

# **Attachment A: FY 2024-25 Q1 Detailed Report**

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The report has the following major sections:

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Consolidated Fiscal Policy

**Summary of FY 2024-25 Q1 GPF Revenues & Expenditures**

FY 2024-25 GPF Revenue is projected to come in at \$0.30 million, or 0.0 % higher, compared to the Adjusted Budget of \$758.22 million. GPF Expenditures are estimated to come in at \$93.38 million or 12.3% over the Adjusted Budget of \$758.22 million. **Table 1** below shows the FY 2024-25 General Purpose Fund revenue and expenditures Adjusted Budget and year-end estimates which currently project a year end operating shortfall of \$93.08 million.

**Table 1: Summary of FY 2024-25 Q1 GPF Revenues & Expenditures Budget to Estimated Year-End Actuals (\$ in millions)**

|                                        | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|----------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| FY2023-24 Revenues                     | 758.22                     | 88.68                     | 758.52                          | 0.30                                     | — %                                     |
| FY 2023-24 Expenditures                | 758.22                     | 168.73                    | 851.60                          | (93.38)                                  | (12.3) %                                |
| <b>Operating (Shortfall) / Surplus</b> | —                          | <b>(80.05)</b>            | <b>(93.08)</b>                  | <b>(93.08)</b>                           | <b>(12.3) %</b>                         |

**I. GENERAL PURPOSE FUND FY 2024-25 Q1 REVENUES**

This section of the report provides an assessment of the City's revenue condition in the current fiscal year as compared to the FY 2024-25 Adjusted Budget based on actual performance during the first three months of FY 2024-25, quarterly trends established in prior fiscal years, and external data sources. The GPF tax revenue is projected to end the year with a net surplus of \$0.30 million. The Adjusted Budget also assumes \$13.37 million in use of fund balance to cover prior year encumbrance carryforwards. Without accounting for the before mentioned one-time use of available funds, the GPF revenues forecast to come in at \$758.52 million, which is \$14.05 million over compared to the revenues assumed in the Adjusted Budget of \$744.47 million.

Amongst the 5 largest revenue contributors in the GPF, Property Tax is projected to increase slightly driven by an estimated 3.86% rise in assessed taxable values. Collections for Business Tax (BT) are concentrated in Q3 due to renewal deadlines. The current projection assumes BT will perform at the same level of the prior fiscal year. Real Estate Transfer Tax (RETT) Collections are expected to end the year at \$66.03 million, which is \$7.69 million or 10.4% under the Adjusted Budget. However, RETT is showing a recovery from the downturn in FY 2023-24. Sales Tax is projected to end slightly under budget by \$63.65 million or 0.1%, following a decrease experienced in FY 2023-24. While the Utility Consumption Tax is expected to

continue to grow in FY 2024-25 driven by a 12.7% rate increase by the California Public Utilities Commission phased in gradually during 2024.

### ***Q1 HIGHLIGHTS OF THE TOP 5 GPF REVENUE CONTRIBUTORS***

**Property Tax:** FY 2024-25 collections of the City's largest revenue source through **Q1** are at \$10.94 million or 3.6% of the Adjusted Budget of \$306.57 million, and are now projected to end the year at \$310.69 million, which is \$4.12 million or 1.3% over the Adjusted Budget. For comparison FY 2023-24 ended the year at \$299.15 million, which represented a \$17.87 million, or 6.35%, dollar increase compared to FY 2022-23. The projected year-over-year increase in FY 2024-25 is driven by the estimated overall increase in assessed taxable values for the City of approximately 3.86%, which result in a proportional increase in the amount of property tax assessments.

The assessed values for the fiscal year 2024-25 are based on the calendar year 2023 valuations. All real properties, including land and improvements, not subject to Proposition 8 reductions by County assessors, are assumed a 2.00% CPI adjustment. Properties sold between January and December 2023 were analyzed. The difference between the assessed value on the 2023-24 tax roll and the actual sale price was calculated to determine the market value adjustment. A decrease in the number of homes listed for sale in 2023 results in a less significant year-over-year price increase compared to previous years. Sales of single-family residential properties from the latter half of 2023 were compared to similar transactions from the second half of 2022 and the median price change was determined and applied to properties that had previously been reduced under Proposition 8. The adjustment ensures that the recapture does not exceed the potential value increase plus the next year's CPI adjustment, adhering to legal limitations. Both personal property on the secured tax rolls and unsecured property values are projected to remain constant from the 2023-24 levels. This stability is anticipated due to an equilibrium between depreciation of existing assets and the addition of new assets from commercial and industrial expansions. New construction additions to the tax roll are estimated at 25% of the average new construction value in the City over the last eight years. This conservative estimate accounts for potential slowdowns or in building activity. No new annexations or potential reductions due to property tax appeals are assumed.

**Business License Tax (BT):** FY 2024-25 collections of the second largest revenue source for the City through **Q1** are at \$5.53 million or 4.6% of the Adjusted Budget of \$120.06 million, and are now projected to end the year at \$123.48 million, which is \$3.42 million or 2.9% over the Adjusted Budget. This estimate assumes that BT will perform at the same level as FY 2023-24. The Bulk of BT is collected in the third quarter of the fiscal year since Business Tax renewals are due during that period. The Construction, Utilities, and Rental sectors showed decreased activity in FY2023-24 and did not meet tax contributions as anticipated in the budget. Despite these shortfalls there was a general increase in gross receipts of 1.3% reported by businesses renewing their tax filings in FY 2023-24 compared to the gross receipts reported in the prior fiscal year by the same accounts across all BT sectors. This growth rate was slightly below the 2.7% average annual percentage increase in gross receipts reported for account renewals over

the previous four fiscal years. In total, BT collection increased by \$8.10 million or 7.0% in FY 2023-24 from the \$115.38 million collected in FY 2022-23. The sectors with the highest year-over-year increase in BT remitted were led by Professional / Semi-Professional Services, Admin Headquarters, and Wholesale Sales. The November 17, 2023, report to the City Council on Measure T's implementation showed that these three categories accounted for approximately 47.5% of the overall net revenue increase from the amended business tax structure resulting from Measure T, totaling about \$8.3 million in growth annually.

**Real Estate Transfer Tax (RETT):** FY 2024-25 collections of the third largest revenue source for the City is through **Q1** are at \$16.51 million or 22.4% of the Adjusted Budget of \$73.72 million, and are projected to end the year at \$66.03 million, which is \$7.69 million or 10.4% under the Adjusted Budget. However, RETT collections are forecasted to increase by 16.5% by the end of this fiscal year compared to last year. This growth aligns with the increase observed in the first quarter (**Q1**) of this year over the same period last year. Through **Q1**, the number of properties sold through the first three months increased by 7.4%, or 65 properties, compared to the number of properties sold during the same time period in the prior year. Gross sales increased by 3.5% when accounting for the sales prices. High value properties sold during the **Q1** also showed improvement over the same period in the prior year, with sales of properties valued over \$5.00 million totaling 11 in FY 2024-25's **Q1** compared to 8 during **Q1** of FY 2023-24, representing a year over year increase of 37.5 % for this sales price range.

The Federal Open Market Committee (FOMC) during **Q1** made its first reduction in interest rates since they began to rise in March 2022. This cut is anticipated to stimulate buyer interest. With this initial decrease in interest rates, there's potential for market stabilization. As buyers adjust to this new rate environment, we might see a gradual increase in sales volume. This adjustment period could lead to more consistent market growth if interest rates remain stable or decrease further.

**Table 2** below shows the RETT growth rate by sales price comparing **Q1** in FY 2024-25 to **Q1** in FY2023-24.



**Table 2: RETT Growth Rate (\$ in millions)**

| Sale Price                 | FY 2023-24 Q1    |            | FY 2024-25 Q1    |            | Year-Over-Year Variance Thru Q1 |              |
|----------------------------|------------------|------------|------------------|------------|---------------------------------|--------------|
|                            | Gross Sales      | Volume     | Gross Sales      | Volume     | Gross Sales                     | Volume       |
| \$300,000 or below         | \$ 9.69          | 54         | \$ 10.62         | 63         | 9.58 %                          | 16.7 %       |
| \$300,001 to \$2 Million   | \$ 693.87        | 768        | \$ 728.92        | 821        | 5.05 %                          | 6.9 %        |
| \$2 million to \$5 Million | \$ 117.21        | 43         | \$ 108.65        | 43         | (7.30) %                        | — %          |
| \$5 -10 Million            | \$ 33.85         | 5          | \$ 54.29         | 7          | 60.39 %                         | 40.0 %       |
| \$10 - 50 Million          | \$ 71.85         | 3          | \$ 56.00         | 4          | (22.06) %                       | 33.3 %       |
| \$50.01-100 Million        | \$ —             | 0          | \$ —             | —          | — %                             | — %          |
| Over \$100 Million         | \$ —             | 0          | \$ —             | \$ —       | — %                             | — %          |
| <b>Total</b>               | <b>\$ 926.46</b> | <b>873</b> | <b>\$ 958.48</b> | <b>938</b> | <b>3.5 %</b>                    | <b>7.4 %</b> |

**Sales Tax:** FY 2024-25 collections of the fourth largest revenue source of the City through Q1 are at \$5.34 million or 8.4% of the Adjusted Budget of \$63.73 million, and are now projected to end the year at \$63.65 million, which is \$0.08 million or 0.1% slightly under the Adjusted Budget. The \$5.34 million in actual revenues reported for the first quarter do not accurately represent the Sales Tax receipts for that period. This is because the collections are managed externally by the State and then remitted in bulk to the City. Over the last five years, the average Sales Tax captured through the first quarter in Oracle has been approximately \$5.37 million. Data available for FY2023-24 (Sales Tax is collected by the State and the corresponding detailed data becomes available to the City in the subsequent quarter) shows that Sales tax categories ended FY 2023-24 6.2% lower on average compared to the previous fiscal year.

Categories with year over year decreases in sales tax in FY 2023-24 overall were led percentage wise by fuel service stations. High gas prices were the primary driver of a 17.4% decline by fuel-service stations as airlines refueled more often at locations outside of the Bay Area. Cannabis has another downward outcome, more so than regional and statewide trends. This sectors' decrease was the primary cause of the food-drugs group lower returns of 12.3% compared to the prior year. Autos and transportation saw a downturn similar to state-wide trends, with a particular decline in sales of luxury vehicle brands which led to ending the fiscal year 12.1% lower compared to the prior year. This shift was largely due to higher interest rates and pricing concerns, which deterred potential buyers from making large purchases. The closure of several establishments over the past year and a shift in consumer behavior towards seeking value amid rising menu prices resulted in restaurants and hotels overall to decline by 4.2% compared to FY 2022-23. On average the Sales Tax categories dropped by 6.2% year over year. Moving on to FY 2024-25, a minor anticipated increase from the previous fiscal year indicates a slow recovery or stabilization rather than robust growth. The gradual increase suggests growth could bring a slow rise in Sales Tax revenues over the next couple of years.

