

**CITY OF OAKLAND  
COUNCIL AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
CITY OF OAKLAND

**TO:** Office of the City Administrator

**ATTN:** Deborah Edgerly

**FROM:** City Administrator's Budget Office

**DATE:** January 10, 2006

**RE: Report on FY 2005-06 First Quarter Revenue and Expenditure Results and Year-End Projections for City's Selected Funds (General Purpose, Telecommunications, Contract Compliance, Equipment and Facilities) and Resolution to Appropriate \$400,000 for Middle School Sports Programs from Surplus Vehicle License Fee Loan Repayment from the State of California**

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**INTRODUCTION**

This is a quarterly report on the City's year-to-date (July 1 through September 30, 2005) and year-end projected revenues and expenditures for the five selected funds (including the General Purpose, Telecommunications, Contract Compliance, Equipment and Facilities funds). A resolution is also presented seeking Council approval to appropriate additional funds of \$400,000 for Parks and Recreation for the purpose of funding Middle School Sports Programs.

**SUMMARY OF FIRST QUARTER FINDINGS**

The City's financial condition is solid. Revenues and actual spending in subject funds remain balanced, mainly due to conservative assumptions built into the FY 2005-07 Adopted Policy Budget development, and the anticipation of revenue "take-backs" by the State.

The First Quarter Revenue & Expenditure (R&E) Report for the current fiscal year (FY 2005-06) projects a surplus in the City's largest fund – the General Purpose Fund (GPF). The First Quarter R&E includes an analysis of revenues and expenditures for the GPF and four other funds for the three-month period of July 1 through September 30, 2005. It also projects year-end revenues and expenditures for these funds, and highlights significant trends. The summary tables on the following page reflect the First Quarter R&E results, as follows:

- In the General Purpose Fund, a \$1.89 million surplus is projected in this fund by year-end, ahead of the first year expectation of the FY 2005-07 Adopted Budget.
- In the Telecommunications Reserve/Cable Franchise Fund, a \$1.10 million borrowing is projected by year-end – an increase from the \$1.04 million authorized in the FY 2005-07 Adopted Budget.
- In the Contract Compliance Fund, an additional \$0.04 million borrowing above the \$0.14 million transfer authorized in the FY 2005-07 Adopted Budget is anticipated by year-end.
- In the Equipment Fund, a \$2.59 million borrowing from the fund balance is projected by year-end, somewhat lower than the \$2.73 million authorized in the FY 2005-07 Adopted Budget.
- In the Facilities Fund, a \$1.89 million borrowing from the fund balance is projected by year-end – a decrease from the \$5.27 million authorized in the FY 2005-07 Adopted Budget.

Item # \_\_\_\_\_  
**Finance and Management**  
**January 10, 2006**

This report includes the detailed *overtime spending* analysis. The details by agency/department, for the General Purpose Fund and all funds, are provided in *Attachment F*.

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**SUMMARY (\$ in millions)**

**A. GENERAL PURPOSE FUND (#1010)**

	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Quarter Adjusted Budget	1st Quarter Actuals	Percent To Date	FY 2005-06 Year-End Estimate
Revenues	\$443.71	\$454.29	\$98.27	21.6%	\$460.50
Expenditures	\$443.51	\$456.60	\$113.42	24.8%	\$458.61
Variance	\$0.19	(\$2.31)			\$1.89

**B. TELECOMMUNICATIONS FUND (#1760)**

	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Quarter Adjusted Budget	1st Quarter Actuals	Percent To Date	FY 2005-06 Year-End Estimate
Revenues	\$1.14	\$1.94	\$0.31	15.8%	\$1.89
Expenditures	\$2.18	\$2.99	\$0.56	18.8%	\$2.98
Variance	(\$1.04)	(\$1.05)			(\$1.10)

**C. CONTRACT COMPLIANCE FUND (#1790)**

	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Quarter Adjusted Budget	1st Quarter Actuals	Percent To Date	FY 2005-06 Year-End Estimate
Revenues	\$0.14	\$0.15	\$0.05	32.8%	(\$0.04)
Expenditures	\$0.00	\$0.01	\$0.28	2429.3%	\$0.00
Variance	\$0.14	\$0.14			(\$0.04)

**D. EQUIPMENT FUND (#4100)**

	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Quarter Adjusted Budget	1st Quarter Actuals	Percent To Date	FY 2005-06 Year-End Estimate
Revenues	\$14.16	\$23.68	\$3.44	14.5%	\$22.71
Expenditures	\$16.89	\$26.41	\$2.36	8.9%	\$25.30
Variance	(\$2.73)	(\$2.73)			(\$2.59)

**E. FACILITIES FUND (#4400)**

	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Quarter Adjusted Budget	1st Quarter Actuals	Percent To Date	FY 2005-06 Year-End Estimate
Revenues	\$15.44	\$19.01	\$3.75	19.7%	\$18.32
Expenditures	\$20.71	\$24.28	\$6.30	26.0%	\$20.21
Variance	(\$5.27)	(\$5.27)			(\$1.89)

## FISCAL IMPACT

While the year-end projected revenues and expenditures for all five presented funds are generally in line with budgeted estimates, variances from the budgeted amounts are forecast for both GPF expenditures and revenues. Specifically, \$2.01 million overspending is projected for the GPF by year-end (mainly due to OPD's cost overruns; see Attachment A-2 for details), which will be offset by \$6.2 million revenue over-collection (due to continued strength in Real Estate Transfer Tax receipts and smaller surpluses in other revenue categories; see Attachment A-1 for details). Year-end revenues are projected to exceed expenditures by \$1.89 million.

During Council deliberations on the FY 2005-07 Policy Budget, Council members discussed the possibility of appropriating an additional \$0.4 million for Middle School Sports programs during the current budget cycle if sufficient funds became available. Due to the projected year-end GPF surplus, staff now seeks Council approval to appropriate an additional \$0.4 million for the Office of Parks and Recreation to expand and enhance Middle School Sports programs.

Nonetheless, while revenue is anticipated to be collected ahead of the FY 2005-06 adopted budget, expenditures in excess of budget are also projected by year end. Resolution #78615 approved by the City Council on June 15, 2004 (see *Attachment G* for a copy), requires that "the City Administrator seek City Council direction if the Budget Office's quarterly reports for the General Purpose Fund project overspending (from the current Adjusted Budget) by year-end in any agency/department of the City, even though such overspending may be covered by savings or additional revenues outside of the agency/department," and allows the City Council to "direct the City Administrator to reduce the rate of spending in particular City agencies/departments to minimize or avoid year-end overspending," by "request[ing] specific cost-cutting measures or leav[ing] it to the City Administrator's discretion."

Since the GPF overspending is projected by year-end (although fully covered by the additional revenues), staff is seeking the City Council's direction on any actions required by the overspending departments.

## DISCUSSION

This report is organized by fund. Included in each section are discussions of: a) actual collection and projections of revenues by type, along with the factors influencing them; and b) actual spending and year-end expenditure projections by agency/department, if over-expended, along with the factors influencing them. In addition to the items influencing budgets of various agencies/departments and/or funds, the vacancy rate of four percent affects the FY 2005-06 budget Citywide. This rate is assumed for most non-sworn positions in most agencies/departments, across all funds, reflecting an assumption that an average of four percent of all positions are vacant at any given point during the fiscal year. All sworn positions are exempted from the vacancy discount, as are select positions in offices with historically low vacancies or high backfill rates (such as the Mayor, City Council, City Auditor, etc.).

The discussion of the individual funds included in this R&E analysis is presented starting on page 5, following an overview of the economy and current political and legal issues.

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## GENERAL ECONOMIC OVERVIEW

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As of October 2005, the national economy continues to be strong by historical standards, despite the effects and aftermath of August's Hurricane Katrina. The Federal Reserve Board's Open Market Committee raised its targeted interest rates on November 2 to four percent, marking the twelfth consecutive increase, and indicating that the Fed feels the need to continue applying the brakes to ward off the potential inflationary effects of a growing economy. Gross Domestic Product for the third quarter of calendar year 2005 was 3.8 percent, up from 3.3 percent in the second quarter. Productivity in the third quarter surged to 4.1 percent, from the second quarter's 2.9 percent.

As usual, there are negative indicators lurking about. Oil prices are high, as are consumer debt levels; federal deficits are massive and expected to grow larger, fueled by Iraq and Hurricane Katrina relief and rebuilding efforts. Yet such indicators have persisted for months without noticeable impact on economic growth.

Oakland's real estate market, which had given signs of peaking in early 2005, has remained at a high plateau. Construction permit revenue was strong in the first quarter of the fiscal year, which should mean a large number of new units will be placed on the Oakland market in the near future. Sales of these new units should continue to bolster property tax and real estate transfer tax revenue.

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## REVENUE HIGHLIGHTS

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The City's General Purpose Fund revenues are projected to end the year over budget, supported by the ongoing surge in the real estate transfer tax. *Attachment A-1* shows budgeted revenues for FY 2005-06, actual revenues for the first quarter, and year-end projections. **General Purpose Fund (GPF) total revenues are projected to end the year at \$460.5 million; which is \$6.2 million above the FY 2005-06 adjusted budget.**

The City continues to experience strong growth in its Real Estate Transfer Tax (RETT), with a projected surplus of \$7.3 million in this revenue. Smaller surpluses are projected for Property Tax (\$2.7 million); Service Charges (\$1.0 million); and License & Permits (\$1.0 million). A \$400,000 surplus is expected in Grants & Subsidies, due to the receipt of unbudgeted reimbursement for State-mandated costs.

Staff also projects a \$650,000 surplus in VLF revenue. Part of the City's \$8.3 million VLF revenue budget consists of a \$6.25 million repayment from the State of a "loan" related to the City's FY 2003-04 VLF remittance. Though the original loan amount was \$6.9 million, the best information at the time the FY 2005-06 budget was developed was that the City would receive only \$6.25 million. However, in July the State sent the City the full loan repayment of \$6.9 million, thus generating the \$650,000 surplus. Staff now seeks Council authorization to appropriate a portion of this surplus (\$0.4 million) to expand Middle School Sports Programs sponsored by the Office of Parks and Recreation.

