



# AGENDA REPORT

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

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** Budget Adjustments to Fully Fund  
Labor MOU's and Grant Items

**DATE:** July 21, 2022

City Administrator Approval 

Date: Jul 22, 2022

## SUPPLEMENTAL INFORMATION

### BACKGROUND / LEGISLATIVE HISTORY

At the July 19, 2022, Special City Council Meeting, Council passed a series of Resolutions to Approve the Memoranda of Understanding Between the City of Oakland and All Labor Groups and Adopt An Ordinance Amending the Salary Schedule. In the accompanying Staff Report, Staff committed to bring back, to the Council for consideration, budgetary adjustments to fully fund the MOU's for all of the Labor Groups.

### ANALYSIS AND POLICY ALTERNATIVES

The Costs of the newly agreed to and extended labor agreements are summarized in the Table below, represented in Thousands of Dollars for clarity, for the Current Fiscal Year and Next Biennium. The costs include changes to Wage, Positions Specific Equities, Premiums, and other Economic Items.

ESTIMATED COSTS OF LABOR AGREEMENTS AND SALARY ORDINANCE AMENDMENTS									
Costing uses the Adopted FY 2022-23 Midcycle Budget as its base, and assumes current Fringe Benefit Rates, Retirement Benefit Rates, and Vacancy Rates. Costing Excludes Overhead Rate Charges and Recoveries (Central, Departmental, & Divisional). Rounded to the Nearest \$1,000									
COSTS TO THE CITY OF OAKLAND	FY 2022-23			FY 2023-24			FY 2024-25		
	GPF	Non-GPF	All Funds	GPF	Non-GPF	All Funds	GPF	Non-GPF	All Funds
<b>NON-SWORN</b>	11,046	20,987	32,033	19,065	35,383	54,448	27,490	49,678	77,168
SEIU (1836 FTE)	4,351	8,878	13,228	7,397	16,088	23,485	10,434	22,598	33,032
Local 21 (1341 FTE)	5,631	11,287	16,917	9,801	17,828	27,628	14,319	24,915	39,234
CMEA (44 FTE)	320	252	572	538	449	986	775	661	1,435
IBEW (20 FTE)	17	148	164	29	263	292	43	388	431
Unrepresented Non-Sworn (58 FTE)	731	424	1,154	1,302	757	2,059	1,921	1,117	3,038
<b>SWORN FIRE</b>	3,833	59	3,891	6,493	79	6,572	12,214	122	12,336
IAAF Local 55 (528 FTE)	3,688	38	3,726	6,299	49	6,348	11,892	79	11,970
UnRepresented Sworn Fire (6 FTE)	145	21	166	194	31	225	323	44	367
<b>SWORN POLICE</b>	2,398	52	2,450	2,938	83	3,020	9,433	560	9,992
OPOA (710 FTE)	2,317	52	2,368	2,856	83	2,939	9,101	560	9,661
OPMA (14 FTE)	70	-	70	70	-	70	282	-	282
UnRepresented Sworn Police (2 FTE)	12	-	12	12	-	12	50	-	50
	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>17,277</b>	<b>21,098</b>	<b>38,374</b>	<b>28,496</b>	<b>35,545</b>	<b>64,040</b>	<b>49,137</b>	<b>50,360</b>	<b>99,496</b>

In Summary, over the life the agreements the cost to the City by MOU is noted below:  
The direct cost to the City is shown below. Please note that Sworn Contracts extend till FY 2025-26 while Non-Sworn Contracts end in FY 2024-25.

<b>Bargaining Unit</b>	<b>Total Value</b>
SEIU Local 1021	69,743,000
IFPTE Local 21	83,778,000
CMEA	2,992,000
IBEW Local 1245	886,000
IAAF Local 55	38,835,000
OPOA	31,493,000
OPMA	921,000
<b>Total</b>	<b>228,648,000</b>

Some labor Agreements also contain additional holiday and leave provisions that do not have a direct cost to the City assuming the days are used as leave; the impact to the City is in lost services. The value of services lost due of the additional one-time allocations of 5 Days Extra Vacation are estimated at \$4.0 million. The ongoing value of services lost of an additional City Holiday (Juneteenth) for personnel who will be on leave that day is estimated at \$1.8 million annually. Again these are estimates of service value lost rather than new costs.

Over the life of these Contracts the total Cost to the General Purpose Fund (GPF) is estimated at \$122.9 Million with another \$105.8 Million in Non-GPF costs. Over the course of the next Biennial Budget assuming current service levels, benefit, and vacancy rates the City expenditures are projected be \$77.6 Million higher in the GPF and \$114.4 Million high across all fund than they would have been. These costs will be built into the Baseline for the coming Biennial Budget cycle and will likely necessitate significant balancing actions by the Mayor and Council in order to develop a balanced budget.

The FY 2022-23 Midcycle Adopted Budget Contains approximately \$10.1million in GPF Funds, \$17.7 million in Non-GPF Funds, for a total of \$27.8 Million to support these increased costs. As the Finance Department has implemented more precise numbers and percentages approved, the total amount needed to cover these additions has been refined to be \$7,147,810 in the General-Purpose Fund and \$3,381,710 across all of the other Non-GPF Funds. A spreadsheet has been attached detailing the amounts.

Staff recommends that the following available resources be allocated to addressing this shortfall. The unappropriated savings from the Oakland Alameda County Coliseum Authority of \$2.5M, OPD Vacancy Savings in the GPF of \$2.39M, and Fire Emergency Operations Center (EOC) Carryforward \$2.28M to cover the Labor MOU increased expenditures in the GPF. In all other Non-GPF Funds, savings created by the adjustment of the vacancy rate and unappropriated fund balances will cover the remaining shortfall. The fund most affected is Fund 2415 Development Services Fund in the amount of \$1,502,221, the fund balance is sufficient to cover the increased expenditures. \$1,879,489 is spread across the various other funds as detailed in the attached spreadsheet.

Additionally, there were a few grant items that could be accommodated with the refinement of calculations and subsequent dollars identified. The remaining \$35K and a reduction from Human Resources for \$150K, can accommodate some Council grant items.

**PUBLIC OUTREACH / INTEREST**

No outreach was conducted.

**COORDINATION**

This report was prepared in coordination with the various affected departments.

**SUSTAINABLE OPPORTUNITIES**

**Economic:** There are no opportunities associated with this project

**Environmental:** There are no environmental opportunities associated with this project.

**Race and Equity:** The race and equity analysis has not been conducted and is unknown.

**ACTION REQUESTED OF THE CITY COUNCIL**

City Council as part of its final budget deliberations on July 26, 2022 consider the suggested recommendations to fully fund the Labor MOU's and any other needed adjustments.

For questions regarding this report, please contact Rina Stabler, Assistant Budget Administrator, (510) 326-0505.

Respectfully submitted,



---

ERIN ROSEMAN  
Director of Finance  
Finance Department

**Attachment:** Balancing Spreadsheet