**Table 3** below compares the Sales Tax totals received by category in FY 2022-23 to those received in FY 2023-24.

**Table 3: Sales Tax Comparison by Category FY 2022-23 and FY 2023-24 (\$ in millions)**

| Category                       | FY 2022-23     | FY 2023-24     | Inc/Dec       |
|--------------------------------|----------------|----------------|---------------|
| Autos & Transportation         | \$ 10.27       | \$ 9.16        | (12.1) %      |
| Building & Construction        | \$ 6.19        | \$ 5.94        | (4.2) %       |
| Business & Industry            | \$ 6.17        | \$ 5.45        | (13.2) %      |
| Food & Drugs                   | \$ 5.34        | \$ 4.76        | (12.3) %      |
| Fuel & Service Stations        | \$ 7.99        | \$ 6.80        | (17.4) %      |
| General Consumer Goods         | \$ 5.49        | \$ 4.91        | (11.9) %      |
| Restaurants & Hotels           | \$ 11.00       | \$ 10.55       | (4.2) %       |
| State/County Pools & Transfers | \$ 11.53       | \$ 12.66       | 8.9 %         |
| <b>Average</b>                 | <b>\$ 8.00</b> | <b>\$ 7.53</b> | <b>(6.2)%</b> |

**Utility Consumption Tax (UCT):** FY 2024-25 collections of the fifth largest revenue category for the City through **Q1** are at \$16.99 million or 24.8% of the Adjusted Budget of \$68.44 million, and are now projected to end the year at \$72.77 million which is \$4.34 million or 6.3% over the Adjusted Budget. The California Public Utilities Commission (CPUC) approved a 12.7% increase in consumer utility rates for 2024. PG&E, which is the largest contributor to the City's UCT implemented rate hikes in phases in 2024 with a 6% increase that took effect in March, an additional 4% in June and implemented a further 2.7% adjustment in September. The full effect of the 12.7% rate increase will be in effect for the remainder of FY 2024-25, however, part of this increase was already accounted for last year. The UCT revenue forecast is driven by the compounded effects of the 2024 rate increases and assumes no drastic shifts in consumer behavior or regulatory frameworks.

**Other Notable Revenue Highlights:**

**Fines & Penalties:** **Q1** FY 2024-25 collections came in at \$5.84 million or 30.2% of the Adjusted Budget of \$19.34 million, and now is projected to end the year at \$20.97 million, an 8.4% increase over the Adjusted Budget of \$19.34 million. Parking citations are the major revenue source. Though FY 2023-24 saw a slight decrease in Parking Citation revenue due to reduced enforcement tied to under-staffing and issues with scofflaw management, **Q1** in FY 2024-25 shows an increase in citations issued, suggesting a potential revenue increase aligning with fine rates that have been raised by 10% over the last two years.

**Miscellaneous Revenue:** **Q1** FY 2024-25 collections came in at \$12.74 million, significantly over the \$1.23 million Adjusted Budget. A \$5 million payment from the Coliseum site sale, not initially accounted for due to delays, contributed to this surplus. Legal settlements also boosted the revenue in **Q1**. The revenue resulting from these legal settlements is restricted to specific reimbursements bound by settlement agreements.

**Service Charges: Q1** FY 2024-25 collections came in at \$7.21 million or 13.9% of the Adjusted Budget, and are expected to meet the \$51.84 million Adjusted Budget. Parking meter revenue was significantly under budget in FY 2023-24, but a 50% increase in parking fees for FY 2024-25 is expected to recover this shortfall, with early data showing a 30% increase in collections.

**Transient Occupancy Tax (TOT):** Q1 FY 2024-25 collections came in at \$3.13 million or 15.9% of the Adjusted Budget of \$19.74 million, and is projected to end the year \$2.23 million under budget at \$17.50 million. A decrease in hotel operations and lower room rates have impacted collections, resulting in an 8% drop in **Q1** from last year's first quarter.

**Parking Tax (PT): Q1** FY 2024-25 collections came in at \$2.32 million or 17.8% of the Adjusted Budget of \$13.07 million, and now are projected to end the year \$1.20 million under budget at \$11.87 million. Post-COVID stabilization is evident, but the market seems to have reached its peak, and the projections are based on FY 2023-24's performance.

**Interfund transfers & Transfers From Fund Balance:** The adjusted budget assumes \$13.75 million in use of fund balance to support carryforward expenditures.

**Table 4** below summarizes all of the FY 2024-25 GPF revenues by category.

**Table 4: FY 2024-25 Q1 Adopted Budget to Actuals and Year End Estimate (\$ in millions)**

| Revenue Category                | FY 2024-25 Adopted Budget | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted | Year-End % Over / Under Adjusted |
|---------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|-----------------------------------|----------------------------------|
| Property Tax                    | 306.57                    | 306.57                     | 10.94                     | 310.69                          | 4.12                              | 1.3 %                            |
| Sales Tax                       | 63.73                     | 63.73                      | 5.34                      | 63.65                           | (0.08)                            | (0.1) %                          |
| Business License Tax            | 120.06                    | 120.06                     | 5.53                      | 123.48                          | 3.42                              | 2.9 %                            |
| Utility Consumption             | 68.44                     | 68.44                      | 16.99                     | 72.77                           | 4.34                              | 6.3 %                            |
| Real Estate Transfer Tax        | 73.72                     | 73.72                      | 16.51                     | 66.03                           | (7.69)                            | (10.4) %                         |
| Transient Occupancy             | 19.74                     | 19.74                      | 4.59                      | 17.50                           | (2.23)                            | (11.3) %                         |
| Parking Tax                     | 13.07                     | 13.07                      | 2.32                      | 11.87                           | (1.20)                            | (9.2) %                          |
| Licenses & Permits              | 1.16                      | 1.16                       | 0.27                      | 1.16                            | —                                 | — %                              |
| Fines & Penalties               | 19.34                     | 19.34                      | 5.84                      | 20.97                           | 1.63                              | 8.4 %                            |
| Interest Income                 | 2.50                      | 2.50                       | 0.18                      | 2.50                            | —                                 | — %                              |
| Service Charges                 | 51.84                     | 51.84                      | 7.21                      | 51.84                           | —                                 | — %                              |
| Internal Service Funds          | —                         | —                          | —                         | —                               | —                                 | — %                              |
| Grants & Subsidies              | —                         | —                          | 0.21                      | 0.21                            | 0.21                              | — %                              |
| Miscellaneous Revenue           | 64.32                     | 1.23                       | 12.74                     | 12.74                           | 11.51                             | 939.2%                           |
| Interfund Transfers             | 2.70                      | 3.08                       | —                         | 3.08                            | —                                 | — %                              |
| <b>Subtotal</b>                 | <b>807.19</b>             | <b>744.47</b>              | <b>88.68</b>              | <b>758.52</b>                   | <b>14.05</b>                      | <b>1.9 %</b>                     |
| Transfers from Fund Balance     | —                         | —                          | —                         | —                               | —                                 | — %                              |
| Project Offsets & Carryforwards | —                         | 13.75                      | —                         | —                               | (13.75)                           | (100.0) %                        |
| <b>Total Revenue</b>            | <b>807.19</b>             | <b>758.22</b>              | <b>88.68</b>              | <b>758.52</b>                   | <b>0.30</b>                       | <b>0.1 %</b>                     |

**II. GENERAL PURPOSE FUND Q1 EXPENDITURES**

**GENERAL PURPOSE FUND EXPENDITURE HIGHLIGHTS**

The GPF expenditures are forecasted to come in at \$851.60 million, which is an overspend of \$93.38 million or 12.3% over, when compared to the Adjusted Budget of \$758.22 million. Originally, the Midcycle Adopted Budget assumed the use of the sale of the Coliseum in the amount of \$63.5 million to balance the expenditures as budgeted. This follows a trend in recent years, during which one-time funding was needed in the balancing of the FY2019-20, FY2020-21, FY2021-22, and FY2022-23 expenditures in the budget by programming CARES dollars (\$36.99 million), ARPA dollars (\$188 million), and use of VSSF (\$14.65 million) for a total of \$239.64 million, which would equal 32% of FY 2024-25 GPF budgeted expenditures.

However, the scheduled distribution of Coliseum sale revenues has not been met, leading to the reduction of City services to match the missing revenue. The budgeted personnel expenditure also assumes a vacancy factor of 10.00%, it is expected that the actual vacancy factor will be higher with the hiring freeze in effect.

On March 27, 2024, the City Administrator released a memo outlining several policies to be implemented immediately that would help reduce City expenditures, primarily in the GPF. The following reduction measures implemented remain in effect, such as a hiring freeze for all non-sworn positions. The citywide moratorium on professional training and conferences funded through the GPF also continues into the current year. All other discretionary spending in the GPF has been limited as the City attempts to bridge the widening gap between GPF revenues and expenditures.

In October 2024, administrative action was taken to initiate the implementation of the contingency budget after criteria was met related to the timing of receiving revenues from the Coliseum sale. This action consisted of a \$63 million reduction to the Adjusted Budget, which included the freezing of 33.50 FTE positions across the City.

**Table 5** below reflects the GPF expenditures forecasted to come in at \$851.60 million, which is \$93.38 million or 12.3% over the adjusted budget of \$758.22 million.

**Table 5: Summary of FY 2024-25 Q1 GPF Expenditures Budget to Actuals (\$ in millions)**

|                               | FY 2024-25 Adopted Budget | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| <b>FY 2023-24 Expenditure</b> | 807.19                    | 758.22                     | 168.73                    | 851.60                          | (93.38)                                  | (12.3) %                                |

**Department Level Spending Trends**

**Table 6** below reflects department level spending and projected year-end GPF expenditures. As a result, City-wide GPF departmental expenditure projections are projected to come in above the Adjusted Budget by \$93.38 million. Per the City’s Consolidated Fiscal Policy, Departments projected to overspend in the General Purpose Fund by more than one percent (1%), shall bring an informational report to the City Council within 60 days following acceptance of the Revenue & Expenditure report by the City Council. The report shall list the actions the Administration is taking to bring the expenditures into alignment with the budget.