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## CURRENT POLITICAL/LEGAL ISSUES

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In October 2002, the City Council adopted Resolution #77498 authorizing an economic development agreement with United Air Lines, Inc. whereby the airline would locate its single-source jet fuel purchasing and resale business in the City of Oakland. This agreement generates sales and business license tax revenue for the City; the City then splits a portion of the sales tax

revenue with United Air Lines. However, AB 451 signed by Governor Schwarzenegger in September 2005 will end this agreement, as well as other such jet fuel buying agreements between municipalities and airlines, as of January 1, 2008. This law will not affect FY 2005-07 projected revenues, as it will take effect outside of the current budget cycle.

Recently, the State Board of Equalization (BOE) considered a recommendation from its staff to change the regulation enabling the City's agreement with United, effectively ending it in September 2006 and thus, preempting AB 451. The BOE staff recommendation would have triggered a retroactive refund of revenue from the City of Oakland to the Counties of San Mateo and San Francisco, which have joint authority of the San Francisco International Airport. Fortunately, the Board of Equalization voted 3-2 against this regulatory change, leaving in place the City of Oakland's agreement with United Air Lines, Inc. until January 1, 2008.

### A. GENERAL PURPOSE FUND

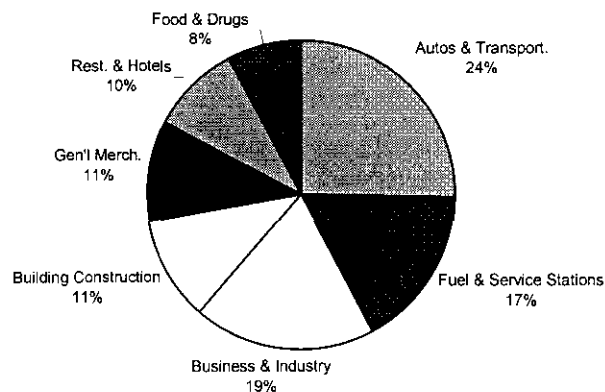
#### Property Tax

Property tax revenue collected through the end of the first quarter was \$8.2 million, 40 percent higher than for the first quarter of FY 2004-05. This \$8.2 million represents 9 percent of the current budget of \$94.6 million. The City expects to receive a "true-up" payment related to the FY 2004-05 VLF-Property Tax swap in the amount of about \$1.4 million. The City has also learned that the increase in FY 2005-2006 assessed valuation is higher than expected, which should add an additional \$1.3 million. Because of these two factors, **property tax is projected to end the year at \$97.3 million, representing a surplus of \$2.7 million over budget.**

#### Sales Tax

Sales tax revenue through the first quarter was \$9.10 million – a 27 percent increase compared with the first quarter of FY 2004-05. This increase is due to a remittance timing issue in FY 2004-05, not to an actual change in sales tax activity. This \$9.10 million represents 21 percent of the current budget of \$42.4 million.

Estimated Sales Tax Composition: FY 04-05



The chart above shows Sales Tax revenue composition for the first three quarters of FY 2004-05. Fuel & Service Stations, which two years ago was 9 percent of the total, grew to 17 percent during FY 2004-05—a dramatic increase attributable to two factors: the recent rise in gas prices and the City’s fuel sales agreement with United Airlines.

The City has received a negative adjustment from the State Board of Equalization related to the 2004-05 fiscal year; the amount is \$780,000. However, other sales tax revenue, particularly from the City’s agreement with United Airlines regarding fuel sales, should offset this negative. **We project year-end sales tax to reach the budgeted \$42.4 million.**

Changes that occurred in the local retail market that are expected to lead to the future strength of the Sales Tax revenue include:

- A new Wal-Mart opened at the corner of Hegenberger and I-880 in August 2005.
- A new Whole Foods grocery store is slated to open in the summer of 2006 at Harrison and Grand Avenue.

**Vehicle License Fee (VLF)**

Vehicle License Fee revenue through the first quarter was \$7.7 million -- a large increase over the first quarter of FY 2004-05. This \$7.7 million represents 92 percent of the current budget of \$8.3 million.

Of the budgeted \$8.3 million, \$6.25 million represents a repayment from the State of a “loan” related to the City’s FY 2003-04 VLF remittance. The original loan amount was \$6.9 million, but the best information at the time the FY 2005-07 budget was developed was that the City would receive only \$6.25 million. However, in July, pursuant to an item in the State’s FY 2005-06 Budget, the State reimbursed the City the full loan repayment of \$6.9 million, thus generating a \$650,000 surplus. **We project VLF revenues to end the year at \$9 million, exceeding the \$8.3 million budget.**

**Business Tax (BT)**

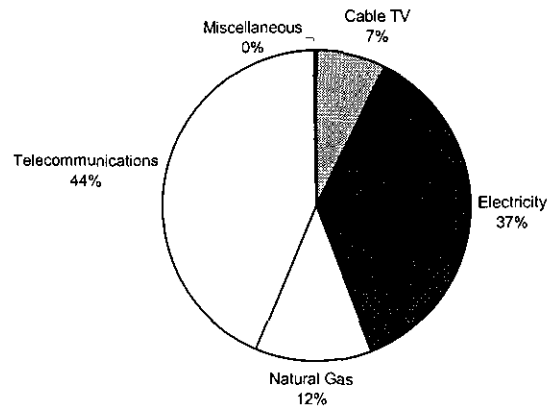
BT revenue through the end of the first quarter was \$1.1 million – 21 percent lower than first quarter receipts in FY 2004-05. The \$1.1 million is 2 percent of the current budget of \$45.96 million. These first quarter receipts are not surprising since the bulk of Business Tax receipts are normally collected between January and March. **With little actual data in the first quarter, we project that FY 2005-06 BT revenue will end the year at the budgeted \$46.0 million.**

**Utility Consumption Tax (UCT)**

UCT revenue through the end of the first quarter was \$10.3 million, which is 19 percent lower than first quarter revenue in FY 2004-05; this disparity is due to a late-arriving PG&E payment. The \$10.3 million represents 21 percent of the current budget of \$50.2 million.

The chart below shows the composition of the UCT in FY 2004-05. Historically, about three-quarters of the energy category comes from electricity, so natural gas accounts for 12 percent of UCT as a whole.

Utility Consumption Tax Composition: FY 2004-05



Recent PG&E press releases state natural gas prices are expected to increase by as much as 70 percent during November, and expect further increases over the course of the winter, due to supply shortages exacerbated by Hurricane Katrina damage to Gulf of Mexico natural gas production facilities. (More recent word from PG&E indicates that November's unusually warm temperatures led to lower-than-expected natural gas usage; analysis of November energy-related UCT revenues will be included in the FY 2005-06 Second Quarter Revenue and Expenditure report.) However, since these are projections only, and ratepayers may adjust their energy usage as a result of price increases, **we still forecast the year-end UCT to reach the budgeted \$50.2 million.**

#### **Real Estate Transfer Tax (RETT)**

RETT revenue through the end of the first quarter was \$21.0 million, which is 1 percent higher than first quarter collections in FY 2004-05. The \$21.0 million represents 35 percent of the current budget of \$60.2 million.

RETT revenue through the first quarter exceeded budget. Data for Alameda County show that price increases have leveled off and the number of units changing hands has declined slightly, compared with prior year sales for the same month. **We conservatively project RETT to end the year at \$67.5 million.**

#### **Transient Occupancy Tax (TOT)**

TOT revenue collected through the end of the first quarter was \$3.0 million, which is 27 percent higher than first quarter collections in FY 2004-05, reflecting both a resurgence in TOT revenue and a collection of one-time back payment. The \$3.0 million represents 31 percent of budget. **We conservatively project year-end revenue to reach the budgeted \$9.8 million.**

#### **Parking Tax**

Parking tax is imposed on the occupant of an off-street parking space – in a lot or a garage – for the

privilege of renting said space. It is collected by the facility operator and then remitted to the City. With the passage of Measure Y, the total parking tax rate in Oakland is 18.5 percent. Of this, ten percent accrues to the General Purpose Fund and 8.5 percent to the Measure Y Fund.

Parking Tax revenue through the end of the first quarter was \$2.2 million, 7 percent higher than first quarter collections in FY 2004-05. The \$2.2 million represents 26 percent of the current year budget of \$8.7 million. **We project to end the year at the budgeted \$8.7 million.**

**Licenses & Permits**

Licenses & Permits revenue through the end of the first quarter was \$5.6 million, 61 percent higher than first quarter collections in FY 2004-05. The \$5.6 million represents 33 percent of the current budget of \$16.7 million.

As the table on the following page illustrates, the Licenses and Permits group is comprised primarily of building licenses and permit revenue, including new construction, remodels and additions. In FY 2004-05, 83 percent of this category came from a combination of construction permits and permits related to construction, such as sidewalk/driveway, sewer, grading and excavating, encroachment and obstruction. Another nine percent is derived from planning permits and five percent comes from streets and curb permits.

CEDA staff report that numerous large projects are in various stages of the planning process and they expect to see significant growth in this category over the next year or two. Based on the year-to-date receipts, known seasonality, and anticipated collections through the end of the year, **we project year-end Licenses & Permits to reach, \$17.7 million, \$1.0 million above the budgeted \$16.7 million.**



Permit Type	% of		% of		% of	
	FY 2002-03	Total	FY 2003-04	Total	FY 2004-05	Total
Animal Licenses	177,643		197,571		183,741	
Bicycle Licenses	1,005		708		567	
<b>Licenses</b>	<b>178,648</b>	<b>1.4%</b>	<b>198,279</b>	<b>1.4%</b>	<b>184,308</b>	<b>1.2%</b>
<b>Construction Permits</b>	<b>10,382,028</b>	<b>80.1%</b>	<b>10,949,518</b>	<b>77.5%</b>	<b>13,046,257</b>	<b>83.4%</b>
Sidewalk/Driveway Permits	103,572		98,731		124,526	
Sewer Permits*	289,623		59,866		-	
Grading and Excavating Permit	354,309		1,116,167		327,943	
Encroachment Permits	453,414		293,424		301,495	
Obstruction Permits	98,409		54,076		44,904	
<b>Streets &amp; Curbs Permits</b>	<b>1,299,326</b>	<b>10.0%</b>	<b>1,622,264</b>	<b>11.5%</b>	<b>798,868</b>	<b>5.1%</b>
Police Permits	54,888		81,580		88,829	
Fire Permits	208,719		102,523		44,107	
Fire Clearance Certificate	6,607		6,891		11,484	
Charity Permits	2,850		5,938		1,976	
Residential Parking Permits	49,242		49,121		58,831	
Tree Removal Permits	9,270		17,728		13,946	
NPDES Monitoring (National Pollution Discharge Elimination System)	2		197		4	
<b>Special Permits</b>	<b>331,578</b>	<b>2.6%</b>	<b>263,978</b>	<b>1.9%</b>	<b>219,177</b>	<b>1.4%</b>
Planning Permit - Zoning	471,323		584,479		790,439	
Planning Permit - Subdivision	115,649		151,709		291,417	
Planning Permit - Environmental	187,513		363,691		314,213	
<b>Planning Permits</b>	<b>774,485</b>	<b>6.0%</b>	<b>1,099,879</b>	<b>7.8%</b>	<b>1,396,069</b>	<b>8.9%</b>
<b>Total</b>	<b>12,966,064</b>	<b>100.0%</b>	<b>14,133,918</b>	<b>100.0%</b>	<b>15,644,679</b>	<b>100%</b>

\* Beginning in FY04/05, Sewer Permit Revenues are credited to Fund 3100 - Sewer Fund

### Fines & Penalties

Fines & Penalties revenue through the end of the first quarter was \$6.9 million, 9 percent higher than first quarter collections in FY 2004-05. The \$6.9 million represents 26 percent of the current year's \$26.6 million budget.

