

CITY OF OAKLAND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 OCT 11 PM 3:38

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Department

SUBJECT: Status of Negative Funds Citywide
as of June 30, 2018

DATE: October 4, 2018

City Administrator Approval

Date:

10/11/18

RECOMMENDATION

Staff Recommends That City Council Receive An Informational Report On The Status of Negative Funds As of June 30, 2018.

EXECUTIVE SUMMARY

The City's estimated balance of negative funds is \$62.81 million as of June 30, 2018. Between Fiscal Year (FY) 2016-17 and FY 2017-18 negative balances declined by \$13.15 million, and since FY 2009-10 negative balances have declined by \$75.96 million.

Table 1: Repayment Progress for Negative Fund Categories – FY 2009-10 to FY 2017-18

Negative Fund Category	Ending Fund Balance FY 2010	Total Repayment To Date	Pre-Audited Fund Balance FY 2018
1. Negative Funds on Repayment Plan	(98,175,473)	72,845,264	(25,330,209)
2. Reimbursable Negative Funds	(23,055,796)	732,708	(22,323,088)
3. Non-Reimbursable Negative Funds without Repayment Plans	(17,542,656)	2,382,497	(15,160,159)
Total Negative Funds	(138,773,925)	75,960,469	(62,813,456)

The City's historical negative balances largely arose from operating expenses that could not be sustained and/or expenditures that outpaced or preceded the receipt of revenues. There are three categories of negative funds:

- Negative Funds on Repayment Plan (\$25.33 million) – Funds that were placed on repayment plans as part of the Adopted Policy Budgets providing them with an on-going strategy to reduce the balances over a 10 or 15-year period. Funds in this category have on-going sources of revenue.
- Reimbursable Negative Funds (\$22.32 million) – These funds do not typically require a repayment plan since they are intended to incur costs that are subsequently reimbursed, but may also include historical negative balances that are unlikely to be recovered.
- Non-Reimbursable Negative Funds without Repayment Plans (\$15.16 million) – Funds that have no sources of funding. Historical negative balances in these funds can only be

Item: _____

Finance and Management Committee
October 23, 2018

addressed with an infusion of one-time revenues, the write-off of the full amount of the negative balance against the General Purpose Fund (GPF), or a repayment plan with the GPF as the revenue source. Alternatively, the City's Consolidated Fiscal Policy on use of excess Real Estate Transfer Tax (RETT) revenues (Ordinance 13279 C.M.S., Part C) allows for the use of the long-term obligations set-aside (25% of the excess RETT) to repay negative fund balances.

The City Council authorized the City Administrator to identify one-time sources of revenue to pay down negative funds and to present a revised repayment plan for all non-reimbursable negative funds in the FY 2019-21 budget development process.

Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. External auditors, rating agencies, and investors pay close attention to negative fund balances and the City's commitment to repayments.

This report provides the status of City efforts to clear negative fund balances since FY 2010.

BACKGROUND / LEGISLATIVE HISTORY

City Council Ordinance No. 12946 C.M.S. was passed on July 9, 2009 to amend the reserve policy to establish criteria for the use of excess RETT revenues and one-time revenues. As one-time revenues are received by the City (e.g., sales of property or proceeds from the refinancing of debt), 50 percent of these revenues (unless legally restricted to other purposes) will be used to pay off negatives in the Internal Service Funds, and 50 percent will be used to pay off negatives in all other funds.

On December 9, 2014 Ordinance No. 13279 C.M.S., 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). The City's Consolidated Fiscal Policy is available in its entirety on the City's website.

The FY 2015-17 Adopted Policy Budget allocated additional one-time repayments to the Facilities Fund (4400) negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduced the on-going repayments from the General Purpose Fund.

The FY 2017-19 Adopted Policy Budget allocates an additional one-time payment to the Facilities Fund (4400) of over \$8.0 million to effectively eliminate the remaining negative balance.