**Table 6: Summary of FY 2024-25 GPF Projected Expenditure Variance (\$ in millions)**

| Department                                      | FY 2024-25 Adopted Budget | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-------------------------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Capital Improvement Projects                    | 0.56                      | 0.94                       | 0.01                      | 0.94                            | —                                        | — %                                     |
| City Administrator                              | 5.99                      | 4.87                       | 1.19                      | 5.58                            | (0.72)                                   | (14.7) %                                |
| City Attorney                                   | 21.71                     | 21.95                      | 4.43                      | 21.23                           | 0.72                                     | 3.3 %                                   |
| City Auditor                                    | 3.73                      | 3.90                       | 0.49                      | 2.65                            | 1.25                                     | 32.0 %                                  |
| City Clerk                                      | 8.00                      | 7.94                       | 0.73                      | 8.00                            | (0.06)                                   | (0.8) %                                 |
| City Council                                    | 7.87                      | 7.91                       | 1.54                      | 7.35                            | 0.56                                     | 7.1 %                                   |
| Department of Transportation                    | 21.72                     | 21.59                      | 4.28                      | 23.41                           | (1.82)                                   | (8.4) %                                 |
| Department of Violence Prevention               | 7.49                      | 8.10                       | 1.25                      | 6.50                            | 1.60                                     | 19.8 %                                  |
| Department of Workplace and Employment Standard | 2.39                      | 2.15                       | 0.40                      | 2.30                            | (0.15)                                   | (7.2) %                                 |
| Economic and Workforce Development Department   | 15.24                     | 13.54                      | 6.52                      | 13.79                           | (0.25)                                   | (1.9) %                                 |
| Finance Department                              | 29.13                     | 27.34                      | 4.79                      | 28.04                           | (0.70)                                   | (2.6) %                                 |
| Fire Department                                 | 180.45                    | 163.26                     | 44.62                     | 197.70                          | (34.44)                                  | (21.1) %                                |
| Human Resources Management Department           | 0.33                      | 0.53                       | 0.26                      | 0.19                            | 0.33                                     | 63.3 %                                  |

| Department                              | FY 2024-25 Adopted Budget | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------|---------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Human Services Department               | 43.08                     | 43.36                      | 2.42                      | 43.99                           | (0.62)                                   | (1.4) %                                 |
| Information Technology Department       | 6.55                      | 6.95                       | 1.79                      | 8.35                            | (1.39)                                   | (20.0) %                                |
| Mayor                                   | 5.59                      | 5.60                       | 0.97                      | 4.64                            | 0.96                                     | 17.1 %                                  |
| Non Departmental and Port               | 53.80                     | 51.41                      | (3.06)                    | 60.41                           | (9.00)                                   | (17.5) %                                |
| Oakland Animal Services                 | 6.84                      | 6.57                       | 1.20                      | 6.12                            | 0.46                                     | 6.9 %                                   |
| Oakland Parks and Recreation Department | 11.80                     | 12.01                      | 2.88                      | 12.01                           | —                                        | — %                                     |
| Oakland Public Library Department       | 12.40                     | 11.40                      | 1.20                      | 12.92                           | (1.53)                                   | (13.4) %                                |
| Oakland Public Works Department         | 2.73                      | 4.48                       | 0.54                      | 3.85                            | 0.63                                     | 14.2 %                                  |
| Police Commission                       | 8.78                      | 9.48                       | 1.37                      | 7.19                            | 2.29                                     | 24.2 %                                  |
| Police Department                       | 347.21                    | 318.88                     | 88.13                     | 370.77                          | (51.89)                                  | (16.3) %                                |
| Public Ethics Commission                | 2.52                      | 2.71                       | 0.51                      | 2.37                            | 0.34                                     | 12.4 %                                  |
| Race and Equity Department              | 1.27                      | 1.35                       | 0.28                      | 1.29                            | 0.05                                     | 4.0 %                                   |
| <b>Total</b>                            | <b>807.19</b>             | <b>758.22</b>              | <b>168.73</b>             | <b>851.60</b>                   | <b>(93.38)</b>                           | <b>(12.3) %</b>                         |

The following section details **Q1** projected GPF savings or overspending by Department, as compared to the FY 2024-25 Adjusted Budget.

Capital Improvement Program (CIP)

The Capital Improvement Program is projected to end the fiscal year at its adjusted budget of \$0.94 million.

City Administrator (CAO)

The City Administrator's Office is projected to overspend by \$0.72 million, or 14.7% of their budget. The overage is primarily due to an increase in personnel spending. In the General Purpose Fund, CAO has a vacancy rate of 6%, with one vacant position.

City Attorney (OCA)

The City Attorney is projected to underspend by \$0.72 million, or 3.3% of their budget. In the General Purpose Fund, OCA has no vacant positions.

City Auditor

The City Auditor is projected to underspend by \$1.25 million, or 32.0% of their budget, due to vacancies. In the General Purpose Fund, City Auditor has a vacancy rate of 33%, with four vacant positions.

City Clerk

The Office of the City Clerk is projected to overspend their budget by \$0.06 million, or 0.8% of their budget. In the General Purpose Fund, City Clerk has no vacant positions.

City Council

The City Council is projected to underspend their budget by \$0.56 million, or 7.1% of their budget. In the General Purpose Fund, City Council has a vacancy rate of 3%, with one vacant position.

Department of Transportation (DOT)

The Department of Transportation is projected to overspend by \$1.82 million, or 8.4% of their budget. This is primarily due to overtime costs centered around parking enforcement activities and overnight street sweeping due to staffing shortages. In the General Purpose Fund, DOT has a vacancy rate of 16%, with 13 vacant positions.

Department of Violence Prevention (DVP)

The Department of Violence Prevention is projected to underspend by \$1.60 million or 19.8% of their budget, due to vacancies. In the General Purpose Fund, DVP has a vacancy rate of 29%, with ten vacant positions.



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Department of Workplace & Employment Standards (DWES)

The Department of Workplace & Employment Standards is projected to overspend by \$0.15 million, or 7.2% of their budget. The overage is primarily due to an increase in personnel spending. In the General Purpose Fund, DWES has a vacancy rate of 29%, with two vacant positions.

Economic & Workforce Development (EWD)

Economic & Workforce Development is projected to overspend by \$0.25 million, or 1.9% of their budget. This overage is primarily due to an increase in personnel spending. In the General Purpose Fund, DWES has a vacancy rate of 19%, with three vacant positions.

Finance Department

The Finance Department is projected to overspend by \$0.70 million, or 2.6% of their budget. This overage is primarily due to an increase in personnel costs. In the General Purpose Fund, Finance has a vacancy rate of 10%, with 10 vacant positions.

Fire Department

The Oakland Fire Department is projected to overspend by \$34.44 million, or 21.1% of their budget, due to overtime overspending. A detailed explanation of this overage can be found in a supplemental report that will be provided at a later date.

Human Resources Management (HRM)

Human Resources Management is projected to underspend by \$0.33 million, or 63.3% of their budget. In the General Purpose Fund, HRM has no vacant positions.

Human Services Department (HSD)

Human Services Department is projected to overspend by \$0.62 million, or 1.4% of their budget. In the General Purpose Fund, HSD has a vacancy rate of 9%, with three vacant positions. The overage is primarily due to additional O&M costs related to HeadStart.

Information Technology (ITD)

The Information Technology Department is projected to overspend by \$1.39 million, or 20.0% of their budget. This overage is primarily due to an increase in personnel spending. In the General Purpose Fund, ITD has no vacant positions.

Mayor's Office

The Mayor's Office is projected to underspend by \$0.96 million, or 17.1% of their budget, due to vacancies. In the General Purpose Fund, Mayor's Office has a vacancy rate of 31%, with four vacant positions.

Non-Departmental

Non-Departmental is projected to overspend by \$9.00 million, or 17.5% of the budget. The overage is primarily due to costs associated with the closeout of the Coliseum.

Oakland Animal Services

The Department of Animal Services is projected to underspend by \$0.46 million, or 6.9% of their budget, due to vacancies. In the General Purpose Fund, Animal Services has a vacancy rate of 22%, with four vacant positions.

Oakland Parks, Recreation and Youth Development (OPRYD)

Oakland Parks, Recreation and Youth Development is projected to end the fiscal year at its adjusted budget of \$12.01 million. In the General Purpose Fund, OPRYD has a vacancy rate of 5%, with five vacant positions.

Oakland Public Library (OPL)

Oakland Public Library is projected to overspend by \$1.53 million, or 13.4% of their budget. The overage is primarily due to an increase in personnel spending. In the General Purpose Fund, OPL has a vacancy rate of 11%, with four vacant positions.

Oakland Public Works (OPW)

Oakland Public Works is projected to underspend by \$0.63 million, or 14.2% of their budget, due to vacancies. In the General Purpose Fund, OPW has a vacancy rate of 10%, with one vacant position.

Police Commission

The Police Commission is projected to underspend by \$2.29 million, or 24.2% of their budget, due to vacancies. In the General Purpose Fund, Police Commission has a vacancy rate of 25%, with seven vacant positions.

### Police Department

The Police Department is projected to overspend by \$51.89 million, or 16.3% of their budget, due to overtime overspending. A detailed explanation of this overage can be found in a supplemental report that will be provided at a later date.

### Public Ethics Commission (PEC)

The Public Ethics Commission is projected to underspend by \$0.34 million, or 12.4% of their budget, due to vacancies. In the General Purpose Fund, PEC has a vacancy rate of 20%, with two vacant positions.

### Race & Equity

The Department of Race & Equity is projected to underspend by \$0.05 million, or 4.0% of their budget. In the General Purpose Fund, Race & Equity has no vacant positions.

### **Public Safety Costs & Analysis**

Due to the timing of when data was made available, the Police and Fire Department were unable to provide an analysis of their projected overspending in overtime by the publication of this report. A detailed analysis will be presented to City Council in a supplemental report at a later date.

**Table 7** below shows the personnel expenditures, including overtime, for Public Safety in the GPF. Once all other personnel costs are accounted for, Oakland Police Department currently shows a projected year-end personnel budget to be overspent by \$48.92 million in the General Purpose Fund. Details are provided on **Table 7** below.