With first quarter collections on target, **the year-end projection for Fines & Penalties is the budgeted \$26.6 million.**

### Interest Income

Interest income through the end of the first quarter was \$0.4 million, significantly larger than first quarter collections in FY 2004-05. There is no revenue budgeted in this category because most, if not all, interest income is expected to be offset by negative interest charges, as explained below.

The level of interest income to the GPF is a product of three factors: funds available for short-term investment; short-term interest rates; and the cash flow status of the City's non-General Purpose Funds. Many grants are cost-reimbursed, meaning reimbursement from the grantor happens after the City has incurred costs. The GPF covers the initial, grant-related costs, and is later reimbursed,

but an interest charge is calculated. For grants that do not allow interest charges, these revert to the GPF as negative interest. Finance staff are working with departments responsible for managing grant funds to develop a way to have the negative interest charged back to the department, as an incentive to get reimbursed as quickly as possible.

After negative interest charges are taken into account, **year-end interest income in the GPF is projected to net at zero.**

**Service Charges**

<b>SERVICE CHARGES DETAIL</b>				
	FY 2005-06 Budget	1Q Actuals	YE Projection	Projected Variance
Port Revenue	12,980,805	238,211	12,980,805	-
Police component	5,363,461		5,363,461	-
Fire component	5,543,370		5,543,370	-
General Revenues	2,073,974	238,211	2,073,974	-
Franchise Taxes	11,198,041	1,766,027	11,198,041	-
Miscellaneous	11,999,223	3,034,473	12,499,223	500,000
Parking Meter Fees	7,933,189	1,950,962	7,933,189	-
Public Works Fees	5,356,212	1,980,174	5,856,212	500,000
Personnel Services	3,787,734	497,646	3,787,734	-
Rental Concessions	2,232,150	404,579	2,232,150	-
<b>TOTAL</b>	<b>55,487,354</b>	<b>9,872,072</b>	<b>56,487,354</b>	<b>1,000,000</b>

Service Charge revenues through the end of the first quarter were \$9.9 million, which is 25 percent higher than first quarter collections in FY 2004-05. This \$9.9 million represents 18 percent of the adjusted budget of \$55.5 million. **Year-end projection is \$56.5 million, \$1.0 million above the budgeted \$55.5 million.**

Service Charges contain a variety of revenue types. The table above shows the major categories, with adjusted budget, year-to-date actuals, projected year-end totals and projected year-end variance.

Port Revenue consists of payments for Police, Fire, and other services the City provides to the Port. The City invoices quarterly, based on budgeted costs of service, with a year-end clean-up invoice reflecting the actual costs. Payments received through the first quarter are well below the invoiced amounts, but this is not uncommon for Port reimbursement. Assuming the Port pays all budgeted amounts, **we project Port revenue at the budgeted \$13.0 million.**

Franchise Taxes: This category consists of taxes on four utilities: PG&E for gas and electric; Waste Management of Alameda County for garbage collection; East Bay MUD for water; and Comcast for

cable television. First quarter actuals are consistent with the adopted budget and **the year-end projection for Franchise Taxes is the budgeted \$11.20 million.**

Miscellaneous Service Charges include parks and recreation fees, a variety of inspection fees, general plan surcharges, and miscellaneous sales. Many of the fees were increased as part of the annual modifications to the City's Master Fee Schedule. Year-to-date collections are above budget in several construction-related categories and **we project year-end revenue to reach \$12.5 million, or \$0.5 million above the budgeted \$12.0 million.**

Parking Meter Revenue consists of charges for parking in metered street stalls. This revenue was \$1.95 million through the end of the first quarter, representing 25 percent of the current budget of \$7.9 million. **Parking meter revenue is projected to end the year at the budgeted \$7.9 million.**

Public Works Fees and Permits primarily represent street and sidewalk work done in conjunction with other building activity. The City's strong housing market is translating to strong first quarter receipts in this category of \$2.0 million. **We project year-end revenue to reach \$5.8 million, \$500,000 greater than the budgeted \$5.4 million.**

Personnel Services: These are reimbursements to the City for police protection at a variety of special events or activities such as A's games, Raider games, concerts, street fairs or festivals, or for production of legal documentation in response to subpoenas. There are no set contracts in place, hence the demand for these services is variable and difficult to forecast. **We project year-end revenue at the budgeted level of \$3.79 million.**

Rental Concessions: These represent fees for the rental of the City's facilities and lands, as well as concessions at various locations. Revenue through the first quarter is \$0.4 million. This revenue has a heavy seasonal component and **we project year-end revenue at the budgeted level of \$2.23 million.**

### **Grants & Subsidies**

Grants & Subsidies revenue through the end of the first quarter was \$0.39 million. This \$0.39 million consists of a reimbursement from the State for costs incurred by the City in fulfilling State Mandates. The reimbursement was not budgeted because in recent years the State has been erratic in making this reimbursement. Since it is unclear whether any additional reimbursements for State-Mandated costs will be received, **we project year-end Grants & Subsidies revenue to be \$0.4 million.**

### **Miscellaneous**

Miscellaneous revenue through the end of the first quarter was \$0.5 million, which is 74 percent lower than first quarter collections in FY 2004-05. The \$0.5 million represents 11 percent of the current budget of \$4.69 million. The decrease from FY 2004-05 is not significant, as this revenue is highly seasonal and its components have changed since FY 2004-05. **We project that Miscellaneous revenue will end the year at the budgeted \$4.69 million.**

The primary components of the FY 2005-06 Adopted Budget for Miscellaneous revenues are a payment from the Oakland Base Reuse Authority and revenue from anticipated land sales. The parcels of land were auctioned off in November at the budgeted amount of \$2.6 million. Staff will obtain approval from the Council in January 2006 to complete the sales transaction, after

which escrow is expected to close within 90 days. Proceeds from these land sales are expected to be fully realized.

### Fund Transfers

Fund transfers through the end of the first quarter were \$8.27 million, representing 41 percent of the current budget of \$20.13 million.

The Fund Transfers category this fiscal year includes two components:

- a \$0.60 million transfer from the Sewer Service Fund (a continued repayment for building occupancy costs), and;
- a \$6.30 million transfer from the Municipal Improvement Capital Fund (a continued reimbursement for capital costs funded out of the General Purpose Fund).

**The year-end Transfers amount is projected at the budgeted level of \$20.13 million.**

### Carryforwards

At the end of each fiscal year, the City has unspent appropriations that can potentially be carried forward into the next fiscal year. These exist either in projects or as non-project encumbrances.

**For the General Purpose Fund in FY 2005-06, \$10.5 million in projects and encumbrances were carried forward from FY 2004-05.** On the expenditure side, this amount represents an increase from the Adopted to the Adjusted Budget. On the revenue side, it is reflected in the "Carryforwards" category and represents dollars reserved in the fund balance to pay for the project activities (or encumbered items) not spent in the last year.

Since carryforwards are reserved for particular projects or items, they are normally considered spent by year-end on the expenditure side, and fully "realized" on the revenue side, unless projects are delayed or not fully expended. Examples of these projects Through the first quarter, \$6.8 million of the project carryforward balance are unspent and it is projected they will remain unspent and be carried forward to FY 2006-07.

### EXPENDITURE HIGHLIGHTS

As outlined in *Attachment A-2*, the General Purpose Fund (GPF) expenditures through the end of September 2005 were \$113.4 million, or 24.8 percent of the FY 2005-06 Adjusted Budget. **GPF total expenditures are expected to reach \$458.61 million by year-end, or \$2.01 million over budget.**

Attachment A-2 also summarizes agency/department-level spending to date and projected through year-end. *Attachment F* provides the breakdown of overtime spending through September 2005 and projected year-end results, for the General Purpose Fund and All Funds.

Provided below is a discussion of only those agencies/departments that are projected to overspend their year-end GPF budget. **Agencies/departments that are not discussed are projected to end the year within budget, or with savings.**

### Police Services

The Police Services Agency has spent \$44.62 million through September 2005, or 26.2 percent of the \$170.2 million Adjusted Budget. Given its spending to date and the continuation of current

trends, along with newly implemented measures and accounting adjustments, the Police Services Agency is projected to overspend its FY 2005-06 Adjusted General Purpose Fund Budget by \$3.35 million, or 2.0 percent, through year-end. (This compares with overspending in FY 2004-05 of \$11.28 million or 7.2 percent). It should be noted that, while overspending is still projected for FY 2005-06, the Agency has made great progress in its efforts to reduce overtime expenditures and bring its overall expenditures within budget.

Personnel Services accounted for 91.3 percent of the total quarterly spending. Personnel spending is expected to be over-budget due to accelerated spending in retirement and benefit accounts associated with sworn salaries and overtime.

#### *Overtime*

Overtime spending through September within the General Purpose Fund was \$5.03 million, reflecting 44.7 percent of the \$11.25 million annual overtime budget (see Attachment F). If current trends continue, combined with new measures, total overtime for the year is projected at \$17.46 million, or \$6.2 million over budget.

