



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Adam Benson
Director of Finance

SUBJECT: FY 2020-21 Proposed
Mid-cycle Budget
Errata No. 1 - Supplemental

DATE: May 28, 2020

City Administrator Approval

Date: May 29, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 87759 C.M.S., Which Adopted The City Of Oakland's Fiscal Year 2019-21 Biennial Budget, To Make Mid-cycle Budget Adjustments To: (1) Fiscal Year 2020-21 General Purpose Fund Revenue Projections; (2) Fiscal Year 2020-21 General Purpose Fund Appropriations; And (3) Fiscal Year 2020-21 Non-General Purpose Fund Revenue Projections And Appropriations.

REASON FOR SUPPLEMENTAL

This supplemental report outlines the budget adjustments (errata) to the Fiscal Year (FY) 2020-21 Proposed Mid-cycle Budget (Midcycle).

The proposed change decreases the Gas Tax funds appropriation by \$0.88 million in FY 2020-21 in the Department of Transportation as a result of the most recent revenue projections. The proposed changes include freezing an additional 4.00 Full-Time Equivalents (FTE) and a reduction of \$26,874 in Operations & Maintenance (O&M) funding in Gas Tax Fund (2230) and Gas Tax RMRA Fund (2232). There were a few required balancing adjustments due to the position freezes, impacting Measure B Fund (2212) and Grant Clearing Fund (7760), with no net changes to expenditures.

The proposed change revises the position description in Parks Measure Q (Fund 2244) to include "Add 2.00 FTE Construction and Maintenance Mechanic in Facilities: Maintenance – Oct. 1. Start Date". There is no revision to the funding or FTE .

The proposed change revises the position description and FTE count in Library Measure Q (Fund 2241) to include "Freeze 0.60 FTE Museum Guard" and reduces the FTE count to 0.60 FTE. There is no revision to the funding.

The proposed change substitutes the transfer of Library O&M from Measure D Fund (2243) to the General Purpose Fund (1010) with the transfer of 1.00 FTE Librarian II from the General Purpose Fund (1010) to Measure D Fund (2243).

City Council
June 2, 2020

The allocations proposed in the errata are in accordance with the amended Consolidated Fiscal Policy (Ordinance No. 13487 C.M.S.).

BACKGROUND / LEGISLATIVE HISTORY

On May 26, 2020, City Council first heard a report on the FY 2020-21 Proposed Mid-cycle Budget. Consistent with past practice, these errata amend the Midcycle Budget. These errata reduce \$0.88 million in revenue and expenditure allocations in the Gas Tax Fund (2230) by approximately \$0.74 million and in Gas Tax RMRA Fund (2232) by approximately \$0.14 million. These errata also make minor clarifications and revisions to transfers and descriptions in Exhibits 2 and 3.

ANALYSIS AND POLICY ALTERNATIVES

The FY 2020-21 Proposed Mid-cycle Budget may be accessed on the Budget Bureau website (<https://www.oaklandca.gov/topics/budget>) and is included as an attachment on the City's Agenda Management website for this item (<https://oakland.legistar.com/Calendar.aspx>). A hardcopy of the FY 2020-21 Proposed Mid-cycle Budget will also be available in the City Clerk's Office.

FISCAL IMPACT

The fiscal impacts are described in the FY 2020-21 Proposed Mid-cycle Budget. These errata decrease revenues and expenditures by \$0.88 million due to projected revenue decreases in the various funds.

PUBLIC OUTREACH / INTEREST

During the two-year budget, extensive public outreach was completed including a scientific poll, informal survey, and community outreach forums. This Mid-cycle amendment did not require any additional public outreach.

See the City's Budget website for additional information: www.oaklandca.gov/budget.

COORDINATION

The Finance Department worked with all City departments in preparing the FY 2020-21 Proposed Mid-cycle Budget.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed errata reduces the amount of funding for transportation related projects by \$0.88 million.

Environmental: The impact of the City's appropriations can have a considerable effect on the local environment impacts depending on the decisions made by the Mayor and Council.

Race and Equity: The Midcycle is a significant tool for improving race and equity. Budgetary decisions made with equity as a focus can help to mitigate the inequitable circumstances of Oakland residents. The Midcycle specifically emphasizes the area of youth, housing, and homelessness to address social equity.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Amending Resolution No. 87759 C.M.S., Which Adopted The City Of Oakland's Fiscal Year 2019-21 Biennial Budget, To Make Mid-cycle Budget Adjustments To: (1) Fiscal Year 2020-21 General Purpose Fund Revenue Projections; (2) Fiscal Year 2020-21 General Purpose Fund Appropriations; And (3) Fiscal Year 2020-21 Non-General Purpose Fund Revenue Projections And Appropriations.

For questions regarding this report, please contact Lisa Agustin, Budget Administrator at 510-238-2989.

Respectfully submitted,



Adam Benson
Director of Finance

Prepared By:

Lisa Agustin, Budget Administrator

Attachment (1):

- Exhibit 1: FY 2020-21 Proposed Mid-cycle Budget Errata 1