**Table 7: FY 2024-25 Public Safety GPF Personnel Expenditures (\$ in millions)**

| Department                                    | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| <b>Police Department**</b>                    |                            |                           |                                 |                                          |                                         |
| <i>Overtime (OT)</i>                          | 42.85                      | 14.55                     | 55.24                           | (12.38)                                  | (28.9) %                                |
| <i>Reimbursable OT (Special Events, etc.)</i> |                            | (5.07)                    | (5.07)                          | 5.07                                     |                                         |
| <i>All Other Personnel (non-OT)</i>           | 226.07                     | 69.46                     | 267.68                          | (41.61)                                  | (18.4) %                                |
| <b>OPD Total Personnel</b>                    | <b>268.93</b>              | <b>78.93</b>              | <b>317.85</b>                   | <b>(48.92)</b>                           | <b>(18.2) %</b>                         |
| <b>Fire Department</b>                        |                            |                           |                                 |                                          |                                         |
| <i>Overtime (OT)</i>                          | 10.59                      | 8.74                      | 34.95                           | (24.36)                                  | (229.9) %                               |
| <i>All Other Personnel (non-OT)</i>           | 126.65                     | 34.34                     | 134.57                          | (7.92)                                   | (6.3) %                                 |
| <b>OFD Total Personnel</b>                    | <b>137.25</b>              | <b>43.07</b>              | <b>169.52</b>                   | <b>(32.27)</b>                           | <b>(23.5)%</b>                          |

As shown on Table 7 above, OPD was budgeted \$42.85 million for overtime and is projected to exceed this budgeted amount by \$12.38 million for a projected year-end total of \$55.24 million. In the table below, are the top five organizations in OPD where overspending has occurred most outlined in **Table 8**:

**Table 8: FY 2024-25 OPD Top 5 Organizations in Overtime Expenditures (\$ in millions)**

| Top 5 Organizations in OPD for Overtime | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget |
|-----------------------------------------|----------------------------|---------------------------------|------------------------------------------|
| Special Operations Division (SOD)       | 2.59                       | 10.35                           | (7.76)                                   |
| Area 1                                  | 2.13                       | 5.99                            | (3.85)                                   |
| Area 5                                  | 2.15                       | 3.82                            | (1.67)                                   |
| Area 3                                  | 2.08                       | 3.73                            | (1.65)                                   |
| Homicide                                | 0.74                       | 3.67                            | (2.93)                                   |

**Table 9: Year-Over-Year Comparison of Public Safety GPF Personnel Expenditures (\$ in millions)**

| <b>Police Department</b>            |                   |                   |                   |                   |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Overtime (OT)</b>                | <b>FY 2020-21</b> | <b>FY 2021-22</b> | <b>FY 2022-23</b> | <b>FY 2023-24</b> | <b>FY 2024-25</b> |
| Adjusted Budget                     | 15.39             | 33.36             | 30.90             | 24.19             | 42.85             |
| Actuals (FY25 Proj)                 | 29.18             | 34.35             | 51.16             | 55.24             | 55.24             |
| <b>(Over)/Under</b>                 | <b>(13.79)</b>    | <b>(0.99)</b>     | <b>(20.26)</b>    | <b>(31.05)</b>    | <b>(12.38)</b>    |
| <b>All Other Personnel (non-OT)</b> | <b>FY 2020-21</b> | <b>FY 2021-22</b> | <b>FY2022-23</b>  | <b>FY2023-24</b>  | <b>FY2024-25</b>  |
| Adjusted Budget                     | 239.29            | 245.01            | 252.38            | 262.50            | 226.07            |
| Actuals (FY25 Proj)                 | 244.23            | 234.29            | 182.02            | 253.22            | 262.61            |
| <b>(Over)/Under</b>                 | <b>(4.94)</b>     | <b>10.71</b>      | <b>70.36</b>      | <b>9.29</b>       | <b>(36.54)</b>    |
| <b>Total Personnel</b>              | <b>FY 2020-21</b> | <b>FY 2021-22</b> | <b>FY2022-23</b>  | <b>FY2023-24</b>  | <b>FY2024-25</b>  |
| Adjusted Budget                     | 254.68            | 278.37            | 283.28            | 286.69            | 268.93            |
| Actuals (FY25 Proj)                 | 273.41            | 264.27            | 233.18            | 308.45            | 317.85            |
| <b>(Over)/Under</b>                 | <b>(18.73)</b>    | <b>14.09</b>      | <b>51.57</b>      | <b>(21.76)</b>    | <b>(48.92)</b>    |
| <b>Fire Department</b>              |                   |                   |                   |                   |                   |
| <b>Overtime (OT)</b>                | <b>FY 2020-21</b> | <b>FY2021-22</b>  | <b>FY2022-23</b>  | <b>FY2023-24</b>  | <b>FY2024-25</b>  |
| Adjusted Budget                     | 4.22              | 19.83             | 11.19             | 13.80             | 10.59             |
| Actuals (FY25 Proj)                 | 24.22             | 29.83             | 29.96             | 29.24             | 34.95             |
| <b>(Over)/Under</b>                 | <b>(20.00)</b>    | <b>(10.00)</b>    | <b>(18.77)</b>    | <b>(15.43)</b>    | <b>(24.36)</b>    |
| <b>All Other Personnel (non-OT)</b> | <b>FY 2020-21</b> | <b>FY 2021-22</b> | <b>FY2022-23</b>  | <b>FY2023-24</b>  | <b>FY2024-25</b>  |
| Adjusted Budget                     | 144.73            | 132.44            | 143.28            | 163.79            | 126.65            |
| Actuals (FY25 Proj)                 | 126.99            | 119.50            | 129.85            | 137.19            | 134.57            |
| <b>(Over)/Under</b>                 | <b>17.74</b>      | <b>12.94</b>      | <b>13.44</b>      | <b>26.59</b>      | <b>(7.92)</b>     |
| <b>Total Personnel</b>              | <b>FY 2020-21</b> | <b>FY 2021-22</b> | <b>FY2022-23</b>  | <b>FY2023-24</b>  | <b>FY2024-25</b>  |
| Adjusted Budget                     | 148.95            | 152.27            | 154.47            | 177.59            | 137.25            |
| Actuals (FY25 Proj)                 | 151.21            | 149.33            | 159.80            | 166.43            | 169.52            |
| <b>(Over)/Under</b>                 | <b>(2.26)</b>     | <b>2.94</b>       | <b>(5.33)</b>     | <b>11.16</b>      | <b>(32.27)</b>    |

**III. GENERAL PURPOSE FUND - FUND BALANCE**

The City's GPF Fund Balance, net obligations, is projected to end FY 2024-25 at negative \$99.91 million. Obligations are reserves required by City Ordinances and the City Charter (mandated emergency reserves). Table 10 below shows additional adjustments totaling negative \$15 million, decreasing the estimated FY 2024-25 year-end available fund balance from negative \$99.91 million to negative \$114.90 million. The estimated FY 2024-25 available Fund Balance is the amount of unobligated funding available to the City in the GPF.

**Table 10: FY 2024-25 Year-End Available GPF Fund Balance**

| <b>GENERAL PURPOSE FUND (1010)</b>                   | <b>FY 2024-25 Q1 Year-End Estimate</b> |
|------------------------------------------------------|----------------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b> | <b>(6.83)</b>                          |
| Revenue                                              | 758.52                                 |
| Expenditures                                         | 851.60                                 |
| Estimated Current Year Surplus/(Shortfall)           | <b>(93.08)</b>                         |
| <b>Estimated Ending Fund Balance</b>                 | <b>(99.91)</b>                         |
| <b>Use of Fund Balance in FY 2024-25</b>             |                                        |
| Return of Excess Fund Balance in Equipment Fund      | <b>8.32</b>                            |
| Legal Settlements                                    | <b>(10.58)</b>                         |
| Required Carryforwards from FY 2023-24               | <b>(12.74)</b>                         |
| <b>Estimated Ending Fund Balance</b>                 | <b>(114.90)</b>                        |

#### IV. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long-term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to the City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups.

##### Emergency Reserve

The City's GPF Emergency Reserve was budgeted at 7.5% of the FY 2022-23 GPF Adopted Budget of \$872.07 million. As of June 30, 2024, the balance in this reserve was \$70.16 million, or approximately 8.1% of the FY 2023-24 GPF Adopted Budget of \$863.68 million. However, unassigned fund balance in the GPF was negative \$32.93 million at year end. In combination these two source of reserves totaled \$37.23 million, or 57% of the reserve requirement of \$64.78 million.

Even if fully met, the emergency reserve policy level of 7.5% would be inadequate to sustain city services in an economic downturn as evidenced by the events of the last 2 years. The recommended policy level is 16.7% or two months of operating expenditures. This recommended level is supported by best practices outlined by the Government Finance Officer's Association's (GFOA).

##### Vital Services Stabilization Fund

The Vital Services Stabilization Fund (VSSF) was established in 2014 by City Council after the Great Recession to serve as the City's "Rainy Day" fund. Per the Consolidated Fiscal Policy, 25% of excess RETT revenue is intended to go into the VSSF. The FY 2022-23 ending available balance of \$10.27 million was assumed in its entirety in the FY 2023-24 Adopted Budget to balance expenditures as City Council declared that the City is experiencing a severe financial event and state of extreme fiscal necessity. The target funding level per the City's Consolidated Fiscal Policy is \$125.22 million, or 15% of the GPF revenues.

**Table 11** below shows the estimated FY 2024-25 year end reserve balances.

**Table 11: FY 2024-25 Q1 Reserve Balances (\$ in millions)**

| Description                                | FY 2023-24 Beginning Balances | FYE Estimated 2023-2024 Balances |
|--------------------------------------------|-------------------------------|----------------------------------|
| (1) General Fund Reserves:                 | 85.30                         | 37.23                            |
| Mandated Emergency Reserves FY 2022-23*    | 66.63                         | 70.16                            |
| Unassigned GPF Fund Balance                | 18.67                         | (32.93)                          |
| (2) Vital Services Stabilization Fund      | 10.27                         | 0.50                             |
| (3) OMERS Reserves (Reso. No. 85098 C.M.S) | 2.36                          | 2.36                             |
| <b>Total Reserves</b>                      | <b>97.93</b>                  | <b>40.09</b>                     |

*\*The 7.5% GPF reserve is not a cumulative balance*



## V. SELECTED Q1 NON-GPF

This section of the FY 2024-25 **Q1** report contains additional analysis on selected non-GPF funds. For additional fund descriptions, please visit [https://stories.opengov.com/oaklandca/published/\\_dHbklVRjPB](https://stories.opengov.com/oaklandca/published/_dHbklVRjPB). This **Q1** report discusses selected funds that are of special interest to the City because the revenue comes from a special tax or local measure, or because of the particular revenue or expenditure restrictions. For these funds, the revenue tables below will show year-end estimates compared to the adopted budget. The expenditure tables in this section compares the FY 2024-25 Adjusted Budget to FY 2024-25 year-end estimates.