On April 17, 2018, Resolution No. 87140 C.M.S. authorized the City Administrator to eliminate appropriation balances in the Municipal Capital Improvement Fund (5500) in the amount of up to \$2.81 million, Capital Fund (5510) in the amount of up to \$2.04 million, and to restore the appropriations in alternative funds as funding sources become available. The City Administrator was also authorized to identify one-time sources of revenue to pay down negative funds

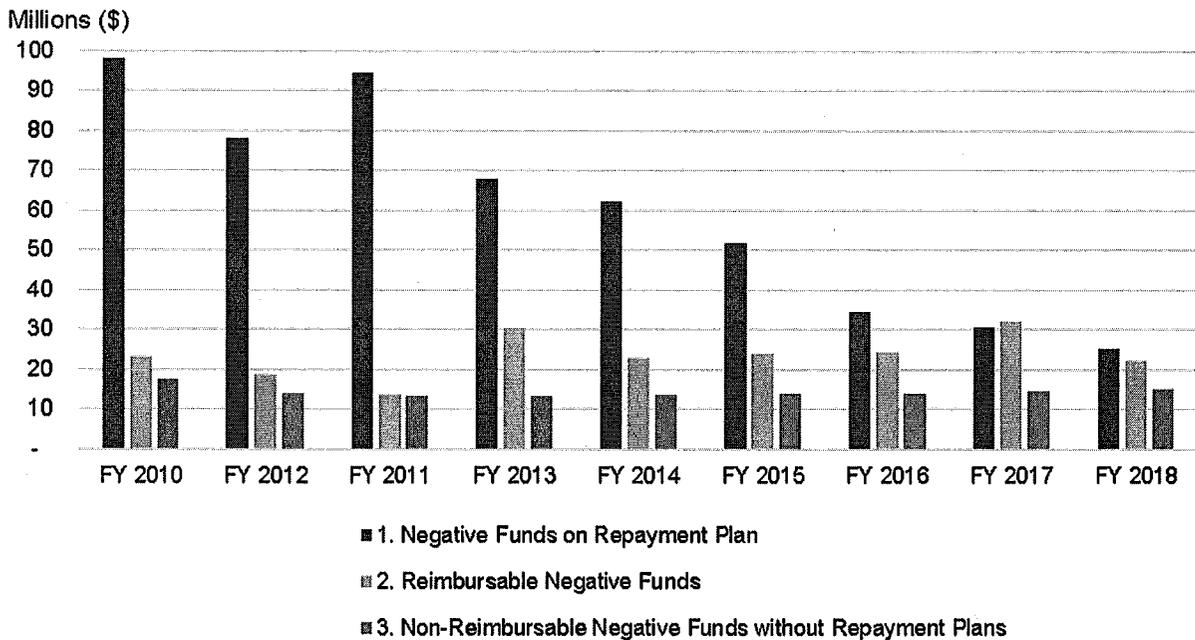
balances from sources including, but not limited to, the Long Term Obligations set-aside in accordance with the City's Consolidated Fiscal Policy, and to present a revised Repayment Schedule for specified funds as part of the FY 2019-21 budget development process.

On May 15, 2018, Council Ordinance No. 13487 C.M.S. amended the City's Consolidated Fiscal Policies to facilitate various goals and objectives, including policies to reduce the potential for future increases in negative fund balances. Specific items in support of this goal include requirements for departments to submit corrective action plans in the event of overspending and revised criteria for GPF project carryforwards and encumbrances.

ANALYSIS AND POLICY ALTERNATIVES

The City's total negative balances have declined substantially since FY 2009-10, largely because of repayment plans included in the last two biennial Adopted Policy Budgets. Figure 1 illustrates the City's progress over the last nine fiscal years.

Figure 1: Negative Fund Balances by Category – FY 2009-10 to FY 2017-18



The City Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process, which will support continued progress in reducing negative fund balances. The Council's action included all non-reimbursable negative funds without repayment plans, putting the City on track to have repayment plans for all negative funds other than reimbursable funds. In addition, the elimination of appropriation authority in the Municipal Capital Improvement Fund (5500) and in the Capital Fund (5510) will provide protection against new declines in these funds' balances.