- \$2.64 million of the \$6.2 million projected overage is due to *holiday, court, and MOU-related overtime costs*.
- The remaining \$3.56 million overage is largely due to *backfill and shift extension overtime*.

#### *Academies*

The Agency has approximately 50 vacant sworn positions in the General Purpose Fund and 59 vacant sworn positions in the Measure Y Fund. The Agency began its first academy in January 2005 and continues to conduct concurrent academies. The cost to run the academies is approximately \$1.4 million annually (for 3-4 academies). These expenditures include:

- *Recruiting and Hiring*: advertisement, written testing, oral boards, background investigations, polygraphs, psychological testing, and agility testing.
- *Training*: instruction materials, instructors, facilities rental, ammunition, gear (guns, belts, vehicles, etc.).
- *Salaries for the Police Officer Trainees*: during the 26 weeks of the academy and for an additional 15 weeks during field training prior to the Agency being able to fully utilize their services.

The Agency did not receive any additional funding to run academies in Fiscal Years 2004-05, 2005-06 or 2006-07. As 40 percent of the officers will be deployed to Measure Y activities, the Agency is able to charge this percentage of the academy expenditures to Measure Y. Accordingly, the Agency is expected to overspend the General Purpose Fund budget for these services by \$840,000 in FY 2005-06.

#### *Sideshows*

The Agency engaged in a number of operations during the summer of 2005 to curtail sideshow activities on the streets of Oakland. The cost for these special operations for the first quarter was \$651,000 (total of \$909,000 for the period May – October). As most of the activities took place in the summer months, much of the effort was expended during the first quarter of this fiscal year.

*Negotiated Settlement Agreement (NSA)*

The NSA requires the Agency to provide oversight/auditing services to prove compliance. These services require an increase of resources in areas that have not been considered in the Agency's budget for the past three years. The largest impact was during the past nine months when the Agency was mandated by a court order to "redouble its efforts" to become compliant in the required 51 Tasks identified in the agreement. This translated into adding an additional 14 sworn positions to the Internal Affairs Division (IAD).

Prior to implementation of the NSA, the Agency was budgeted for four sworn employees in the Office of the Inspector General (OIG) and 14 sworn and civilian employees in IAD. As the part of the Agency's efforts to adhere to the NSA, there are currently 12 sworn and civilian employees in OIG and 28 sworn and civilian employees in IAD. This is a total increase of 22 FTEs devoted to NSA implementation. The Agency's budget was not increased for the cost of the additional 22 FTEs; accordingly, funding came from existing resources within the Agency. The openings from these vacated positions had to be backfilled.

An additional financial burden is the NSA requirement of an 8:1 sworn supervision ratio. With the additional positions in IAD (the majority of which are Sergeants and Lieutenants) the impact to the budget is the need for acting command staff and associated backfill costs. The increase in the additional positions in these two divisions alone equates to over \$4.0 million.

*Mandatory Working Overtime on Day-Off in Patrol (WODOP)*

Due to the number of positions dedicated to NSA implementation and because the Agency has over 110 vacant sworn positions (Measure Y and General Purpose Fund), all sworn ranks below Lieutenant are mandated to cover a vacant beat at least once every three weeks (backfill). The Agency also asks that officers fill the overtime assignments in special events, special grant-funded operations, vacations, sick, court assignments, etc. This is not only causing undo burden to weary officers, it increases the financial impact to the Agency.

Operations & Maintenance spending accounted for 8.7 percent of the total quarterly spending. The Agency anticipates that it will realize \$1.0 million in O&M savings through its booking fees appropriation and in the reduction in its technology expenditures. As the number of arrests was significantly low in the first quarter (as well as into November), the department will realize a savings in the booking fee accounts. In addition, by attempting to divert its technology expenditures from the General Purpose Fund into applicable grant funds, the department anticipates it will realize a total of \$1.0 million savings in O&M from these two efforts.

**B. TELECOMMUNICATIONS FUND**

**FUND HISTORY AND PURPOSE**

The City charges franchise fees for four main utility services: cable TV, gas and electric, garbage collection, and sewers. The cable TV franchise fee revenue received by the City is split between the General Purpose Fund and the Telecommunications Fund. Revenue from the Telecommunications Fund is primarily spent on City's telecommunication activities: over 98.4 percent of revenues in the past five years have gone to KTOP.

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## REVENUE BACKGROUND

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Oakland's cable television franchise was awarded to Lenfest West Inc. in 1983, and transferred to TeleCommunications, Inc. (TCI) in 1996, and then to AT&T Broadband in 1999. AT&T Broadband was subsequently purchased by Comcast.

Revenue into the Telecommunications Fund comes from quarterly payments by Comcast under terms spelled out in a contract with the City. Payments are based on the gross receipts Comcast derives from the franchise agreement. The Telecommunications Fund receives 40 percent of the cable television fees; the other 60 percent goes to the General Purpose Fund.

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## REVENUE HIGHLIGHTS

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### *Interest Income*

The Telecommunications Fund has generated negative interest charges of \$0.01 million through the end of September 2005, due to the negative fund balance discussed below; it is projected to reach \$0.05 million by year end.

### *Service Charges (Franchise Fees)*

The full first-quarter franchise revenue is at 28.5 percent of the adjusted budget. Given the revenue activity to date, year-end revenue is projected to reach the budgeted level of \$0.99 million by year-end (see *Attachment B-1* for details).

The Telecommunication Fund has, over the years, accumulated a negative fund balance due to revenue under-collection and/or overspending. For example the FY 2005-06 Adopted Budget estimated revenues before fund transfer of \$0.99 million and expenditures of \$2.18 million, which creates a structural deficit of \$1.19 million. As part of the FY 2005-07 Adopted Policy Budget, Council approved a rebalancing of the fund over the next ten years to correct this imbalance. This gradual repayment of the negative balance will require contributions from the General Purpose Fund. Absent these changes, the structural operating deficit would continue to grow.

### *Miscellaneous Revenues*

Miscellaneous revenues of \$0.8 million are expected from Comcast, as approved by Council (Resolution #76872), for its portion of the City's MacArthur Boulevard utility undergrounding capital project.

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## EXPENDITURE HIGHLIGHTS

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The FY 2005-06 budget contains appropriations for three departments within the Telecommunications Fund: City Administrator's Marketing Division (KTOP unit), Oakland Public Library and Non-Departmental. The total appropriation is \$2.18 million of which \$1.22 million is dedicated to KTOP for operating expenditures; \$0.05 million is allocated to the Public Library; and \$0.05 million is budgeted for Non-Departmental payments related to the Cable Franchise Contract. Another \$0.86 million is allocated in the Capital Improvement Program for KTOP capital improvements.

Through the first quarter of FY 2005-06, approximately \$0.56 million, or 18.73 percent, has been obligated or spent. Of this amount, approximately \$0.21 million or 12.4 percent has been obligated or spent for KTOP-related capital improvements. Above-expected personnel services spending in

KTOP will be offset by curtailing overtime and unanticipated revenue-generating studio activities. Year-end spending is projected to be at the budgeted amount of \$2.98 million (see *Attachment B-2* for details).

### C. CONTRACT COMPLIANCE FUND

#### FUND HISTORY AND PURPOSE

The Contract Compliance Fund was established in FY 1993-94. At that time, contract and compliance functions were located in the Public Works Agency. The growth of the program led to the creation of the Contract Compliance Division within the City Manager's Office (now the City Administrator's Office). The Division monitors and enforces City policies that ensure local businesses and residents participate in City contracting, procurement and employment opportunities. It also monitors and enforces equity-related policies such as the Living Wage and Equal Benefits.

Until the end of FY 2004-05, contract compliance activities were funded via a three percent assessment against all City contracts over \$25,000, with certain exceptions authorized by the City Council. Since there was a distinct revenue stream and expenditures were made for distinct purposes, a separate fund was created.

The assessment rate, which varied between 3 and 3.5 percent over the years, never generated enough revenue to cover contract compliance expenditures. A deficit fund balance accumulated since the program's inception as a result. To address the deficit, Council approved a ten-year rebalancing of the Contract Compliance fund as part of the FY 2005-07 Adopted Policy Budget, beginning in FY 2005-06. Transfers from the General Purpose Fund will draw down the accumulated deficit over time, eventually bringing it to near zero at the end of ten years.

#### REVENUE HIGHLIGHTS

##### *Interest Income*

The Contract Compliance Fund has generated negative interest charges of \$0.05 million through the end of September 2005, due to the negative fund balance discussed above; it is projected to reach \$0.18 million by year end (see *Attachment C-1* for revenue details).

##### *Service Charges (Assessments)*

In prior years, the Contract Compliance Division generated service charge revenue from the three percent assessment on contracts over \$25,000. Various City funds used to pay for such contracts transferred funding to the Contract Compliance Fund, for use by the Division to support its personnel and operations and maintenance. However, this funding mechanism was discontinued with the passage of the FY 2005-07 Adopted Policy Budget. Therefore, no service charge revenue is anticipated for this fund. Rather, staff and operating costs are allocated across various funding sources (Sewer, ACTIA, Recycling program, etc) where contracts are anticipated.



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## EXPENDITURE HIGHLIGHTS

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In prior years the City Administrator's Office of Contract Compliance and Employment Services was the primary recipient of the Contract Compliance fund. The Office of the City Attorney (OCA) also received funding from this source. However, beginning in FY 2005-06, contract compliance activities are supported by a variety of funding sources (Sewer, ACTIA, Recycling program, etc) where contracts are anticipated. Expenditures reflected to date will be transferred to these funds by year end (see *Attachment C-2*).

## D. EQUIPMENT FUND

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### FUND HISTORY AND PURPOSE

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The Equipment Fund is an Internal Service Fund (ISF). An ISF accounts for services provided by a unit within an organization to other users within the same organization. The intent is that fund revenues, in the form of charges to users, will be just enough to cover the cost of providing the service(s).

The Equipment Fund supports the maintenance and replacement of the City's motorized vehicles. The activities involved include determining fleet requirements; performing preventive maintenance and repairs; providing fuel; purchasing new and disposing of surplus vehicles. Services are provided by the Equipment Services Division within the Public Works Agency.

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### REVENUE BACKGROUND

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As described above, annual department payments to the Equipment Fund should be at a level sufficient to cover the fund's annual costs. However, for the last several fiscal years, the division's spending has exceeded actual revenues by substantial amounts. These ongoing operating deficits arise from the fact that revenues collected from user departments do not fully cover the actual costs of providing the service.