The fund balance tables compare the FY 2024-25 unaudited beginning fund balance to the FY 2024-25 projected ending fund balance for these funds. Please note that some of the fund tables below show a budgeted transfer from fund balance for FY 2024-25. These amounts represent dollars designated to balance the Adjusted Budget.

All other funds are summarized in **Table 47**.

### **Measure HH - Sugar Sweetened Beverage Distribution Tax (SSBT) Fund (1030)**

Measure HH - SSBT Fund (1030) is a City of Oakland ballot initiative approved by voters on November 8, 2016, that established a general tax of one cent per fluid ounce on the sugar sweetened beverage products. The tax is imposed upon the first non-exempt distribution of sugar-sweetened beverage products in the City. While this revenue is not restricted by State statute, City Council has elected to restrict it by policy and separate it into its own fund because the primary purpose of the tax is to raise revenue to support programs designed to discourage sugar consumption and to reduce the growing burden of obesity and non-communicable diseases.

The measure formed a nine-member Community Advisory Board, appointed by the Mayor, and approved by City Council. The Board is responsible for:

1. Making recommendations to City Council on use of funding/programs that will reduce the health consequences from consuming sugar-sweetened beverages (final allocations are still determined by City Council).
2. Publishing an annual report regarding the implementation of the Board's recommendations and the impact on the use of these funds.

Revenues - In the first quarter (Q1) of FY 2024-25, collections from Measure HH came in at \$1.35 million, which is 12.6% of the adjusted budget of \$10.69 million. The adjusted budget includes \$3.79 million in use of fund balance to cover carryforwards from FY 2023-24. Excluding

the use of the fund balance, the projected revenue from Measure HH for the year is expected to be \$6.90 million which is at budget. The Measure HH Local Tax Adjusted Budget for FY 2024-25 closely mirrors the actual revenue collected in FY 2023-24, which was \$6.88 million. This figure reflects an ongoing annual decline rate of approximately 8% since the measure's introduction in FY 2017-18.

**Table 12: FY 2024-25 Measure HH (SSBT) Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Local Tax                       | 6.90                       | 1.36                      | 6.90                            | —                                        | — %                                     |
| Interest Income                 | —                          | —                         | —                               | —                                        | — %                                     |
| Miscellaneous Revenue           | —                          | (0.01)                    | (0.01)                          | (0.01)                                   | — %                                     |
| Transfers from Fund Balance     | 1.41                       | —                         | —                               | (1.41)                                   | (100.0)%                                |
| Project Offsets & Carryforwards | 2.38                       | —                         | —                               | (2.38)                                   | (100.0) %                               |
| <b>Total Revenue</b>            | <b>10.69</b>               | <b>1.35</b>               | <b>6.88</b>                     | <b>(3.81)</b>                            | <b>(35.6) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$8.41 million, which is a savings of \$2.28 million, compared to the Adjusted Budget of \$10.69 million. The savings are primarily due to underspending in personnel costs.

**Table 13: FY 2024-25 Measure HH (SSBT) Fund Expenditures (\$ in millions)**

| Agency / Department                           | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Capital Improvement Projects                  | 0.03                       | —                         | 0.03                            | —                                        | — %                                     |
| City Administrator                            | 2.24                       | 0.13                      | 2.63                            | (0.39)                                   | (17.6) %                                |
| Economic and Workforce Development Department | 0.59                       | —                         | 0.41                            | 0.18                                     | 30.3 %                                  |
| Finance Department                            | 0.37                       | 0.02                      | 0.36                            | 0.01                                     | 2.0 %                                   |
| Human Services Department                     | 1.80                       | —                         | 0.98                            | 0.82                                     | 45.4 %                                  |
| Non Departmental and Port                     | —                          | —                         | —                               | —                                        | — %                                     |
| Oakland Parks and Recreation Department       | 5.63                       | 0.69                      | 3.95                            | 1.67                                     | 29.7 %                                  |
| Oakland Public Library Department             | 0.04                       | —                         | 0.04                            | —                                        | — %                                     |
| Oakland Public Works Department               | —                          | —                         | —                               | —                                        | — %                                     |
| <b>Total</b>                                  | <b>10.69</b>               | <b>0.84</b>               | <b>8.41</b>                     | <b>2.28</b>                              | <b>21.3 %</b>                           |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$6.89 million. Expenditures are projected to end the year at \$8.41 million. This results in an estimated current year shortfall of \$1.52 million. As a result, the maximum estimated available fund balance in Measure HH (SSBT) Fund (1030) is projected to decrease from \$11.65 million to \$10.13 million in FY 2024-25. There are \$7.58 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of \$2.55 million.

**Table 14: FY 2024-25 Measure HH (SSBT) Fund Year-End Available Fund Balance (\$ in millions)**

| <b>MEASURE HH SSBT (1030)</b>                                | <b>FY 2024-25 Q1 Year-End Estimate</b> |
|--------------------------------------------------------------|----------------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>\$ 11.65</b>                        |
| Revenue                                                      | 6.87                                   |
| Expenditures                                                 | 8.41                                   |
| Estimated Current Year Surplus/(Shortfall)                   | <b>(1.52)</b>                          |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>10.13</b>                           |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                        |
| Possible FY 2023-24 Carry Forwards                           | <b>(7.58)</b>                          |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>2.55</b>                            |

**Measures BB & F Funds (2215, 2217, 2218, 2219, 2220)**

Measure BB and F Funds are administered by the Alameda County Transportation Commission (Alameda CTC) which manages the following local fund sources:

1. Measure BB, passed by voters in November 2014, authorized collection of the initial half-cent transportation sales tax by the Board of Equalization. Collection began on April 1, 2015 and extended through March 31, 2022 as a compliment to Measure B which sunset in March 2022. The full one-cent sales tax authorized by Measure BB took effect April 1, 2022 and will extend through March 31, 2045. Starting in July 2015, Alameda CTC began making monthly direct local distribution payments to local jurisdictions and transit agencies, per the 2014 Transportation Expenditure Plan, for the following programs: local streets and roads (including county bridges), bicycle and pedestrian, transit, and paratransit.
2. Measure F, approved by voters in November 2010, authorizes the collection of \$10 per year per vehicle registration fee to fund the Local Road Improvement & Repair Program and other congestion relief, transportation technology, and pedestrian/bicyclist safety programs in Alameda County.

Revenues - In the first quarter (Q1) of FY 2024-25, collections from Measure BB came in at \$3.17 million, which is 6.0% of the Adjusted Budget of \$53.21 million. Projected year-end revenues are \$39.93 million, which is \$13.28 million or 25.0% under the Adjusted Budget. The Adjusted Budget for FY 2024-25 includes \$12.66 million in use of fund balance to balance expenditures adopted in the budget and an extra \$2.86 million from the fund balance to cover carry forwards from FY 2023-24. Net of use of fund balance, Sales Tax from Measure BB and Measure F are projected to end the year at \$37.57 million, which is \$1.69 million or 4.7% over

the Adjusted Budget, according to the most recent estimates from the Alameda County Transportation Commission (ACTC).

**Table 15: FY 2024-25 Measure BB & F Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Sales Tax                       | 35.88                      | 2.62                      | 37.57                           | 1.69                                     | 4.7 %                                   |
| Interest Income                 | —                          | —                         | —                               | —                                        | — %                                     |
| Service Charges                 | —                          | 0.03                      | 0.03                            | 0.03                                     | — %                                     |
| Grants & Subsidies              | 1.81                       | —                         | 1.81                            | —                                        | — %                                     |
| Miscellaneous Revenue           | —                          | 0.51                      | 0.51                            | 0.51                                     | — %                                     |
| Transfers from Fund             | 12.66                      | —                         | —                               | (12.66)                                  | (100.0)%                                |
| Project Offsets & Carryforwards | 2.86                       | —                         | —                               | (2.86)                                   | (100.0)%                                |
| <b>Total Revenue</b>            | <b>53.21</b>               | <b>3.17</b>               | <b>39.93</b>                    | <b>(13.28)</b>                           | <b>(25.0) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$43.13 million, which is a savings of \$10.09 million, compared to the Adjusted Budget of \$53.21 million. The savings is primarily due to underspending in personnel costs.

**Table 16: FY 2024-25 Measure BB/F Funds Expenditures (\$ in millions)**

| Agency / Department                   | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Capital Improvement Projects          | 8.23                       | 0.03                      | 8.32                            | (0.09)                                   | (1.1) %                                 |
| City Administrator                    | 0.41                       | 0.05                      | 0.24                            | 0.17                                     | 41.1 %                                  |
| City Attorney                         | 0.05                       | —                         | —                               | 0.05                                     | 90.4 %                                  |
| Department of Transportation          | 37.47                      | 4.95                      | 27.89                           | 9.57                                     | 25.5 %                                  |
| Finance Department                    | 0.01                       | —                         | 0.01                            | —                                        | — %                                     |
| Human Resources Management Department | —                          | —                         | —                               | —                                        | — %                                     |
| Human Services Department             | 4.38                       | 0.27                      | 4.21                            | 0.18                                     | 4.1 %                                   |
| Information Technology Department     | —                          | —                         | —                               | —                                        | — %                                     |
| Mayor                                 | —                          | —                         | —                               | —                                        | — %                                     |
| Non Departmental and Port             | —                          | —                         | —                               | —                                        | — %                                     |
| Oakland Public Works Department       | 2.66                       | 0.47                      | 2.45                            | 0.21                                     | 7.9 %                                   |
| Police Department                     | —                          | —                         | —                               | —                                        | — %                                     |
| <b>Total Expenditures</b>             | <b>53.21</b>               | <b>5.77</b>               | <b>43.13</b>                    | <b>10.09</b>                             | <b>19.0 %</b>                           |

\*The adjusted budget includes Council Budget Amendments and Carryforwards

Fund Balance - Fund Balance - FY 2024-25 revenue is projected to end the year at \$39.93 million. Expenditures are projected to end the year at \$43.13 million. This results in an estimated current year shortfall of \$3.19 million. As a result, the maximum estimated available fund balance in the Measure BB/F Funds is projected to decrease from \$57.73 million to \$54.53 million in FY 2024-25. There are \$34.70 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of \$19.83 million.