There are three categories of funds in the City with negative balances:

1. Negative Funds with Repayment Schedules (\$25.33 million):

Table 2: Repayment Progress FY 2009-10 to FY 2017-18

Fund	Fund Description	Ending Fund Balance FY 2009-10	Total Repayment To Date	Pre-Audited Fund Balance FY 2017-18
1100	Self Insurance Liability	(23,482,665)	9,698,233	(13,784,433)
1700	Mandatory Refuse Program	(7,401,479)	6,055,400	(1,346,080)
1730	Henry J Kaiser Convention Center	(4,710,045)	4,701,060	(8,985)
1750	Multipurpose Reserve	(4,047,612)	4,047,612	-
1760	Telecommunications Reserve	(1,074,609)	1,074,609	-
1791	Contract Administration Fee	(4,131,840)	4,125,625	(6,215)
2232	Gas Tax RMRA	-	(559,723)	(559,723)
2241	Measure Q-Library Services Ret	-	(386,057)	(386,057)
2310	Lighting and Landscape Assessment District	(4,620,719)	4,453,725	(166,994)
4100	Equipment*	(13,224,994)	13,224,994	-
4300	Reproduction*	(187,543)	(1,733,131)	(1,920,674)
4400	City Facilities*	(29,088,831)	26,741,244	(2,347,587)
4500	Central Stores*	(5,209,132)	944,252	(4,264,880)
4550	Purchasing*	(996,004)	457,423	(538,581)
Total Negative Funds with Repayment Schedules		(98,175,473)	72,845,264	(25,330,209)

*Reported on a cash basis

- a. Negative Internal Services Funds: Internal Services Funds (ISFs) are funds used to centralize certain services and allocate their costs to Departments, consistent with generally accepted accounting principles. Some of the City's ISFs have grown negative fund balances because of historical under-collection of reimbursements. Repayment schedules for several of these negative funds were established and followed for the past 10 years repaying approximately \$39.63 million.
- b. Selected General Funds on Existing Repayment Schedules: These include the Self-Insurance Liability, Mandatory Refuse Program, Henry J. Kaiser Convention Center, Telecommunications Reserve and Contract Administration Fee funds. Repayment schedules for these negative funds were established and followed for the past 10 years repaying approximately \$33.21 million.

For General Fund Group funds, repayments were generally based on structured transfers from the General Purpose Fund. Remaining balances in the Henry J. Kaiser Convention Center and Contract Administration Fee funds represent accumulated negative interest. The increase in negative fund balance for the Self Insurance Fund resulted from a \$12 million settlement in FY 2017-18 that is expected to be offset by \$9 million in insurance proceeds anticipated in the current fiscal year.

For ISFs, repayment schedules were based on reductions in costs and gradually increasing rates charged to Departments utilizing these services over time.

2. Reimbursable Negative Funds (\$22.32 million):

- a. Grant Funds: These negative balances are generally caused by lagging drawdowns, requirements to expend prior to reimbursement and, in rare cases, disallowed expenditures. Apart from disallowed expenditures, negative balances in this category result from the timing of reimbursements. Departments have been developing plans to address these negative balances, conducting research as necessary with assistance from the Finance Department. Departments are committed to completing most draw downs on a monthly or quarterly basis. With the new Grants functionality in Oracle R12 Departments are now able to bill grantors directly from the system which has improved the efficiency and timeliness of drawdowns.
- b. Other Reimbursable Funds: These funds include FEMA Declarations, Emergency Response, Housing loans, and revolving loan funds. These funds rely on reimbursements based on either drawdown of associated costs or loan repayments.

3. Non-Reimbursable Negative Funds without Repayment Plans (\$15.16 million):

- a. Inactive Funds: These funds have no revenue source unless they receive a one-time infusion from General Purpose Fund. They have no activity other than the allocation of negative interest which further increases the liability to the GPF.
- b. Active Funds: These funds have no revenue source but have historically retained substantial appropriation authority.