In FY 2005-06, the Equipment Fund's budget includes \$16.89 million in new appropriations and \$14.16 million in budgeted revenue, meaning that its operating deficit is approximately \$2.73 million. As part of the FY 2005-07 Adopted Policy Budget, the Council approved an increase to the Equipment Fund rates, and a rebalancing of the fund over a ten-year period. Absent these changes, the structural operating deficit would continue to grow.

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### REVENUE HIGHLIGHTS

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#### *Fines & Penalties, Interest, Internal Service and Miscellaneous Revenues*

Equipment Fund revenue (excluding carryforwards) through the first quarter was \$3.44 million, representing 24.3 percent of the FY 2005-06 budget. By year-end, lower-than-expected miscellaneous revenue will be partially offset by slight interest income, resulting in an overall over-collection of \$0.14 million (compared to the budget of \$14.16 million; please see *Attachment D-1* for detail).

### Carryforwards

At the end of each fiscal year, the City has many unspent appropriations that can potentially be carried forward into the next fiscal year. These exist either in projects or as non-project encumbrances. In FY 2005-06, \$9.53 million in project appropriations and non-project encumbrances were carried forward from FY 2004-05 in the Equipment Fund. This amount has been added to the Adjusted Budget as both revenue and expenditure. Some of the project carryforwards will not be spent in FY 2005-06; therefore, there will be an equal amount of carryforward "under-realization" this year. Carryforward under-spending is the primary reason fund expenditures appear to be below budget (see "Expenditure Highlights" below).

### EXPENDITURE HIGHLIGHTS

The Public Works Agency spent \$2.36 million or 10.4 percent of its \$22.77 million Adjusted Budget in the Equipment Fund through the end of September 2005 (not including CIP projects). The vast majority of these expenditures are related to the Equipment Services Division (see *Attachment D-2* for expenditure detail).

*Personnel Services* spending was \$1.07 million, or 22.1 percent of the annual personnel budget, and accounted for 45.3 percent of total spending. Overtime spending was above budget at \$10,846; this rate of spending is not expected to increase. Overall, personnel-related spending is expected to be under budget by approximately \$0.47 million by fiscal year end.

*Operations and Maintenance (O&M)* spending reached \$1.29 million at the end of the first quarter. However, O&M spending will be much higher in the second half of the year, due to extraordinarily high gasoline prices. To the degree possible, the department is attempting to reduce spending in other areas to offset higher than anticipated gas prices.

Some of the City's vehicle lease-purchase costs are budgeted in a project in the Equipment Division's operating budget; the remainder of this multi-million dollar purchase will be completed in this year (see discussion on the Capital Improvement Program below). Year-end O&M expenditures are estimated to be below budget by approximately \$0.21 million.

There has been no **Capital Improvement Program** spending to-date in the Equipment Fund. However, the Maximus computerized fleet management system is expected to be completed this year, at a cost of \$320,000. Also, by year end, the Department plans to purchase 83 vehicles, using the remainder of its vehicle lease-purchase funds. The total spending on vehicle lease-purchases will total \$8.6 million in both operating and capital organizations. By year end, approximately \$3.43 million of the Equipment Fund's CIP budget is anticipated to be spent.

Total year-end spending in the Equipment Fund will be \$25.3 million, or 96.6 percent of the total adjusted budget.

## **E. FACILITIES FUND**

### FUND HISTORY AND PURPOSE

The Facilities Fund is an Internal Services Fund (ISF). An ISF accounts for services provided by a unit within an organization to other users within the same organization. The intent is that fund

revenues, in the form of charges to users, will be just enough to cover the cost of providing the service(s).

The Facilities Fund accounts for maintenance of all City facilities which house programming and administrative staff, including the Police Administration Building, fire stations, Civic Center Complex, and various other City offices and facilities. The fund also provides maintenance to all park facilities, including tot-lots and swimming pools. Services include janitorial, security, building design, and building retrofits to comply with applicable regulations. The services are provided by the Public Works Agency. The fund does not support the custodial services of park and recreational facilities, senior centers, Head Start centers and libraries.

### REVENUE BACKGROUND

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Over the past several years, the Facilities Fund, similar to the Equipment Fund (and for the same reasons), has had budgeted appropriations greater than budgeted revenues, and actual expenditures greater than actual revenues. For FY 2005-06, budgeted new revenue is \$15.44 million, while adopted expenditures are \$20.71 million, creating an operating deficit.

To address the structural deficit, the City Council approved an increase to Facilities Fund rates, and a rebalancing of the Fund over a ten-year period as part of the FY 2005-07 Adopted Policy Budget. Without these changes, the ongoing structural deficit would be even greater. The year-end projected operating shortfall in this fund is lower than the level assumed in the budget, for reasons explained below.

### REVENUE HIGHLIGHTS

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#### *Interest, Service Charges and Internal Service Revenues*

The Internal Service (work order) revenue through the first quarter was \$3.74 million, on target with budget. Additional service charges and negative interest totaled \$0.01 million to-date. While the work order revenue and service charges are projected to end the year at budget, negative year-end interest charges of \$0.26 million are projected, due to a negative balance in the Facilities Fund. As a result, the subtotaled year-end revenue (excluding carryforwards) is projected to be slightly less than budget, reaching \$15.18 million (see *Attachment E-1* for revenue detail).

#### *Carryforward Revenue*

At the end of each fiscal year, the City has unspent appropriations that can potentially be carried forward into the next fiscal year. These exist either in projects or as non-project encumbrances. In FY 2005-06, \$3.57 million in project appropriations and non-project encumbrances were carried forward from FY 2004-05 in the Facilities Fund. Thus far, \$0.44 million has been used, yielding a projected year-end carryforward of \$3.14 million.

### EXPENDITURE HIGHLIGHTS

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*(Please refer to Attachment E-2 for the summary of the Facilities Fund expenditures.)*

The Public Works Agency has spent \$6.27 million or 26.0 percent of its \$24.13 million adjusted Facilities Fund budget through the end of September 2005. Over 82.5 percent of these expenditures were related to the Department of Facilities & Environment, in the Facilities Services and Park & Building Maintenance Divisions.

- The Facilities and Environment Division has spent \$3.71 million or 18.5 percent of its \$20.02 million Adjusted Budget through the end of September 2005.

*Personnel Services* spending was at 23.2 percent of budget, and accounted for 53.7 percent of the total spending. Personnel spending to-date is lower than anticipated due to vacancies, which will be filled shortly. Personnel spending will be below budget by approximately \$500,000 at year-end. Overtime spending is at \$39,423 or 52.8 percent of budgeted overtime.

*Operations & Maintenance* accounted for 16.3 percent of the total first quarter spending. Utility costs are projected to increase during the winter months, increasing total O&M costs.

- The Facilities Fund has only one **Capital Improvement Project** budgeted, a project to replace one of the Heating, Ventilation and Air Conditioning (HVAC) systems at the Edgewater building. This project will be completed by year-end.

A total of \$40,000 has been spent to-date in the Facilities Fund's *Capital Improvement Program*. Spending on capital projects will account for approximately \$0.15 million of total year-end Facilities Fund spending.

Spending in the Facilities Fund is typically higher in the second half of the year, because invoices tend to be received at the end of the year. Given spending to date and accounting for anticipated changes in future spending patterns, the Facilities Fund's FY 2005-06 Adjusted Budget is projected to be underspent by \$4.07 million (16.8 percent) by year-end, due to savings in personnel costs from vacancies and underspending of the O&M budget, particularly in projects which will carryforward to FY 2006-07.

## F. OVERTIME SPENDING

### MAJOR OBSERVATIONS

*Attachment F* provides details on the overtime spending through September 2005, as well as year-end projected results, by agency/department, for the General Purpose Fund and all funds.

Overtime overspending by the end of FY 2005-06 (at the all funds level) is projected for many departments: minor for some, but significant for others. Most departments will nevertheless manage to balance their overtime overspending with savings in other categories (primarily in salary savings from vacancies), therefore staying within their overall budget appropriations. Police overtime overspending will add to the overall budget overspending by the end of this fiscal year, as discussed earlier in this report.

### CONCLUSION/RECOMMENDATION

While the year-end projected revenues and expenditures for all five presented funds are in line with budgeted estimates (and the General Purpose Fund in particular is shown as balanced by year-end), variances from the budgeted amounts are forecast for both GPF expenditures and revenues. Since overspending in the General Purpose Fund is projected by year-end (although fully covered by

additional revenues), staff seeks City Council direction on any actions required by the overspending departments, pursuant to Resolution #78615.

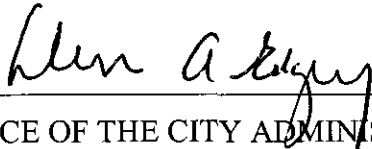
Staff also recommends that the City Council adopt the resolution to appropriate an additional \$0.4 million within the Office of Parks and Recreation for the purpose of expanding and enhancing Middle School Sports Programs.