**Table 17: FY 2024-25 Measure BB/F Funds Year-End Available Fund Balance (\$ in millions)**

| Measure B/BB and Measure F Funds (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, 2220) | FY 2024-25 Q1 Year-End Estimate |
|-----------------------------------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>                                    | <b>\$ 57.73</b>                 |
| Revenue                                                                                 | 39.93                           |
| Expenditures                                                                            | 43.13                           |
| Estimated Current Year Surplus/(Shortfall)                                              | <b>(3.19)</b>                   |
| <b>Estimated Maximum Ending Fund Balance</b>                                            | <b>54.53</b>                    |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b>                            |                                 |
| Possible FY 2023-24 Carry Forwards                                                      | <b>(34.70)</b>                  |
| <b>Estimated Minimum Ending Fund Balance</b>                                            | <b>19.83</b>                    |

**State Transportation Gas Tax Funds (2230, 2232)**

The State of California imposes a per-gallon excise tax on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel, and registration taxes on motor vehicles with allocations dedicated to transportation purposes. The local (city and county) portions of these allocations flow through the Highway Users Tax Account (HUTA) into the Gasoline Tax Fund (2230) and the Road Maintenance and Rehabilitation Account (RMRA) (Fund 2232), which allocates much of the revenue from the Road Repair and Accountability Act of 2017.

Revenues - In the first quarter (Q1) of FY 2024-25, revenue collections in the Gas Tax funds came in at \$4.21 million, which is 16.3% of the FY 2024-25 Adjusted Budget of \$25.78 million. Year-end revenues project to come in at \$24.32 million, which is \$1.46 million or 5.7% under the Adjusted Budget. The Adjusted Budget assumes \$1.87 million in use of fund balance to balance the expenditures as adopted in the budget and \$0.97 million in use of fund balance to support FY 2023-24 carryforwards. Net of use of fund balance, the actual Gas Tax revenue projects to come in at \$23.29 million which is \$0.50 million or 2.2% above the Adjusted Budget estimate. The new projection is taken from the estimates for FY 2024-25 provided by the State of California, for the State revenue allocations to Cities and Counties for the Local Streets and Roads including Highway Users Tax Account (HUTA), and for the Road Maintenance and Rehabilitation Account (RMRA). Estimates are as of May 2024.

**Table 18: FY 2024-25 State Transportation Gas Tax Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Gas Tax                         | 22.79                      | 3.32                      | 23.29                           | 0.50                                     | 2.2 %                                   |
| Interest Income                 |                            |                           |                                 | —                                        | — %                                     |
| Service Charges                 | 0.01                       |                           | 0.01                            | —                                        | — %                                     |
| Grants & Subsidies              | 0.14                       | —                         | 0.14                            | —                                        | — %                                     |
| Miscellaneous Revenue           | —                          | 0.89                      | 0.89                            | 0.89                                     | 54182.7 %                               |
| Transfers from Fund Balance     | 1.87                       | —                         | —                               | (1.87)                                   | (100.0)%                                |
| Project Offsets & Carryforwards | 0.97                       | —                         | —                               | (0.97)                                   | (100.0)%                                |
| <b>Total Revenue</b>            | <b>25.78</b>               | <b>4.21</b>               | <b>24.32</b>                    | <b>(1.46)</b>                            | <b>(5.7) %</b>                          |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$19.71 million, which is a savings of \$6.07 million, when compared to the Adjusted Budget of \$25.78 million. The savings is primarily due to underspending in personnel costs.

**Table 19: FY 2024-25 State Transportation Funds Gas Tax Expenditures (\$ in millions)**

| Agency / Department                           | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Capital Improvement Projects                  | 0.01                       | —                         | 0.01                            | —                                        | — %                                     |
| City Administrator                            | 0.19                       | 0.03                      | 0.17                            | 0.02                                     | 11.2 %                                  |
| Department of Transportation                  | 25.48                      | 3.67                      | 19.51                           | 5.97                                     | 23.4 %                                  |
| Economic and Workforce Development Department | —                          | —                         | —                               | —                                        | — %                                     |
| Finance Department                            | 0.10                       | —                         | 0.01                            | 0.09                                     | 86.9 %                                  |
| Human Resources Management Department         | —                          | —                         | —                               | —                                        | — %                                     |
| Oakland Public Works Department               | —                          | —                         | —                               | —                                        | — %                                     |
| <b>Total Expenditures</b>                     | <b>25.78</b>               | <b>3.70</b>               | <b>19.71</b>                    | <b>6.07</b>                              | <b>23.6 %</b>                           |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*



**Fund Balance** - FY 2024-25 revenue is projected to end the year at \$24.32 million. Expenditures are projected to end the year at \$19.71 million. This results in an estimated current year surplus of \$4.61 million. The maximum estimated available fund balance in the State Transportation Gas Tax Funds is projected to increase from \$11.84 million to \$17.66 million in FY 2024-25 after accounting for \$1.21 million returned from excess fund balance from the Equipment Fund. There are \$3.64 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of \$14.02 million.

**Table 20: FY 2024-25 State Transportation Funds Year-End Available Fund Balance (\$ in millions)**

| State Transportation (Gas Tax) Funds (2230, 2232)            | FY 2024-25 Q1 Year-End Estimate |
|--------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>\$ 11.84</b>                 |
| Revenue                                                      | 24.32                           |
| Expenditures                                                 | 19.71                           |
| Estimated Current Year Surplus/(Shortfall)                   | 4.61                            |
| <b>Estimated Subtotal Ending Fund Balance</b>                | <b>16.45</b>                    |
| <b>Fund Balance Transfer In</b>                              |                                 |
| Return of Excess Fund Balance in Equipment Fund              | 1.21                            |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>17.66</b>                    |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                 |
| Possible FY 2023-24 Carry Forwards                           | (3.64)                          |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>14.02</b>                    |

**Measure Q - OPR Preservation, Litter Reduction, Homelessness Support Act Fund (2244)**

Measure Q, the 2020 Oakland Parks and Recreation, Preservation, Litter Reduction, and Homelessness Support Act Fund (2244), is a City of Oakland ballot initiative approved by voters on March 3, 2020 that established an annual special parcel tax for 20 years. This measure, which passed by more than a two-thirds majority, imposes a special parcel tax for the purpose of raising revenue to provide services for parks, landscape maintenance, and recreational services; to address homelessness and enable unsheltered and unhoused residents to access temporary shelters, transitional, supportive, and permanent housing; and to address water quality and litter reduction, including the maintenance and cleaning of stormwater trash collection systems.

Revenues - In the first quarter (Q1) of FY 2024-25, revenue collections in the Measure Q fund have not come in yet, as they are remitted in bulk from the County typically at mid-year and towards the end of each fiscal year. Year-end revenues project to come in at \$32.99 million, which is \$21.32 million or 39.3% under the Adjusted Budget of \$54.31 million. The Adjusted

Budget assumes \$13.78 million in use of fund balance to balance expenditures as adopted in the budget and \$7.52 million to support carryforward expenditures. The actual Measure Q Tax, net of use of fund balance, projects to come in at \$33.01 million which is at budget.

**Table 21: FY 2024-25 Preservation, Litter Reduction, Homelessness Support Act Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Local Tax                       | 33.01                      | (0.01)                    | 33.01                           | —                                        | — %                                     |
| Interest Income                 | —                          | —                         | —                               | —                                        | — %                                     |
| Miscellaneous Revenue           | —                          | (0.02)                    | (0.02)                          | (0.02)                                   | — %                                     |
| Transfers from                  | 13.78                      | —                         | —                               | (13.78)                                  | (100.0)%                                |
| Project Offsets & Carryforwards | 7.52                       | —                         | —                               | (7.52)                                   | (100.0)%                                |
| <b>Total Revenue</b>            | <b>54.31</b>               | <b>(0.03)</b>             | <b>32.99</b>                    | <b>(21.32)</b>                           | <b>(39.3) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$52.05 million, which is a savings of \$2.25 million, when compared to the Adjusted Budget of \$54.31 million. The savings are primarily due to underspending in personnel costs.

**Table 22: FY 2024-25 Measure Q - OPR Preservation, Litter Reduction, Homelessness Support Act Fund Expenditures (\$ in millions)**

| Agency / Department                           | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Capital Improvement Projects                  | 4.33                       | 0.03                      | 4.33                            | —                                        | — %                                     |
| City Administrator                            | 4.67                       | 0.33                      | 4.60                            | 0.07                                     | 1.5 %                                   |
| City Auditor                                  | 0.04                       | —                         | —                               | 0.04                                     | 95.2 %                                  |
| Economic and Workforce Development Department | 0.11                       | —                         | 0.01                            | 0.11                                     | 95.5 %                                  |
| Finance Department                            | 0.08                       | —                         | 0.08                            | —                                        | — %                                     |
| Human Services Department                     | 12.05                      | 0.39                      | 11.87                           | 0.18                                     | 1.5 %                                   |
| Non Departmental and Port                     | 0.86                       | —                         | 0.86                            | —                                        | — %                                     |
| Oakland Parks and Recreation Department       | —                          | —                         | —                               | —                                        | — %                                     |
| Oakland Public Works Department               | 32.16                      | 5.08                      | 30.26                           | 1.90                                     | 5.9 %                                   |
| <b>Total Expenditures</b>                     | <b>54.31</b>               | <b>5.84</b>               | <b>52.05</b>                    | <b>2.25</b>                              | <b>4.1 %</b>                            |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$32.99 million. Expenditures are projected to end the year at \$52.05 million. This results in an estimated current year shortfall of \$19.07 million. The maximum estimated available fund balance in Measure Q Fund (2244) is projected to decrease from \$26.55 million into \$7.91 million in FY 2024-25 after accounting for \$0.42 million returned from excess fund balance in the Equipment Fund. There are \$10.32 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of negative \$2.41 million.

**Table 23: FY 2024-25 Measure Q Year-End Fund Balance (\$ in millions)**

| <b>MEASURE Q (2244)</b>                                      | <b>FY 2024-25 Q1 Year-End Estimate</b> |
|--------------------------------------------------------------|----------------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>26.55</b>                           |
| Revenue                                                      | 32.99                                  |
| Expenditures                                                 | 52.05                                  |
| Estimated Current Year Surplus/(Shortfall)                   | <b>(19.07)</b>                         |
| <b>Estimated Subtotal Ending Fund Balance</b>                | <b>7.49</b>                            |
| <b>Fund Balance Transfer In</b>                              |                                        |
| Return of Excess Fund Balance in Equipment Fund              | 0.42                                   |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>7.91</b>                            |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                        |
| Possible FY 2023-24 Carry Forwards                           | <b>(10.32)</b>                         |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>(2.41)</b>                          |

**Vacant Property Tax Fund (2270)**

Measure W - Vacant Property Tax Fund (2270) is a City of Oakland ballot initiative approved by voters on November 6, 2018 that established an annual special tax on vacant property for 20 years to raise revenue necessary to support and fund homelessness programs and services, affordable housing, code enforcement, and clean-up of blighted properties and illegal dumping. A property is considered vacant if it is not in-use for at least 50 days in a calendar year. "Use" is defined as the performance of a function or operation. The per-parcel tax rates are \$6,000 for vacant properties or lots and \$3,000 for vacant condominium, duplex, townhouse and commercial ground floor commercial spaces. The tax is included in the secured property tax bill administered by the Alameda County.

