.

#### 5. **Administrator's Budget Outlook Message & Calendar Report**

**Timeline:** Heard by City Council before April 15th.

**Requirements:** The City Administrator shall bring as a report to the City Council a Budget Outlook Message & Calendar no later than April 15th that provides an overview of the budget development process and lists all key dates and estimated dates of key budget events, including, but not limited to the release of the Mayor and Administrator's Proposed Budget, Community Budget Forums, Council meetings, and formal budget passage dates. This publication shall be posted on the City's website and by other means determined by the City Administrator.

#### 6. **Release of Mayor & Administrator's Proposed Budget & Fact Sheet**

**Timeline:** Published and publicly available by May 1st. Heard by City Council and Fact Sheet distributed by May 15th.

**Requirements:** The Proposed Budget must be released by May 1st and shall clearly indicate any substantive changes from the current baseline budget, including all changes to service levels from the current budget. The Proposed Budget shall indicate staffing by listing the number of positions in each classification for each Department, including a listing of each position proposed for addition or deletion. The Council shall hold a public meeting to present the Proposed Budget no later than May 15th in budget adoption years. The full proposed budget document shall be made available online from the City's website, and printed copies shall be available in all City libraries. Additionally, the proposed budget data shall be available in open data format on the City's open data portal by May 1st. Every effort should be made to thoroughly respond to any public request for departmental budget details, such as line item budgets. The requested information shall also be made available on the City's website and open data portal within a reasonable time following the request.

The Proposed Budget must include a Budget Fact Sheet with easy-to-understand graphics and text explaining the City's overall finances, the Proposed Budget and that year's Budget Calendar. The Fact Sheet shall be published in languages required by Oakland's Equal Access Ordinance. The Fact Sheet shall be printed and made available in all City Recreation Centers and Senior Centers as well as all City libraries by May 15th or the presentation to the Council, whichever is

sooner.

**7. Community Budget Forums**

**Timeline:** During the months of May and June of odd-numbered years

**Requirements:** The Administration and Council shall hold at least one (1) Community Budget Forum in each council district. These forums, organized by the City Administrator's Office in partnership with Councilmembers shall be scheduled to maximize residents' access. The forums should include sufficient time for a question and answer period in a format that maximizes community participation, as well as a presentation of budget facts by City staff. One or more of the forums must be scheduled in the evening. Another must be scheduled on the weekend. These meetings shall also be scheduled so that Councilmembers have sufficient opportunity to attend a meeting close to their council district. Every member of the City Council shall make their best effort to attend the Community Budget Forum in their council district. Sufficient Fact Sheets in all available languages shall be available at all Forums.

These forums should be publicized in social media and via other means in a manner that is linguistically and culturally appropriate. City Council staff shall work with community-based, faith-based, identity based, and district specific organizations to ensure that a representative and broad group of residents is aware and encouraged to attend each forum.

**8. Ongoing Public Education**

**Timeline:** During the months of May and June of even-numbered years

**Requirements:** Beginning with the first even-numbered year following adoption of this ordinance, the Administration and City Council shall hold at least three (3) Community Budget Education Presentations in different neighborhoods throughout the City and outside of City Hall. These presentations shall seek to increase Oakland residents understanding and awareness of the City Budget and Budget process.

**9. Budget Advisory Commission's Report**

**Timeline:** June 1st

**Requirements:** The Budget Advisory Committee (BAC) shall be requested to submit published, written report to the full City Council regarding the proposed budget with any suggested amendments no later than June 1 in budget adoption years. If submitted, the statement shall be published as part of the next budget report to the City Council. The BAC is encouraged to provide similar statements during the mid-cycle budget revise and any other significant budget actions.

**10. Council President's Proposed Budget**

**Timeline:** June 17th

**Requirements:** The City Council President, on behalf of the City Council, shall prepare a proposed budget for Council consideration to be heard at a Special City Council Budget Hearing occurring on or before June 17th. The Council President may delegate the duty to prepare a budget proposal to another member of the Council. The Finance Department will provide a costing analysis for proposed amendments. The City Council may schedule additional Special City Council Budget Hearings or Workshops as needed.