The City Council has directed the City Administrator to present a revised Repayment Schedule for these funds as part of the FY 2019-21 budget development process. In addition, the Council has authorized the City Administrator to eliminate most of the outstanding appropriation authority for active funds and to restore the appropriations in alternative funds as funding sources become available.

Departmental fiscal managers across the City have worked with the Controller's Bureau and Budget Bureau staff to take proactive steps to reduce and eliminate negative fund balances by reducing carryforward appropriations and monitoring spending. Specific departments were

assigned as fund managers with responsibilities to monitor revenue collection, spending, and grant drawdowns, and alert the Finance Department of major deviations from the budget. **Attachment A** provides a detailed listing of all negative funds by category.

FISCAL IMPACT

As stated earlier, negative funds are ultimately the responsibility of the General Purpose Fund. As fund balances continue to accumulated negative interest the liability continues to grow there is a direct impact to the GPF. Additionally, any funds with appropriations and no source of revenue will grow further negative and will impact 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 has been reviewed in coordination with the Budget Bureau and Controller's Bureau in the Finance Department.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

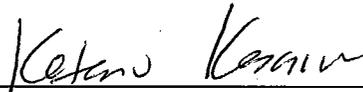
Social Equity: No social equity opportunities have been identified.

ACTION REQUESTED OF CITY COUNCIL

Staff recommends that City Council accept this informational report on the status of negative funds as of June 30, 2018.

For questions regarding this report, please contact KIRSTEN LACASSE, CONTROLLER, at 238-6776.

Respectfully submitted,



KATANO KASAINÉ
Finance Director, Finance Department

Reviewed by:
Kirsten LaCasse, Controller
Controller's Bureau

Prepared by:
Stephen Walsh, Assistant Controller
Controller's Bureau

Attachments (1):