Revenues - In the first quarter (Q1) of FY 2024-25, revenue collections in the Vacant Property Tax fund have not come in yet, as they are remitted in bulk from the County typically at mid-year and towards the end of each fiscal year. Year-end revenues project to come in at \$5.36 million, which is \$0.94 million or 14.9% under the FY 2024-25 Adjusted Budget of \$6.30 million, The Adjusted Budget assumes \$0.24 million in use of fund balance to balance expenditures as adopted in the budget, and \$0.70 million to support carryforward expenditures. Net of use of fund balance, the actual Vacant Property Tax projects to come at \$5.36 million which is at budget.

**Table 24: FY 2024-25 Vacant Property Tax Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Local Tax                       | 5.36                       | (0.02)                    | 5.36                            | —                                        | — %                                     |
| Miscellaneous Revenue           | —                          | —                         | —                               | —                                        | — %                                     |
| Transfers from Fund Balance     | 0.24                       | —                         | —                               | (0.24)                                   | (100.0)%                                |
| Project Offsets & Carryforwards | 0.70                       | —                         | —                               | (0.70)                                   | (100.0)%                                |
| <b>Total Revenue</b>            | <b>6.30</b>                | <b>(0.02)</b>             | <b>5.36</b>                     | <b>(0.94)</b>                            | <b>(14.9) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$6.26 million, which is savings of \$0.04 million, when compared to the Adjusted Budget of \$6.30 million.

**Table 25: FY 2024-25 Vacant Property Tax Fund Expenditures (\$ in millions)**

| Agency / Department             | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| City Administrator              | —                          | —                         | —                               | —                                        | — %                                     |
| Finance Department              | 0.85                       | 0.10                      | 0.75                            | 0.10                                     | 12.2 %                                  |
| Human Services Department       | 0.24                       | —                         | 0.29                            | (0.05)                                   | (19.1) %                                |
| Oakland Public Works Department | 5.03                       | 1.04                      | 5.05                            | (0.02)                                   | (0.3) %                                 |
| <b>Total Expenditures</b>       | <b>6.30</b>                | <b>1.15</b>               | <b>6.26</b>                     | <b>0.04</b>                              | <b>0.6 %</b>                            |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2023-24 revenue is projected to end the year at \$5.36 million. Expenditures are projected to end the year at \$6.26 million. This results in an estimated current year shortfall of \$0.90 million. The maximum estimated available fund balance in the Vacant Property Tax Fund (2270) is projected to decrease from \$2.51 million to \$1.65 million in FY 2024-25 after accounting for \$0.04 million returned from excess fund balance in the Equipment Fund. There are \$0.05 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of \$1.60 million.

**Table 26: FY 2024-25 Vacant Property Tax Fund Year-End Available Fund Balance (\$ in millions)**

| Vacant Property Tax Fund (2270)                              | FY 2024-25 Q1 Year-End Estimate |
|--------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>2.51</b>                     |
| Revenue                                                      | 5.36                            |
| Expenditures                                                 | 6.26                            |
| Estimated Current Year Surplus/(Shortfall)                   | <b>(0.90)</b>                   |
| <b>Estimated Subtotal Ending Fund Balance</b>                | <b>1.61</b>                     |
| <b>Fund Balance Transfer In</b>                              |                                 |
| Return of Excess Fund Balance in Equipment Fund              | <b>0.04</b>                     |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>1.65</b>                     |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                 |
| Possible FY 2023-24 Carry Forwards                           | <b>(0.05)</b>                   |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>1.60</b>                     |

**Landscaping and Lighting Assessment District (LLAD) Fund (2310)**

The Landscaping and Lighting Assessment District (LLAD) Fund (2310) revenue is generated through a direct benefit assessment, or special assessment and is restricted by statute to be used for street lighting, landscaping, and public parks and recreation facility maintenance, and multi-use fields.

Revenues – In the first quarter (Q1) of FY 2024-25, revenue collections in the LLAD fund have not come in yet, as they are remitted in bulk from the County typically at mid-year and towards the end of each fiscal year. The FY 2024-25 year-end revenues project to come in at \$19.75 million, which is \$0.22 million below the FY 2024-25 Adjusted Budget of \$19.98 million. The Adjusted Budget assumes \$0.22 million in use of fund balance to support carryforward expenditures. Net of use of fund balance, the actual LLAD Tax projects to come at \$19.47 million which is at budget.

**Table 27: FY 2024-25 Landscaping and Lighting Assessment District (LLAD) Fund Revenue (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Local Tax                       | 19.47                      | —                         | 19.47                           | —                                        | — %                                     |
| Licenses & Permits              | 0.08                       | 0.03                      | 0.08                            | —                                        | — %                                     |
| Interest Income                 | —                          | —                         | —                               | —                                        | — %                                     |
| Service Charges                 | 0.21                       | —                         | 0.21                            | —                                        | — %                                     |
| Grants & Subsidies              | —                          | —                         | —                               | —                                        | — %                                     |
| Miscellaneous Revenue           | —                          | —                         | —                               | —                                        | — %                                     |
| Project Offsets & Carryforwards | 0.22                       | —                         | —                               | (0.22)                                   | (100.0)%                                |
| <b>Total Revenue</b>            | <b>19.98</b>               | <b>0.03</b>               | <b>19.75</b>                    | <b>(0.22)</b>                            | <b>(1.1) %</b>                          |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$21.25 million, which is an overage of \$1.28 million, when compared to the Adjusted Budget of \$19.98 million.

**Table 28: FY 2024-25 Landscaping and Lighting Assessment District (LLAD) Fund Expenditures (\$ in millions)**

| Agency / Department                     | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Department of Transportation            | 2.56                       | 0.85                      | 3.60                            | (1.04)                                   | (40.5) %                                |
| Finance Department                      | 0.04                       | 0.01                      | 0.04                            | —                                        | — %                                     |
| Non Departmental and Port               | 3.27                       | —                         | 3.27                            | —                                        | — %                                     |
| Oakland Parks and Recreation Department | 9.87                       | —                         | 9.87                            | —                                        | — %                                     |
| Oakland Public Works Department         | 4.24                       | 1.13                      | 4.48                            | (0.24)                                   | (5.7) %                                 |
| <b>Total Expenditures</b>               | <b>19.98</b>               | <b>1.99</b>               | <b>21.25</b>                    | <b>(1.28)</b>                            | <b>(6.4) %</b>                          |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$19.75 million. Expenditures projected to end the year at \$21.25 million. This results in an estimated current year shortfall of \$1.50 million. The maximum estimated available fund balance in the LLAD Fund is projected to improve slightly from negative \$0.59 million to negative \$0.39 million in FY 2024-25 after accounting for \$1.70 million returned from excess fund balance in the Equipment Fund. There

are \$0.09 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of negative \$0.48 million.

**Table 29: FY 2024-25 Landscaping and Lighting Assessment District (LLAD) Fund Balance (\$ in millions)**

| Landscaping & Lighting Assess. District Fund (LLAD) (2310)   | FY 2024-25 Q1 Year-End Estimate |
|--------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>(0.59)</b>                   |
| Revenue                                                      | 19.75                           |
| Expenditures                                                 | 21.25                           |
| Estimated Current Year Surplus/(Shortfall)                   | <b>(1.50)</b>                   |
| <b>Estimated Subtotal Ending Fund Balance</b>                | <b>(2.09)</b>                   |
| <b>Fund Balance Transfer In</b>                              |                                 |
| Return of Excess Fund Balance in Equipment Fund              | 1.70                            |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>(0.39)</b>                   |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                 |
| Possible FY 2023-24 Carry Forwards                           | <b>(0.09)</b>                   |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>(0.48)</b>                   |

**False Alarm Reduction Program Fund (2411)**

The False Alarm Reduction Program was implemented by OPD in November 2003 by Ordinance No. 13015 C.M.S., and amended in 2010, to address the large number of false alarms that OPD was responding to each year. The revenue generated by these fees is to offset a portion of the expense that OPD incurs as a result of false alarm response. Fees also assist in encouraging residents and businesses to properly use and maintain their alarm systems, thus reducing false alarms.

Revenues - In the first quarter (Q1) of FY 2024-25, revenue collections in the False Alarm Reduction Fund came in at \$0.18 million, which is 12.2% of the FY 2024-25 Adjusted Budget of \$1.47 million. The FY 2024-25 year-end revenues project to come in at \$0.95 million, which is \$0.52 million or 35.3% lower compared to the FY 2024-25 Adjusted Budget of \$1.47 million. The Adjusted Budget assumes 0.70 million in use of fund balance to support carryforward expenditures. Net of use of fund balance, the actual Service Charges for the program project to come at \$0.83 million which is \$0.44 million or 34.7% under budget. The projection assumes the same level of collection from FY 2023-24 which was the lowest level of service charges collected over the past five fiscal years. However, this is cautiously optimistic since revenues from service charges in this fund have been dropping year over year by an average of 12.4% over the past 5 fiscal years.



**Table 30: FY 2024-25 False Alarm Reduction Program Fund Revenue (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Fines & Penalties               | 0.12                       | —                         | 0.12                            | —                                        | — %                                     |
| Interest Income                 | —                          | —                         | —                               | —                                        | — %                                     |
| Service Charges                 | 1.27                       | 0.18                      | 0.83                            | (0.44)                                   | (34.7) %                                |
| Miscellaneous Revenue           | —                          | —                         | —                               | —                                        | — %                                     |
| Project Offsets & Carryforwards | 0.08                       | —                         | —                               | (0.08)                                   | (100.0)%                                |
| <b>Total Revenue</b>            | <b>1.47</b>                | <b>0.18</b>               | <b>0.95</b>                     | <b>(0.52)</b>                            | <b>(35.3) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$0.79 million, which is a savings of \$0.68 million, compared to the Adjusted Budget of \$1.47 million. The savings are primarily due to underspending in personnel costs.

**Table 31: FY 2024-25 False Alarm Reduction Program Fund Expenditures (\$ in millions)**

| Agency / Department               | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Information Technology Department | —                          | 0.01                      | 0.04                            | (0.04)                                   | — %                                     |
| Police Department                 | 1.47                       | 0.09                      | 0.75                            | 0.72                                     | 48.9 %                                  |
| <b>Total Expenditures</b>         | <b>1.47</b>                | <b>0.10</b>               | <b>0.79</b>                     | <b>0.68</b>                              | <b>46.1 %</b>                           |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$0.95 million. Expenditures projected to end the year at \$0.79 million. This results in an estimated current year surplus of \$0.16 million. As a result, the maximum estimated negative fund balance in False Alarm Reduction Program Fund (2411) is projected to slightly improve from negative \$3.99 million to negative \$3.83 million in FY 2024-25. There are \$0.36 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of negative \$4.19 million.