Respectfully submitted,



**CHERYL L. TAYLOR**  
Interim Budget Director

APPROVED FOR FORWARDING TO THE  
FINANCE AND MANAGEMENT COMMITTEE



OFFICE OF THE CITY ADMINISTRATOR

**Attachments:**

- A-1: General Purpose Fund Revenues*
- A-2: General Purpose Fund Expenditures*
- B-1: Telecommunications Fund Revenues*
- B-2: Telecommunications Fund Expenditures*
- C-1: Contract Compliance Fund Revenues*
- C-2: Contract Compliance Fund Expenditures*
- D-1: Equipment Fund Revenues*
- D-2: Equipment Fund Expenditures*
- E-1: Facilities Fund Revenues*
- E-2: Facilities Fund Expenditures*
- F: Overtime Spending (General Purpose Fund and All Funds)*
- G: Resolution #78615 Mandating Council Input on Projected Overspending*

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**GENERAL PURPOSE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actuals	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q1 to Q1
PROPERTY TAX	\$89.82	\$5.81	6%	\$90.7	\$94.6	\$94.6	\$8.2	9%	\$97.3	\$2.7	"True-up" related to 04-05 VLF-Prop Tax swap. Also, higher than budgeted assessed valuation.	40%
SALES TAX	41.41	7.19	17%	\$41.7	\$42.4	\$42.4	\$9.1	21%	\$42.4	\$0.0		27%
VEHICLE LICENSE FEE (VLF) - TAX & BACKFILL	3.05	1.03	34%	\$2.6	\$8.3	\$8.3	\$7.7	92%	\$9.0	\$0.6	VLF Gap Loan repayment exceeds budget.	648%
BUSINESS TAX	44.66	1.39	3%	\$45.9	\$46.0	\$46.0	\$1.1	2%	\$46.0	\$0.0	Few actuals yet.	-21%
UTILITY CONSUMPTION TAX	48.61	12.70	26%	\$51.2	\$50.2	\$50.2	\$10.3	20%	\$50.2	\$0.0	Expected increases in natural gas prices.	-19%
REAL ESTATE TRANSFER TAX	47.01	20.75	44%	\$77.9	\$60.2	\$60.2	\$21.0	35%	\$67.5	\$7.3	Oakland real estate market continues to be strong.	1%
TRANSIENT OCCUPANCY TAX	9.93	2.38	24%	\$10.0	\$9.8	\$9.8	\$3.0	31%	\$9.8	\$0.0	Slight increase above budget.	27%
PARKING TAX	9.52	2.10	22%	\$9.0	\$8.7	\$8.7	\$2.2	26%	\$8.7	\$0.0		7%
LICENSES & PERMITS	14.65	3.49	24%	\$15.6	\$16.7	\$16.7	\$5.6	33%	\$17.7	\$1.0	Strong construction permit activity	61%
FINES & PENALTIES	27.54	6.37	23%	\$24.9	\$26.6	\$26.6	\$6.9	26%	\$26.6	\$0.0		9%
INTEREST INCOME	0.00	0.10	N/A	\$2.0	\$0.0	\$0.0	\$0.4	N/A	\$0.0	\$0.0	Positive interest income will be offset by negative interest charges in other funds.	279%
SERVICE CHARGES	51.72	7.87	15%	\$56.9	\$55.5	\$55.5	\$9.9	18%	\$56.5	\$1.0	Surplus forecast in public works fees and miscellaneous service charges.	25%
GRANTS & SUBSIDIES	0.11	0.79	717%	\$0.2	\$0.0	\$0.0	\$0.4	N/A	\$0.4	\$0.4	Actuals are unbudgeted State Mandates.	-50%
MISCELLANEOUS	9.11	1.96	21%	\$4.6	\$4.7	\$4.7	\$0.5	11%	\$4.7	\$0.0		-74%
FUND TRANSFERS	6.90	1.73	25%	\$11.7	\$20.1	\$20.1	\$8.3	41%	\$20.1	\$0.0		379%
<b>SUBTOTAL</b>	<b>\$404.03</b>	<b>\$75.65</b>	<b>19%</b>	<b>\$445.0</b>	<b>\$443.8</b>	<b>\$443.8</b>	<b>\$94.6</b>	<b>21%</b>	<b>\$456.8</b>	<b>\$13.0</b>		<b>25%</b>
CARRYFORWARDS	10.34	9.17	89%	\$3.3	(\$0.1)	\$10.5	\$3.7	35.4%	\$3.7	(\$6.8)	Unspent carryforwards (CEDA, Non-Dept'l, Police)	-59%
<b>TOTAL</b>	<b>\$414.37</b>	<b>\$84.82</b>	<b>20%</b>	<b>\$448.3</b>	<b>\$443.7</b>	<b>\$454.3</b>	<b>\$98.3</b>	<b>22%</b>	<b>\$460.50</b>	<b>\$6.2</b>		<b>16%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
 Through First Quarter (July 1, 2005 through September 30, 2005)  
 GENERAL PURPOSE FUND EXPENDITURES (\$ In millions)

Agency / Department	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actual Spending	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End (Over) / Under	Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Over)spending / Savings	Yr-to-Yr Growth Q1 to Q1
MAYOR	\$1.69	\$0.57	33.8%	\$1.50	\$2.09	\$2.09	0.39	18.6%	1.98	\$0.1	6.22%	Savings due to salary/personnel savings.	-30.9%
CITY COUNCIL	\$2.43	\$0.72	29.5%	2.30	2.75	2.75	0.86	30.9%	2.75	0.04	1.29%	Savings due to salary/personnel savings.	19.8%
CITY ADMINISTRATOR	7.26	1.61	22.1%	6.86	6.45	6.76	1.97	22.4%	6.75	0.04	0.50%	Savings due to salary/personnel savings.	22.4%
Administration	1.88	0.38	20.0%	1.78	2.27	2.32	0.63	27.4%	2.32	(0.00)	-0.04%	Savings are not anticipated.	69.0%
Citywide Support	3.85	0.87	22.8%	3.54	4.54	4.56	0.95	20.7%	4.67	0.01	0.20%	Savings due to salary/personnel savings; vacant positions are anticipated to be filled.	8.9%
Marketing	0.71	0.18	25.7%	0.72	0.84	1.03	0.24	23.4%	1.01	0.02	1.77%	Savings are due to O&M.	32.6%
Public Art/Cultural Funding	0.82	0.18	21.8%	0.82	0.81	0.85	0.14	16.8%	0.83	0.01	1.76%	Savings due to salary/personnel savings; vacant positions are anticipated to be filled.	-20.7%
CITY CLERK	2.18	0.33	15.2%	1.76	2.23	2.54	0.49	19.3%	2.54	0.00	0.11%	Minor savings due to salary/personnel savings.	48.3%
CITY ATTORNEY	7.31	1.71	23.4%	7.60	8.58	8.62	2.04	23.7%	8.55	0.07	0.87%	Savings due to salary/personnel savings.	19.5%
CITY AUDITOR	1.02	0.27	26.1%	1.11	1.21	1.21	0.36	29.6%	1.20	0.02	1.30%	Savings due to salary/personnel savings. Personnel spending within GPF is anticipated to decrease.	35.2%
FINANCE & MANAGEMENT	28.97	6.87	23.7%	28.87	32.65	33.19	8.31	25.1%	33.18	0.01	0.02%	Underspending is due to O&M.	21.1%
POLICE SERVICES	157.36	43.56	27.7%	168.64	167.82	170.20	44.62	26.2%	173.55	(3.35)	-1.97%	Overspending in sworn retirement accrual, academies, sidestows, backfill, and overtime.	2.4%
FIRE SERVICES	90.09	22.89	25.4%	89.52	102.73	103.13	24.90	24.1%	103.13	0.00	0.00%		8.8%
CULTURAL ARTS	5.74	1.82	31.7%	6.08	5.72	5.74	1.43	24.9%	5.73	0.01	0.17%	Savings due to salary/personnel savings.	
LIBRARY SERVICES	10.67	2.81	26.3%	10.75	11.37	11.88	3.09	26.4%	11.29	0.39	3.34%	Savings due to salary/personnel savings.	9.9%
PARKS & RECREATION	12.22	3.75	30.7%	11.92	12.75	13.10	3.55	27.1%	13.10	0.00	0.00%	Ballfields project balances will carryforward to FY06-07	-5.4%
HUMAN SERVICES	8.16	1.99	24.4%	7.79	5.08	6.55	1.88	28.8%	6.52	0.03	0.44%	Savings due to salary/personnel savings from vacancies.	-5.3%
COMM & ECON DEVELOPMENT	22.31	5.09	22.8%	19.30	23.22	25.30	5.58	22.0%	24.70	0.60	2.37%	Savings in personnel expenditures are expected due to retirements primarily in Building Services. Underspending of O&M in Planning and Building	9.6%
PUBLIC WORKS	1.11	0.52	47.2%	1.18	1.65	2.68	0.55	20.4%	2.68	0.00	0.00%	Leona Quarry & MacArthur Street project balances will carry forward to FY06-07.	4.6%
NON-DEPARTMENTAL	54.96	10.48	19.1%	50.30	55.21	58.22	13.29	22.8%	58.22	0.00	0.00%	Project balances will carry forward to FY 06-07.	28.7%
SUBTOTAL	420.78	106.59	25.3%	422.35	443.51	456.82	113.30	24.9%	457.84	(2.01)	-0.44%		6.3%
CAPITAL IMPROVEMENT PROGRAM	0.81	0.07	9.3%	1.08	0.00	0.76	0.12	15.5%	0.76	0.00	0.00%	Project balances will carry forward to FY 06-07.	60.6%
<b>TOTAL</b>	<b>421.67</b>	<b>106.66</b>	<b>25.3%</b>	<b>423.43</b>	<b>443.51</b>	<b>456.60</b>	<b>113.42</b>	<b>24.8%</b>	<b>458.61</b>	<b>(2.01)</b>	<b>-0.44%</b>		<b>6.3%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**TELECOMMUNICATIONS FUND REVENUES (\$ in millions)**

Revenue Category	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actuals	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q1 to Q1
INTEREST INCOME	0.00	0.00	N/A	(0.01)	0.00	0.00	(0.01)	N/A	(0.05)	(0.05)	Interest income was not anticipated during budget development.	0.0%
SERVICE CHARGES	0.93	0.01	1.1%	0.01	0.99	0.99	0.28	28.5%	0.99	0.00		2537.6%
MISCELLANEOUS	0.00	0.00	N/A	0.00	0.00	0.80	0.00	0.0%	0.80	0.00	Comcast revenue for MacArthur Undergrounding project.	0.0%
FUND TRANSFERS	0.00	0.00	N/A	0.00	0.15	0.15	0.04	25.0%	0.15	0.00		0.0%
<b>TOTAL</b>	<b>\$0.93</b>	<b>\$0.01</b>	<b>1.1%</b>	<b>\$0.00</b>	<b>\$1.14</b>	<b>\$1.94</b>	<b>\$0.31</b>	<b>15.8%</b>	<b>\$1.89</b>	<b>(\$0.05)</b>		<b>2766.2%</b>



