

**CITY OF OAKLAND**  
**COUNCIL AGENDA REPORT**

To: ~~2009 JUL 16 PM 5:38~~ Office of the City Administrator

Attn: Dan Lindheim

From: Budget Office

Date: July 28, 2009

**Subject:** Report and Resolution Implementing Measures for the General Purpose Fund for Fiscal Years 2009-2010 and 2010-2011 To Address Potentially Lower than Originally Anticipated COPS Grant Award, Possible Return to Measure Y of Unallowable Training and Recruitment Costs, and to Meet Budget Reduction Targets Established for the Oakland Police Department.

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**SUMMARY**

The purpose of this report is to recommend actions to be taken to: (1) address potentially lower than originally anticipated COPS grant award; (2) plan for the possible return to Measure Y of unallowable training and recruitment costs, and (3) implement reductions in the Police Department included in the General Purpose Fund (GPF) Adopted Budget for Fiscal Years 2009-2011.

**FISCAL IMPACT**

Collectively, the potentially lower than budgeted COPS grant award, the possible repayment of Measure Y funds and the need to implement over \$11 million in reductions to the Police Department's budget represent a GPF fiscal challenge amounting to \$19.06 million in FY 2009-10 and \$23.97 million in FY 2010-11.

**DISCUSSION**

***Challenges Identified***

- a. *Possibly Lower Level of COPS Federal Grant Award:* The federal Office of Community Oriented Policing Services (COPS) recently informed City staff that per their proposed formula, our **maximum** award **could** be for no more than 40.7 FTE police officers, rather than the 140.0 FTEs anticipated in the FY 2009-11 adopted budget. If such a potential funding "ceiling" were to be applied to Oakland, this would translate into a maximum total award of \$6.7 million. The FY 2009-11 adopted budget anticipated an award of \$18 million in year one and \$23 million for FY 2010-11.
- b. *Implementing reduction in Oakland Police Department GPF Budget:* The FY 2009-11 adopted budget also anticipates reductions in the Police Department (OPD) of \$11.92 million in FY 2009-10 and \$11.52 million in FY 2010-11. Negotiations with the Oakland Police Officers' Association may address a portion of this amount. In addition, management measures to control Police Department's costs are being identified.
- c. *Possible Repayment from the GPF to Measure Y:* A Superior Court recently ruled that the City's augmented police recruitment program was not a permissible use of Measure Y violence prevention funds, and that the money spent on that program must be repaid. While

the City is reviewing its appeal options, management is planning for the possibility of repaying some amounts to Measure Y in the next two fiscal years. At this time, \$2.14 million annually is assumed for FY 2009-11 for budgeting purposes; after the final court decision, this amount may be higher.

- d. *Budgeted GPF Surplus*: Balancing the above fiscal challenges is a GPF surplus included in the Adopted FY 2009-11 budget, at \$6.3 million in FY 2009-10 and \$5.99 million in FY 2010-11. With these anticipated surpluses, the net value of the fiscal issues summarized above is \$19.06 million in FY 2009-10 and \$23.97 million in FY 2010-11; the chart below summarizes the components.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>	
Lower COPS award	(\$11.30)	(\$16.30)	Difference between \$18 mill in FY 09-10 and \$23 mill in FY 10-11 (Budget) and \$6.7 mill possible new level (Reality)
Reduction to OPD budget	(\$11.92)	(\$11.52)	Targets set by City Council on June 30, 2009
Repayment to Measure Y	(\$2.14)	(\$2.14)	Possible amounts based on Judge Roesch's decision
Surplus included in the budget	\$6.30	\$5.99	Per Council amendments on June 30, 2009
<b>NET CHALLENGES</b>	<b>(\$19.06)</b>	<b>(\$23.97)</b>	

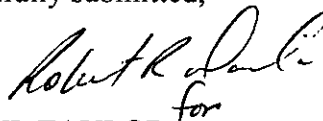
### ***Proposed Implementation Actions***

Staff will present possible balancing measures for Council consideration and adoption in a **supplemental** report. The measures will be reflected in **Exhibit A** to the resolution amending the budget, a draft of which is attached to this report.