- Attachment A: Status of Negative Funds FY 2014 through FY 2018

Status of Negative Funds FY 2014 through FY 2018

Attachment A

Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Ending Fund Balance (as of 6/30/2017)	Pre-Audited Fund Balance (as of 6/30/2018)	Explanation of Negative Fund Balance
Negative Funds with Repayment Schedules:								
1100	Self Insurance Liability	Finance	(22,474,395)	(15,374,053)	(10,964,949)	(10,310,411)	(13,784,433)	On repayment plan through 2022. The increase for FY 2018 resulted from a settlement that is anticipated to be offset with insurance proceeds in the current fiscal year.
1700	Mandatory Refuse Program	Finance	(5,063,421)	(3,851,273)	(3,316,282)	(2,745,667)	(1,346,080)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Rising lien receivables due to non-payments of garbage fees, and previous transfers to GPF. This fund is on an informal repayment plan. Additional negative amounts should also decline over time as liens are collected through sale of properties.
1730	Henry J Kaiser Convention Center	Finance	(2,338,469)	(1,765,491)	(8,815)	(8,854)	(8,985)	Negative balance was paid off in FY 2014-15. Final adjustment of negative interest allocation must be off-set with one-time GPF revenue
1750	Multipurpose Reserve	Public Works	(5,206,844)	(4,867,100)	(2,631,841)	(609,263)	-	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
1791	Contract Administration Fee	City Administrator	(1,789,294)	(1,214,270)	(6,097)	(6,124)	(6,215)	Negative balance was paid off in FY 2015-16. Final adjustment of negative interest allocation must be off-set with one-time GPF revenue
2232	Gas Tax RMRA	Transportation	-	-	-	-	(559,723)	Repayment plan will be developed in the FY 2019-21 budget development process
2241	Measure Q-Library Services Ret	Library	-	-	-	-	(386,057)	Amount will be off-set by the Measure Q Reserve Fund (2242)
2310	Lighting and Landscape Assessment District	Public Works	-	(289,890)	(289,731)	(664,762)	(166,994)	Negative balance results from static revenue source and increasing costs.
4100	Equipment*	Public Works	(1,584,849)	-	-	-	-	This fund was on a repayment plan and was paid off early as a result of underspending.
4300	Reproduction*	Information Technology	(1,530,670)	(1,651,661)	(1,583,924)	(1,853,889)	(1,920,674)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historically costs have exceeded the revenues in this pay-as-you-go ISF.
4400	City Facilities*	Public Works	(18,329,573)	(17,537,264)	(11,371,299)	(9,651,781)	(2,347,587)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. The FY 2017-19 Adopted Policy Budget allocated over \$4 million each year to reduce this balance.
4500	Central Stores*	Finance	(3,820,440)	(3,838,796)	(4,060,880)	(4,231,973)	(4,264,880)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. To reduce costs, Central Stores was eliminated in the FY2011-12 adopted budget and agencies/departments now manage their supplies on a just-in-time basis.
4550	Purchasing*	Finance	(140,664)	(1,351,632)	(227,040)	(577,956)	(538,581)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
Subtotal Negative Funds with Repayment Schedules			(62,278,619)	(51,741,430)	(34,460,859)	(30,660,676)	(25,330,209)	
Reimbursable Negative Funds:								
1770	Telecommunications Land Use	Information Technology	-	-	-	(52,930)	(261,264)	Will be covered by future revenue.
1831	Central City East Project Ar	Economic & Workforce Dev	(710,04)	(712)	(715)	(718)	-	Will be covered by loan repayments
1883	2000 Subordinated Housing Se	Economic & Workforce Dev	-	(128,007)	(791,561)	(129,312)	(129,611)	Will be reimbursed by ORSA
1885	2011A-T Subordinated Housing	Economic & Workforce Dev	(1,451,334.59)	-	-	-	-	Reimbursed by ORSA
2061	2006 FEMA: 1628 Winter Storm	Public Works	(174,446)	(32,151)	-	-	-	Negative balance cleared
2062	2006 FEMA: 1646 Spring Storm	Public Works	(271,683)	(271,643)	-	-	-	Negative balance cleared
2063	FEMA Declarations	Public Works/Fire	-	-	-	(614,330)	-	Negative balance cleared
2102	Department of Agriculture	Human Services	(161,917)	(256,109)	(173,824)	(219,118)	(29,924)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2103	HUD-ESG/SHP/HOPWA	Human Services	(4,445,304)	(4,565,763)	(6,208,949)	(4,656,863)	(5,290,082)	Historical negative balance (pre FY1999-2000) requires one-time offset of \$3.9M. A portion of this uncollectible amount (approximately \$1.2 M) is due to HUD's modified cost reimbursement methodology.
2105	HUD-EDI Grants	Housing	-	-	(342,819)	(608,582)	(839,985)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2107	HUD-108	Housing	(3,613,637)	(3,242,669)	(294,261)	(1,863,969)	(1,389,416)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2108	HUD-CDBG	Housing	-	(240,281)	(1,204,091)	(1,124,875)	(1,367,264)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2109	HUD-Home	Housing	-	-	-	(782,942)	-	Negative balance cleared
2111	2000 Local Law Enforcement B	Police	(78,606)	(80,269)	(80,332)	(80,249)	(60,434)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2112	Department of Justice	Police	(87,332)	-	-	(110,899)	-	Negative balance cleared
2113	Department of Justice- COPS	Human Services	(270,750)	(215,771)	(1,708,978)	(1,864,312)	(1,176,117)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.