**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**TELECOMMUNICATIONS FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actual Spending	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$ (Over)/Under	Year-End (Over)/Under as % of Adjusted Budget	Explanation of (Overspending) / Savings	Yr-to-Yr Growth Q1 to Q1
CULTURAL ARTS	1.09	0.24	22.0%	1.07	1.22	1.22	0.34	27.9%	1.22	0.00	0.29%		
LIBRARY SERVICES	0.05	0.01	22.0%	0.04	0.05	0.05	0.01	15.2%	0.05	0.00	0.00%	Library will JV personnel spending into this fund by year-end.	-21.4%
NON-DEPARTMENTAL	0.05	0.01	0.0%	0.06	0.05	0.05	0.01	16.3%	0.05	0.00	0.00%		N/A
<b>SUBTOTAL</b>	<b>1.19</b>	<b>0.26</b>	<b>21.8%</b>	<b>1.17</b>	<b>1.32</b>	<b>1.32</b>	<b>0.36</b>	<b>26.9%</b>	<b>1.32</b>	<b>0.00</b>	<b>0.27%</b>		<b>37.4%</b>
CAPITAL IMPROVEMENT PROGRAM	0.00	0.00	N/A	0.00	0.86	1.66	0.21	12.4%	1.66	0.00	0.00%		0.0%
<b>TOTAL</b>	<b>1.19</b>	<b>0.26</b>	<b>21.8%</b>	<b>1.17</b>	<b>2.18</b>	<b>2.99</b>	<b>0.56</b>	<b>18.8%</b>	<b>2.98</b>	<b>0.00</b>	<b>0.12%</b>		<b>117.1%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**CONTRACT COMPLIANCE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actuals	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q1 to Q1
INTEREST INCOME	0.00	0.00	N/A	(0.02)	0.00	0.00	(0.05)	N/A	(0.18)	(0.18)	Interest income was not anticipated during budget development.	0.0%
SERVICE CHARGES	0.84	0.15	18.0%	0.15	0.00	0.00	0.06	0.0%	0.00	0.00	Over collection is based on first quarter trend of higher than anticipated collection.	-60.4%
FUND TRANSFERS	0.00	0.00	N/A	0.00	0.14	0.15	0.03	23.3%	0.15	0.00		0.0%
<b>TOTAL</b>	<b>\$0.84</b>	<b>\$0.15</b>	<b>18.0%</b>	<b>\$0.13</b>	<b>\$0.14</b>	<b>\$0.15</b>	<b>\$0.05</b>	<b>32.8%</b>	<b>(\$0.04)</b>	<b>(\$0.18)</b>		<b>-67.9%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**CONTRACT COMPLIANCE FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actual Spending	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$(Over) / Under	Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) Savings	Yr-to-Yr Growth Q1 to Q1
CITY ADMINISTRATOR	0.97	0.25	25.8%	1.01	0.00	0.01	0.28	2429.3%	0.00	0.01	100.00%	Charges will be transferred to other funds during the year.	12.4%
CITY ATTORNEY	0.21	0.06	28.1%	0.23	0.00	0.00	0.00	0.0%	0.00	0.00	0.00%	Fund is no longer used by City departments.	-100.0%
<b>TOTAL</b>	<b>1.18</b>	<b>0.31</b>	<b>0.54</b>	<b>1.23</b>	<b>0.00</b>	<b>0.01</b>	<b>0.28</b>	<b>2429.3%</b>	<b>0.00</b>	<b>0.01</b>	<b>100.00%</b>		<b>-9.0%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**EQUIPMENT FUND REVENUES (\$ in millions)**

Revenue Category	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actuals	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q1 to Q1
FINES & PENALTIES	0.09	0.00	4.1%	0.03	0.10	0.10	0.01	13.5%	0.04	(0.06)	Low YTD actuals.	239.7%
INTEREST INCOME	0.00	0.00	N/A	0.22	0.00	0.00	0.00	N/A	0.20	0.20	Positive interest from vehicle leases.	0.0%
INTERNAL SERVICE	11.75	2.95	25.1%	11.87	13.74	13.74	3.42	24.9%	13.74	0.00	Internal service charges collected as budgeted.	N/A
MISCELLANEOUS	0.32	0.04	11.0%	0.08	0.32	0.32	0.01	1.6%	0.32	0.00	Vehicle sales will be as budgeted.	-85.8%
<b>SUBTOTAL</b>	<b>\$12.16</b>	<b>\$2.99</b>	<b>24.6%</b>	<b>\$12.21</b>	<b>\$14.16</b>	<b>\$14.16</b>	<b>\$3.44</b>	<b>24.3%</b>	<b>\$14.30</b>	<b>\$0.14</b>		<b>15.2%</b>
CARRYFORWARDS	11.67	0.04	0.3%	2.14	0.00	9.53	0.00	0.0%	8.41	(\$1.12)	Unspent project funds will carry forward to FY 06-07.	-100.0%
<b>TOTAL</b>	<b>\$23.83</b>	<b>\$3.02</b>	<b>12.7%</b>	<b>\$14.35</b>	<b>\$14.16</b>	<b>\$23.68</b>	<b>\$3.44</b>	<b>14.5%</b>	<b>\$22.71</b>	<b>(\$0.97)</b>		<b>13.9%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**EQUIPMENT FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actual Spending	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$ (Over) / Under	Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings	Yr-to-Yr Growth Q1 to Q1
PUBLIC WORKS	16.14	2.57	16.0%	17.81	16.89	22.77	2.36	10.4%	21.87	0.91	3.98%	83 new vehicles to be purchased in FY 05-06. Overspending on fuel and contracts covered by personnel savings.	-8.2%
CAPITAL IMPROVEMENT PROGRAM	11.48	0.04	0.3%	0.30	0.00	3.64	0.00	0.0%	3.43	0.21	5.77%	83 new vehicles to be purchased in FY 05-06. Maximus system to be completed. Project balances will carry forward to FY 06-07.	-100.0%
<b>TOTAL</b>	<b>27.63</b>	<b>2.61</b>	<b>9.4%</b>	<b>18.11</b>	<b>16.89</b>	<b>26.41</b>	<b>2.36</b>	<b>8.9%</b>	<b>25.30</b>	<b>1.12</b>	<b>4.23%</b>		<b>-9.5%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**FACILITIES FUND REVENUES (\$ in millions)**

Revenue Category	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Original Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actuals	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection	Yr-to-Yr Growth Q1 to Q1
INTEREST INCOME	0.00	(0.00)	N/A	(0.26)	0.00	0.00	(0.10)	N/A	(0.26)	(0.26)	Negative interest charged as a result of negative fund balance.	6017.6%
SERVICE CHARGES	0.47	0.07	15.5%	0.40	0.48	0.48	0.11	23.1%	0.48	0.00	Service charges collected as budgeted.	55.4%
INTERNAL SERVICE	15.51	3.88	25.0%	15.54	14.96	14.96	3.74	25.0%	14.96	0.00	Internal services collected as budgeted.	-3.7%
<b>SUBTOTAL</b>	<b>\$15.97</b>	<b>\$3.95</b>	<b>24.7%</b>	<b>\$15.68</b>	<b>\$15.44</b>	<b>\$15.44</b>	<b>\$3.75</b>	<b>24.3%</b>	<b>\$15.18</b>	<b>(\$0.26)</b>		<b>-5.2%</b>
CARRYFORWARDS	0.29	0.00	0.0%	0.00	0.00	3.57	0.00	0.0%	3.14	(0.44)	Carryforward of projects & encumbrances to FY 06-07	0.0%
<b>TOTAL</b>	<b>\$16.26</b>	<b>\$3.95</b>	<b>24.3%</b>	<b>\$15.68</b>	<b>\$15.44</b>	<b>\$19.01</b>	<b>\$3.75</b>	<b>19.7%</b>	<b>\$18.32</b>	<b>(\$0.69)</b>		<b>-5.2%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
**Through First Quarter (July 1, 2005 through September 30, 2005)**  
**FACILITIES FUND EXPENDITURES (\$ In millions)**

Agency / Department	FY 2004-05 1st Qtr Adjusted Budget	FY 2004-05 1st Qtr Actuals	FY 2004-05 Percent To Date	FY 2004-05 Year-End Actuals	FY 2005-06 Adopted Budget	FY 2005-06 1st Qtr Adjusted Budget	FY 2005-06 1st Qtr Actual Spending	FY 2005-06 Percent To Date	FY 2005-06 Year-End Estimate	Year-End \$(Over)/ Under	Year-End (Over)/ Under as % of Adjusted Budget	Explanation of (Overspending)/ Savings	Yr-to-Yr Growth Q1 to Q1
<b>PUBLIC WORKS</b>	18.84	3.05	16.2%	18.55	20.71	24.13	6.27	26.0%	20.06	4.07	16.86%	Savings due to vacancies and multi-year projects.	105.6%
<b>CAPITAL IMPROVEMENT PROGRAM</b>	0.25	0.00	0.0%	0.10	0.00	0.15	0.04	23.4%	0.15	0.00	0.93%	HVAC project will be completed in FY 05-06	N/A
<b>TOTAL</b>	<b>19.09</b>	<b>3.05</b>	<b>16.0%</b>	<b>18.65</b>	<b>20.71</b>	<b>24.28</b>	<b>6.30</b>	<b>26.0%</b>	<b>20.21</b>	<b>4.07</b>	<b>16.76%</b>		<b>106.8%</b>

**FY 2005-06 REVENUE AND EXPENDITURE ANALYSIS**  
 Through First Quarter (July 1, 2005 through September 30, 2005)  
**OVERTIME ANALYSIS**