### **RECOMMENDATION**

Staff recommends that the City Council accept this status report and approve the attached budget-related resolution.

Respectfully submitted,



CHERYL TAYLOR  
Budget Director

APPROVED FOR FORWARDING  
TO THE CITY COUNCIL:



Office of the City/Agency Administrator

**Attachment:** Resolution Amending The City Of Oakland's FY 2009-11 Biennial Budget, Which Was Adopted Pursuant To Resolution No. 82102 C.M.S., To Approve Measures Addressing Potentially Lower than Anticipated COPS Grant Award, Planning for Possible Return to Measure Y of Unallowable Training and Recruitment Costs, and Implementing Budget Reduction Targets Established for the Oakland Police Department

**DRAFT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Approved as to Form and Legality

2009 JUL 16 PM 5:33 **OAKLAND CITY COUNCIL**

\_\_\_\_\_  
City Attorney

**RESOLUTION No. \_\_\_\_\_ C.M.S.**

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**RESOLUTION AMENDING THE CITY OF OAKLAND'S FY 2009-11 BIENNIAL BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 82102 C.M.S., TO APPROVE MEASURES ADDRESSING POTENTIALLY LOWER THAN ORIGINALLY ANTICIPATED COPS GRANT AWARD, PLANNING FOR POSSIBLE RETURN TO MEASURE Y OF UNALLOWABLE TRAINING AND RECRUITMENT COSTS, AND IMPLEMENTING BUDGET REDUCTION TARGETS ESTABLISHED FOR THE OAKLAND POLICE DEPARTMENT**

**WHEREAS**, on June 30, 2009, the City Council adopted the biennial policy budget by passing Resolution No. 82102 C.M.S.; and

**WHEREAS**, the City's grant award from the Office of Community Oriented Policing Services (COPS) could be significantly lower than anticipated in the FY 2009-11 Adopted Budget; and

**WHEREAS**, the City's adopted budget anticipated Oakland Police Department budget reductions and sworn employee concessions totaling \$11.92 million in FY 2009-10 and \$11.52 million in FY 2010-11; and

**WHEREAS**, the General Fund may be required to repay the Measure Y fund for training and recruiting expenses, per a recent Superior Court ruling; and

**WHEREAS**, after factoring in the budgeted surplus in the FY 2009-11 Adopted Budget of \$6.3 million (FY 2009-10) and \$5.9 million (FY 2010-11), management has developed budget implementation measures totaling \$19.06 million in FY 2009-10 and \$23.97 million in FY 2010-11 in the General Purpose Fund; now therefore be it

**RESOLVED:** That the City's Fiscal Year 2009-11 Adopted Policy Budget is hereby amended to include implementation measures reflected in **Exhibit A** included with and made a part of this resolution, subject to additional amendments that may be presented and adopted on the floor at the July 28, 2009 meeting; and be it

**FURTHER RESOLVED:** That the City Council directs the City Administrator to implement the aforementioned measures upon receiving a final determination on the COPS grant award and Measure Y; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to modify the aforementioned measures if the final COPS grant award and/or the final Measure Y repayment award are different from the amounts anticipated and outlined in the agenda report titled, "Report and Resolution Implementing Measures for the General Purpose Fund for Fiscal Years 2009-2010 and 2010-2011 To Address Potentially Lower than Originally Anticipated COPS Grant Award, Possible Return to Measure Y of Unallowable Training and Recruitment Costs, and to Meet Budget Reduction Targets Established for the Oakland Police Department"

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2009

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

## **EXHIBIT A**

### **Measure Addressing Lower than Anticipated COPS Grant Award, Planning for Anticipated Return to Measure Y of Unallowable Training and Recruitment Costs, and Implementing Budget Reduction Targets Established for the Oakland Police Department**

will be presented in a **SUPPLEMENTAL** report on green pages.