Status of Negative Funds FY 2014 through FY 2018

Attachment A

Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Ending Fund Balance (as of 6/30/2017)	Pre-Audited Fund Balance (as of 6/30/2018)	Explanation of Negative Fund Balance
2114	Department of Labor	Human Services	(108,390)	(242,278)	-	-	-	Negative balance cleared
2116	Department of Transportation	Public Works	(109,220)	-	-	(3,118,186)	-	Negative balance cleared
2120	Federal Action Agency	Human Services	(36,949)	(20,556)	(39,654)	(98,357)	(24,998)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2123	US Dept of Homeland Security	Fire	(764,364)	(389,866)	-	(10,468)	(44,258)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2124	Federal Emergency Management	Fire	(1,249,486)	(847,080)	(1,514,094)	(1,974,548)	(267,908)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2127	Department of Transportation-Tiger	OBRA	(15,091)	-	-	-	-	Negative balance cleared
2128	Dept. of Health and Human Services	Human Services	(1,553,583)	(3,121,772)	(1,678,263)	(1,843,286)	(2,015,101)	Historical negative balance (pre-FY 2000) requires one-time offset; negative balance also due to time lag between spending grant funds and receiving reimbursement from the grantor.
2129	Trade Corridor Improvement F	Economic & Workforce Dev	(274,718)	(1,124,417)	(232,838)	(1,397,196)	(1,400,865)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2134	California Parks and Recreation	Public Works	(1,445,219)	(2,896,902)	(1,078,478)	(1,848,212)	-	Negative balance cleared
2138	California Department of Education	Human Services	-	-	-	-	-	Negative balance cleared
2140	California Department of Trans	Public Works	-	-	(1,030,167)	(1,760,959)	-	Negative balance cleared
2144	California Housing and Community Development	Housing/Human Services	(1,518,506)	(412,057)	(635,171)	(1,604,310)	-	Negative balance cleared
2148	California Library Services	Library/Public Works	(564,621)	-	-	-	-	Negative balance cleared
2152	California Board of Corrections	Police	-	-	-	-	(3,307,037)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2154	California Integrated Waste Management Board	Public Works	(72,790)	(77,300)	(82,668)	(98,303)	(64,003)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2159	State of California Other	Public Works	-	(634,164)	(1,480,938)	-	-	Negative balance cleared
2162	Metro Transportation Com: TD	Public Works	(10,870)	(47,709)	(58,866)	(193,189)	(25,491)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2163	Metro Transportation Com: Program Grant	Public Works	(537,224)	(319,125)	(368,176)	(810,965)	(291,802)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2164	Congestion Mitigation & Air	Public Works	(91,717)	(91,703)	(91,775)	(91,680)	(91,892)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2165	Prop 1B Nov 2006 CA Trans Bo	Public Works	(23,462)	-	-	-	-	Negative balance cleared
2166	Bay Area Air Quality Management District	Public Works	(59,557)	-	-	(433,384)	-	Negative balance cleared
2190	Private Grants	Various	(540,691)	(523,013)	(512,029)	(482,691)	(118,672)	Historical negative balance due to Neighborhood law project (City Attorney's Office). This project requires a one-time revenue offset.
2214	ACTIA Reimbursable Grants	Public Works	-	(1,167,347)	(1,088,728)	(361,046)	-	Negative balance cleared
2260	Measure WW: East Bay Regional Parks District Local Grant	Public Works	(951,249)	(879,096)	(1,285,583)	(565,059)	(547,787)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2411	False Alarm Reduction Program	Police	-	-	-	(387,241)	(821,696)	The fund balance will be recovered from False Alarm program revenue.
2418	Traffic Impact Program (TIP)	Public Works	-	-	-	(118,830)	(119,018)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2605	Dept of Health & Human Services	Human Services	(138)	(135)	(133)	(129)	(117)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2613	Port Security Grant Program	Fire	(51,094)	(51,094)	(51,094)	(51,094)	(51,094)	Negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2990	Public Works Grants	Public Works	(879,048)	(706,980)	(637,928)	(916,631)	(710,719)	OPW staff will continue efforts to coordinate with responsible departments to move ineligible grant charges to other matching fund sources.
2995	Police Grants	Police	-	-	(123,591)	-	-	Negative balance cleared
5008	Emergency Response: GOB Series 1992	Public Works	(156,342)	(156,821)	(157,405)	(158,097)	(160,439)	OPW staff will coordinate with responsible departments to move ineligible charges to other funds.
5320	Measure DD: 2003A Clean Water,	Public Works	-	-	-	(78,038)	(77,644)	Will be reimbursed by Measure DD bond proceeds
5660	West Oakland Projects	Economic & Workforce Dev	(1,152,558.61)	(1,244,494)	(1,362,109)	(1,398,883)	(1,419,623)	Economic & Workforce Development staff should cleanup
6570	JPFA Pooled Assessment: 1996 Revenue Bonds	Non-Departmental	(144,305)	(94,734)	(95,086)	(95,503)	(97,357)	Fund balance will be recovered by assessments.
6612	JPFA Lease Revenue Refunding	Non-Departmental	(4,206)	(1,196)	(3,084)	(3,132)	(3,867)	Fund balance will be recovered by assessments.
7130	Employee Deferred Compensati	Human Resources	-	(2,502)	(97,181)	(215,575)	(72,557)	Due to overspending on personnel. Remaining balance will be corrected in FY 2019.
7780	Oakland Redevelopment Agency Projects	ORSA	-	(1,671)	(16,356)	(24,798)	(25,044)	Negative fund balance created by transfers / incorrect charges created during dissolution of RDA. Remaining balance will be corrected in FY 2019.
Subtotal Reimbursable Negative Funds:			(22,971,416)	(24,087,366)	(24,466,924)	(32,248,453)	(22,323,463)	