**A. GENERAL PURPOSE FUND**

Agency / Department	FY 2004-05 Year-End Overtime Spending	FY 2005-06 Original Adopted Overtime Budget	FY 2005-06 1st Qtr Adjusted Overtime Budget	FY 2005-06 1st Qtr Actual Overtime Spending	FY 2005-06 Percent To Date	FY 2005-06 Year End Overtime Estimate	Year-End \$ (Over) / Under	Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
<b>A. GENERAL PURPOSE FUND</b>									
MAYOR	2,922	8,800	8,800	1,111	12.6%	4,478	4,322	49.11%	Overtime spending will be within budget.
CITY COUNCIL	2,664	0	0	0	N/A	0	0	N/A	
CITY ADMINISTRATOR	8,128	0	0	2,156	N/A	8,527	(8,527)	N/A	Overspending will be met with salary/position savings
CITY CLERK	32,665	0	0	7,693	N/A	30,421	(30,421)	N/A	Overspending will be met with salary/position savings
CITY ATTORNEY	7,798	0	0	704	N/A	2,785	(2,785)	N/A	Overtime is attributed to trial and court preparation and will be covered by
CITY AUDITOR	2,886	0	0	2,404	N/A	2,404	(2,404)	N/A	Overtime is attributed to staff attendance at off-hour board and committee meetings. Overspending will be covered with personnel/salary savings.
FINANCE & MANAGEMENT	373,765	220,632	220,632	87,812	39.8%	347,257	(126,626)	-57.39%	Overspending will be met with salary/position savings
POLICE SERVICES	17,596,154	11,294,287	11,254,287	5,033,385	44.7%	17,457,955	(6,203,668)	-55.12%	Overtime spending is due to backfill as a result of the Negotiated Settlement Agreement and sideshows.
FIRE SERVICES	8,617,777	3,020,751	3,020,751	2,919,037	96.6%	11,505,278	(8,484,527)	-280.87%	Overtime spending is due to shortage of staff and on-going promotional exams. Overspending in year-end will be offset by vacancy savings.
CULTURAL ARTS	8,873	26,640	26,640	1,686	6.3%	8,069	19,971	74.97%	
LIBRARY SERVICES	3,520	9,757	9,757	1,032	10.6%	4,062	5,675	58.16%	Overtime is within budget.
PARKS & RECREATION	28,161	30,859	30,859	8,800	28.5%	30,859	0	0.00%	OPR will keep its overtime spending within the budget
HUMAN SERVICES	23,695	0	0	5,872	N/A	14,771	(14,771)	N/A	Overtime attributed to staff vacancies and effort to respond to federal reporting requirements. Overspending will be met with personnel/salary savings from vacancies.
COMM & ECON DEVELOPMENT	484,609	296,480	296,480	138,937	46.9%	587,378	(290,896)	-98.12%	Overtime is attributed to vacancies, primarily in Building Services, that are being backfilled and overages will be covered by salary savings.
PUBLIC WORKS	7,700	25,618	25,618	39,773	155.3%	25,618	0	N/A	PWA will transfer OT charges to correct fund in order to keep within budget
<b>TOTAL</b>	<b>27,198,415</b>	<b>14,925,024</b>	<b>14,885,024</b>	<b>8,249,292</b>	<b>55.4%</b>	<b>30,024,003</b>	<b>(15,138,979)</b>	<b>-101.71%</b>	



Agency / Department	FY 2004-05 Year-End Overtime Spending	FY 2005-06 Original Adopted Overtime Budget	FY 2005-06 1st Qtr Adjusted Overtime Budget	FY 2005-06 1st Qtr Actual Overtime Spending	FY 2005-06 Percent To Date	FY 2005-06 Year End Overtime Estimate	Year-End \$ (Over) / Under (Over) / Under	Year-End as % of Adjusted Budget	Explanation of (Overspending) / Savings
<b>B. ALL FUNDS</b>									
MAYOR	2,922	8,800	8,800	1,111	12.6%	4,478	4,322	49.11%	Overtime spending will be within budget.
CITY COUNCIL	3,391	0	0	0	N/A	0	0	N/A	
CITY ADMINISTRATOR	30,237	-	-	12,827	N/A	50,726	(50,726)	N/A	Overspending will be met with salary/position savings
CITY CLERK	32,685	-	-	7,693	N/A	30,421	(30,421)	N/A	Overspending will be met with salary/position savings
CITY ATTORNEY	7,798	-	-	704	N/A	2,785	(2,785)	N/A	Overtime is attributed to trial and court preparation and will be covered by
CITY AUDITOR	2,886	-	-	2,404	N/A	2,404	(2,404)	N/A	Overtime is attributed to staff attendance at off-hour board and committee meetings. Overspending will be covered with personnel/salary savings.
FINANCE & MANAGEMENT	415,661	234,949	234,949	117,550	50.0%	464,856	(229,908)		Overspending will be met with salary/position savings
POLICE SERVICES	18,566,321	11,649,760	12,476,902	5,794,832	46.4%	18,680,570	(6,203,668)	-49.72%	Overtime spending is due to backfill as a result of the Negotiated Settlement Agreement and sideshows.
FIRE SERVICES	11,134,869	7,158,532	7,585,106	4,023,874	53.0%	15,971,304	(8,386,198)	-110.56%	Overtime spending is due to shortage of staff and on-going promotional exams. Overspending will be offset by vacancy savings.
CULTURAL ARTS	42,674	71,360	71,360	10,691	15.0%	42,280	29,080		
LIBRARY SERVICES	17,932	9,757	9,757	7,604	77.9%	30,071	(20,314)	-208.20%	Overspending will be covered by salary/position savings.
PARKS & RECREATION	29,211	30,859	30,859	9,585	N/A	30,859	-	0.00%	OPR will keep its overtime spending within the adopted budget
HUMAN SERVICES	45,772	-	-	15,481	N/A	39,918	(39,918)	N/A	Overtime attributed to staff vacancies, external community meetings and effort to respond to federal reporting requirements. Overspending will be met with personnel/salary savings from vacancies.
COMM & ECON DEVELOPMENT	608,357	296,480	303,480	175,248	57.7%	740,887	(437,407)	-144.13%	Overtime is attributed to vacancies in the CEDA Director's Office and Redevelopment that are being backfilled and overages will be covered by salary savings. A small amount of overtime is due to mischarges, and CEDA is in the process of correcting mischarges to funds without appropriations.
PUBLIC WORKS	1,958,562	1,039,728	1,039,728	721,813	N/A	2,687,250	(1,847,522)	N/A	OT in Sewers & Stormdrains, Streets & Sidewalks units will be covered through salary savings
<b>TOTAL</b>	<b>32,896,356</b>	<b>20,491,425</b>	<b>21,762,142</b>	<b>10,900,307</b>	<b>50.1%</b>	<b>38,974,332</b>	<b>(17,222,191)</b>	<b>-75.17%</b>	

OAKLAND CITY COUNCIL

**REVISED**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Resolution No. 78615 = C.M.S.



2004 JUN -3 PM 7:45

RESOLUTION REQUIRING THE CITY ADMINISTRATOR TO SEEK CITY COUNCIL DIRECTION ON PROJECTED YEAR-END OVERSPENDING OF ANY CITY AGENCY / DEPARTMENT, AS REFLECTED IN QUARTERLY REVENUE AND EXPENDITURE REPORTS

WHEREAS, the City Council adopts a biennial budget of the City of Oakland, including specific appropriations for all City agencies / departments; and

WHEREAS, the City's budget, including individual appropriations of City agencies / departments is adjusted throughout the fiscal year, as a result of appropriating new revenues, accepting grants, transferring programs, and utilizing previously appropriated but unspent project and encumbrance carryforwards; and

WHEREAS, the City Administrator's Budget Office reports quarterly to the City Council on the year-to-date and projected year-end revenue collection and spending by City agencies / departments, in the General Purpose Fund, Telecommunications Fund, Contract Compliance Fund, Equipment Fund, and Facilities Fund; and

WHEREAS, the Budget Office's quarterly reports indicate whether overspending is projected by year-end for any City agencies / departments, and whether such projected overspending will be covered by savings in other agencies / departments, or through additional revenues; now, therefore, be it

RESOLVED: that the City Administrator seek City Council direction if the Budget Office's quarterly reports for the General Purpose Fund project overspending (from the current Adjusted Budget) by year-end in any agency / department of the City, even though such overspending may be covered by savings or additional revenues outside of the agency / department; and be it further

RESOLVED: that the City Council may direct the City Administrator to reduce the rate of spending in particular City agencies / departments to minimize or avoid year-end overspending; the City Council may request specific cost-cutting measures or leave it to the City Administrator's discretion; and be it further

RESOLVED: that the City Administrator return to the City Council with a report on the specific measures put in place in order to minimize or avoid year-end overspending in the specific agencies / departments as requested by the Council, and the outcomes of such measures.

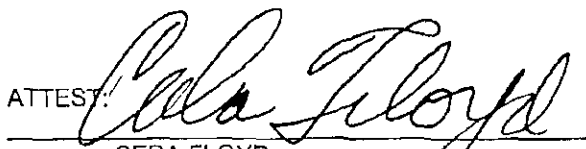
IN COUNCIL, OAKLAND, CALIFORNIA, JUN 15 2004, 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, REID, QUAN, WAN, AND  
PRESIDENT DE LA FUENTE 8

NOES- 0  
ABSENT- 0  
ABSTENTION- 0

ATTEST:



CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California

*A. Jordan*

OFFICE OF THE CITY CLERK  
OAKLAND

2005 DEC 28 AM 10:01

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C. M. S.

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

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## RESOLUTION TO APPROPRIATE \$400,000 FOR MIDDLE SCHOOL SPORTS PROGRAMS FROM SURPLUS VEHICLE LICENSE FEE LOAN REPAYMENT FROM THE STATE OF CALIFORNIA

WHEREAS, during its FY 2005-07 budget deliberations the City Council requested that if additional revenue became available, additional funding should be allocated to middle school sports programs; and

WHEREAS, in the FY 2003-05 Adopted Budget the City Council included a \$400,000 appropriation for Middle School Sports; and

WHEREAS, the City of Oakland's Office of Parks and Recreation used these funds to provide a free program for Middle School students, which allowed OPR to expand its programming to almost double the number of participants from the prior year – serving approximately 2,500 youth; and

WHEREAS, Oakland Unified School District, Alternative Schools, Charter Schools, and under-represented middle school age youth will be recruited to participate in the FY 2005-07 middle school sports program; and

WHEREAS, providing recreation programs for middle school age students will promote healthy and active lifestyles, and improved physical and mental health; and

WHEREAS, the State of California repaid the Vehicle License Fee (VLF) Loan to the City of Oakland in the amount of \$6.9 million, exceeding the \$6.25 million repayment originally budgeted in FY 2005-06; and

WHEREAS, the City Administrator's Budget Office projects a General Purpose Fund year-end surplus of \$1 million for FY 2005-06, due in part to the State's VLF remittance; now therefore, be it

RESOLVED that the City Administrator is authorized to appropriate an additional \$400,000 to the Office of Parks and Recreation in the General Purpose Fund (#1010) in a project to be established for the purpose of increasing middle school recreation programs.

IN COUNCIL, OAKLAND, CALIFORNIA

PASSED BY THE FOLLOWING VOTE:

BRUNNER, BROOKS, CHANG, DE LA FUENTE, KERNIGHAN, NADEL, QUAN, REID

AYES---

NOES---

ABSENT---

ABSTENTION---

ATTEST: \_\_\_\_\_

LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California