## **11. Council Budget Amendments**

**Timeline:** No later than up to three (3) days prior to final budget adoption for public noticing

**Requirements:** In addition to the Council President's proposed budget, any Councilmember or group of Councilmembers may submit proposed budget amendments at any time during the budget process. However, the adopted budget shall not contain substantive amendments made on the floor by Councilmembers at the final meeting when the budget is adopted. All substantive amendments must have been published in the City Council agenda packet for at least three days prior to the budget's final adoption and posted on the City's budget website. This shall not preclude Council members from combining elements from various proposals, provided each element considered has been published in the City Council agenda packet as a component of one proposal. This three-day noticing requirement may be waived by a vote of Council upon a finding that (1) new information impacting the budget by at least \$1 million dollars came to the attention of the body after the publication deadline making it not reasonably possible to meet the additional notice requirement and (2) the need to take immediate action on the item is required to avoid a substantial adverse impact that would occur if the action were deferred to a subsequent special or regular meeting, such as employee layoffs.

Councilmembers will present their proposed amendments in an easy to understand, standardized format provided by the City Administrator. The format should allow the proposals to be easily compared to the Mayor's Proposed Budget and to one another. Additions and reductions shall be clearly noted in separate sections.

In order to provide sufficient time to evaluate the cost of proposals, Councilmembers should request costing analyses for proposed budget amendments or line-items within a budget amendment to the City Administrator at least six (6) working days prior to the City Council meeting where that amendment will be considered.

## **12. Process Feedback & Continual Improvement**

**Timeline:** September 30<sup>th</sup> following budget adoption

**Requirements:** The Budget Advisory Commission (BAC) shall be requested to submit an Informational Report to the Council's Finance and Management Committee and City Council containing their analysis of the budget adoption process including, but not limited to: 1) the informational quality of the Proposed Budget; 2) the City Administration's and City Council's attention to engaging the public and its impacts on the budget process and product; 3) the level of

transparency and open dialogue in all public meetings dedicated to the budget; and 4) opportunities for improving the process in future years. In assessing opportunities for continually improving public participation in the budget process, the Administration, City Council and BAC shall be requested to consider the following guiding principles:

- **Inclusive Design:** The design of a public participation process includes input from appropriate local officials as well as from members of intended participant communities. Public participation is an early and integral part of issue and opportunity identification, concept development, design, and implementation of city policies, programs, and projects.

**Authentic Intent:** A primary purpose of the public participation process is to generate public views and ideas to help shape local government action or policy.

- **Transparency:** Public participation processes are open, honest, and understandable. There is clarity and transparency about public participation process sponsorship, purpose, design, and how decision makers will use the process results.

- **Inclusiveness and Equity:** Public participation processes identify, reach out to, and encourage participation of the community in its full diversity. Processes respect a range of values and interests and the knowledge of those involved. Historically excluded individuals and groups are included authentically in processes, activities, and decision and policymaking. Impacts, including costs and benefits, are identified and distributed fairly.

- **Informed Participation:** Participants in the process have information and/or access to expertise consistent with the work that sponsors and conveners ask them to do. Members of the public receive the information they need, and with enough lead time, to participate effectively.

**Accessible Participation:** Public participation processes are broadly accessible in terms of location, time, and language, and support the engagement of community members with disabilities.

**Appropriate Process:** The public participation process uses one or more engagement formats that are responsive to the needs of identified participant groups; and encourage full, authentic, effective and equitable participation consistent with process purposes. Participation processes and techniques are well- designed to appropriately fit the scope, character, and impact of a policy or project. Processes adapt to changing needs and issues as they move forward.

**Use of Information:** The ideas, preferences, and/or recommendations contributed by community members are documented and given consideration by decision-makers. Local officials communicate decisions back to process participants and the broader public, with a description of how the public input was considered and used.

**Building Relationships and Community Capacity:** Public participation processes invest in and develop long-term, collaborative working relationships and learning opportunities with community partners and stakeholders. This may include relationships with other temporary or ongoing community participation venues.

- **Evaluation:** Sponsors and participants evaluate each public participation process with the collected feedback and learning shared broadly and applied to future public participation efforts.

**AN ORDINANCE AMENDING ORDINANCE NO. 13279 C.M.S. (THE CITY OF OAKLAND CONSOLIDATED FISCAL POLICY, OR "CFP") TO ESTABLISH AND MODIFY THE FINANCIAL POLICIES OF THE CITY OF OAKLAND.**

**NOTICE AND PJJEST**

This Ordinance authorizes an amendment to Ordinance Number 13279 C.M.S. (The Consolidated Fiscal Policy, "CFP"), to establish and modify the financial policies and budgeting practices of the City of Oakland. The first public reading of this ordinance is scheduled at a public hearing on 5/1/18 and second on 5/15/18. The location is at City Council Chambers located on the Third Floor of City Hall, One Frank H. Ogawa Plaza, Oakland, California, at 5:30pm. The CFP will be effective upon final adoption of the Ordinance and will remain in effect until further notice.