Status of Negative Funds FY 2014 through FY 2018

Attachment A

Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Ending Fund Balance (as of 6/30/2017)	Pre-Audited Fund Balance (as of 6/30/2018)	Explanation of Negative Fund Balance
Non-Reimbursable Negative Funds without Repayment Plan:								
1600	Underground District Revolving Fund	Public Works	(968,269)	(971,381)	(974,997)	(979,283)	(993,791)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Fund was originally set up as a pass-through for undergrounding projects but is no longer being used. Very little recovery took place in FY 1999-00 and FY2000-01. The fund has accumulated negative interest of \$721K and all remaining charges are considered un-collectable.
2992	Parks and Recreation Grants	Parks & Recreation	(2,588,260)	(2,587,880)	(2,589,917)	(2,587,228)	(2,593,208)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historical negative balance from FY 1993-94.
5012	JPFA Admin Building: Series 1996	Public Works	(1,619,201)	(1,624,167)	(1,630,213)	(1,637,379)	(1,661,636)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historical negative balance is from FY2001-02 and is related to Admin. building projects (Civic Center Complex/City Hall) that are uncollectable.
5500	Municipal Capital Improvement	Finance	(5,007,783)	(5,414,975)	(5,469,869)	(5,494,985)	(5,602,415)	Council has authorized the City Administrator to eliminate all appropriations balances in the amount of up to \$2.81 million as alternative funding sources become available and to restore the appropriations in those alternative funds. Council has also directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
5510	Capital Reserves	Public Works	-	-	-	(769,989)	(1,138,319)	Council has authorized the City Administrator to eliminate all appropriations balances in the amount of up to \$2.04 million as alternative funding sources become available and to restore the appropriations in those alternative funds. Council has also directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process.
5999	Miscellaneous Capital Projects	Finance/Public Works	(3,336,084)	(3,317,981)	(3,278,531)	(3,197,490)	(3,170,791)	Council has directed the City Administrator to present a revised Repayment Schedule as part of the FY 2019-21 budget development process. Historical negative balance related to negative interest and various project expenditures (e.g., Y2K conversion).
Subtotal Non-Reimbursable Negative Funds			(13,519,597)	(13,916,383)	(13,943,527)	(14,666,354)	(15,160,159)	
Total Negative Funds			(98,689,332)	(89,745,189)	(72,871,310)	(77,575,920)	(62,813,456)	

* Reported as Pre-Audited Cash Balance as of June 30 of each fiscal year