**Table 32: FY 2024-25 False Alarm Reduction Program Fund Balance (\$ in millions)**

| False Alarm Reduction Fund (2411)                            | FY 2024-25 Q1 Year-End Estimate |
|--------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>(3.99)</b>                   |
| Revenue                                                      | 0.95                            |
| Expenditures                                                 | 0.79                            |
| Estimated Current Year Surplus/(Shortfall)                   | 0.16                            |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>(3.83)</b>                   |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                 |
| Possible FY 2023-24 Carry Forwards                           | (0.36)                          |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>(4.19)</b>                   |

**Development Service Fund (2415)**

The Development Service Fund (2415) was created on June 20, 2006 by Ordinance No. 12741 C.M.S. This fund collects revenues from licenses, fees, and permits from housing and commercial planning and construction-related activities to support planning and zoning services, construction inspections and permit approvals, building code enforcement, plan checks and engineering services. This fund is required to keep a minimum 7.5% reserve of annual budgeted revenues for its balance, which would be \$5.95 million in FY2024-25.

**Table 33: Historical Revenue for Fund 2415**

| Fiscal Year | Budgeted Revenue | Projected Year End Revenue |
|-------------|------------------|----------------------------|
| FY 2024-25  | 79.38            | 64.66                      |
| FY 2023-24  | 73.02            | 52.98                      |
| FY 2021-22  | 63.98            | 73.94                      |
| FY 2020-21  | 47.33            | 50.25                      |
| FY 2019-20  | 61.58            | 60.71                      |
| FY 2018-19  | 49.92            | 63.20                      |
| FY 2017-18  | 45.14            | 90.13                      |
| FY 2016-17  | 38.03            | 77.15                      |

**Revenues** - In the first quarter (Q1) of FY 2024-25, revenue collections in the Development Services Fund came in at \$14.32 million, which is 12.0% of the FY 2024-25 Adjusted Budget of \$119.34 million. Year-end revenues project to come in at \$64.66 million, which is \$54.68 million or 45.8% under the Adjusted Budget. The Adjusted Budget assumes \$25.53 million in use of fund balance to balance expenditures as adopted in the budget and \$14.44 million in use of fund balance to support FY 2023-24 carryforward expenditures. The year-end projection assumes the same level of collection from FY 2023-24 for Service Charges, Licenses and Permits, Fines and Penalties, and Interest Income. These categories combined are projected to end FY 2024-25 at 81.2% of the Adjusted Budget.

**Table 34: FY 2024-25 Development Service Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Licenses & Permits              | 41.77                      | 7.42                      | 25.45                           | (16.32)                                  | (39.1)%                                 |
| Fines & Penalties               | 0.65                       | 0.76                      | 2.53                            | 1.88                                     | 288.9 %                                 |
| Interest Income                 | —                          | —                         | 5.48                            | 5.48                                     | — %                                     |
| Service Charges                 | 35.99                      | 6.19                      | 30.23                           | (5.76)                                   | (16.0)%                                 |
| Grants & Subsidies              | —                          | —                         | —                               | —                                        | — %                                     |
| Miscellaneous Revenue           | 0.27                       | (0.04)                    | 0.27                            | —                                        | — %                                     |
| Transfers from Fund             | 25.53                      | —                         | —                               | (25.53)                                  | (100.0)%                                |
| Project Offsets & Carryforwards | 14.44                      | —                         | —                               | (14.44)                                  | (100.0)%                                |
| <b>Total Revenue</b>            | <b>119.34</b>              | <b>14.32</b>              | <b>64.66</b>                    | <b>(54.68)</b>                           | <b>(45.8) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures project to come in at \$103.27 million, which is a savings of \$16.07 million, compared to the adjusted budget of \$119.34 million. The projected savings are mainly attributed to vacancies.

**Table 35: FY 2024-25 Development Service Fund Expenditures (\$ in millions)**

| Agency / Department                           | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| City Administrator                            | 3.61                       | 0.77                      | 3.56                            | 0.05                                     | 1.4 %                                   |
| City Attorney                                 | 3.83                       | 0.91                      | 3.99                            | (0.15)                                   | (4.0) %                                 |
| City Auditor                                  | 0.05                       | —                         | 0.03                            | 0.03                                     | 52.2 %                                  |
| Department of Transportation                  | 15.89                      | 1.97                      | 11.11                           | 4.78                                     | 30.1 %                                  |
| Economic and Workforce Development Department | 2.92                       | 0.65                      | 2.79                            | 0.14                                     | 4.6 %                                   |
| Finance Department                            | 1.31                       | 0.25                      | 1.34                            | (0.03)                                   | (2.1) %                                 |
| Fire Department                               | 8.02                       | 1.54                      | 7.91                            | 0.11                                     | 1.4 %                                   |
| Human Resources Management Department         | —                          | —                         | —                               | —                                        | — %                                     |
| Information Technology Department             | 3.84                       | 0.63                      | 3.22                            | 0.62                                     | 16.2 %                                  |
| Mayor                                         | —                          | 0.04                      | 0.16                            | (0.16)                                   | — %                                     |
| Non Departmental and Port                     | 1.84                       | 0.06                      | 1.84                            | —                                        | — %                                     |
| Oakland Public Works Department               | 3.09                       | 0.37                      | 2.83                            | 0.25                                     | 8.2 %                                   |
| Planning and Building Department              | 74.84                      | 10.05                     | 64.41                           | 10.43                                    | 13.9 %                                  |
| <b>Total Expenditures</b>                     | <b>119.34</b>              | <b>17.23</b>              | <b>103.27</b>                   | <b>16.07</b>                             | <b>13.5 %</b>                           |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

**Fund Balance** - The large fund balance, \$122.38 million at the end of FY 2023-24, has accumulated over the life of the fund due to revenues exceeding the budget as well as longstanding underspending or delays in expenditures attributed to a high number of vacancies within the Planning and Building Department. This fund is required to keep a minimum 7.5% reserve of annual budgeted revenues for its balance, which would be \$5.95 million in FY 2024-25.

FY 2024-25 revenue projects to end the year at \$64.66 million. Expenditures project to end the year at \$103.27 million. This results in an estimated current year shortfall of \$38.61 million. This results in an estimated current year shortfall of \$38.61 million. The maximum estimated available fund balance in the Development Service Fund (2415) projects to decrease from \$104.90 million to \$66.49 million in FY 2024-25 after accounting for \$0.21 million returned from excess fund balance in the Equipment Fund. There are \$25.38 million of possible carry forwards

from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of \$43.11 million.

**Table 36: FY 2024-25 Development Service Fund Year-End Available Fund Balance (\$ in millions)**

| Development Service Fund Fund (2415)                         | FY 2024-25 Q1 Year-End Estimate |
|--------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>\$ 104.90</b>                |
| Revenue                                                      | 64.66                           |
| Expenditures                                                 | 103.27                          |
| Estimated Current Year Surplus/(Shortfall)                   | <b>(38.61)</b>                  |
| <b>Estimated Subtotal Ending Fund Balance</b>                | <b>66.28</b>                    |
| <b>Fund Balance Transfer In</b>                              |                                 |
| Return of Excess Fund Balance in Equipment Fund              | <b>0.21</b>                     |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>68.49</b>                    |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                 |
| Possible FY 2023-24 Carry Forwards                           | <b>(25.38)</b>                  |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>43.11</b>                    |

**Transient Occupancy Tax (Measure C) Fund (2419)**

The Transient Occupancy Tax (Hotel Tax) Fund (2419) is a City of Oakland initiative approved by voters in July 2009 that imposed a 3% special transient occupancy tax on the privilege of renting a hotel room in the City. The revenue generated by this special tax is allocated as follows: 50% to the Oakland Convention and Visitor’s Bureau for its expenses and promotion of tourism activities, and 12.5% each to the Oakland Zoo, the Oakland Museum of California, the Chabot Space and Science Center and the City’s Cultural Arts Programs and Festivals.

Revenues - In the first quarter (Q1) of FY 2024-25, revenue collections in the Measure C have come in at \$0.85 million or 15.8% of the Adjusted Budget of \$5.38 million. The FY 2024-25 year-end revenues project to come in at \$4.77 million, which is \$0.61 million or 11.3% under the Adjusted Budget resembling the estimated shortfall for TOT in the GPF.

**Table 37: FY 2024-25 Transient Occupancy Tax (Measure C) Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Transient Occupancy Tax         | 5.38                       | 0.85                      | 4.77                            | (0.61)                                   | (11.3) %                                |
| Interest Income                 | —                          | —                         | —                               | —                                        | — %                                     |
| Miscellaneous Revenue           | —                          | —                         | —                               | —                                        | — %                                     |
| Project Offsets & Carryforwards | —                          | —                         | —                               | —                                        | — %                                     |
| <b>Total Revenue</b>            | <b>5.38</b>                | <b>0.85</b>               | <b>4.77</b>                     | <b>(0.61)</b>                            | <b>(11.3) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$5.26 million, which is a savings of \$0.12 million, compared to the Adjusted Budget of \$5.38 million. The savings are primarily due to underspending in personnel costs.

**Table 38: FY 2024-25 Transient Occupancy Tax (Measure C) Fund Expenditures (\$ in millions)**

| Agency / Department                           | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Economic and Workforce Development Department | 0.67                       | 0.02                      | 0.55                            | 0.12                                     | 17.7 %                                  |
| Non Departmental and Port                     | 4.71                       | —                         | 4.71                            | —                                        | — %                                     |
| <b>Total Expenditures</b>                     | <b>5.38</b>                | <b>0.02</b>               | <b>5.26</b>                     | <b>0.12</b>                              | <b>2.2 %</b>                            |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenues are projected to end the year at \$4.77 million. Expenditures are projected to end the year at \$5.26 million. This results in an estimated current year shortfall of \$0.49 million. As a result, the maximum estimated available fund balance in the Measure C Fund (2419) is projected to decrease from \$1.89 million to \$1.40 million in FY 2024-25. There are \$0.67 million of possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of \$0.73 million.

**Table 39: FY 2024-25 Transient Occupancy Tax (Measure C) Fund Year-End Available Fund Balance (\$ in millions)**

| Measure C - Transient Occupancy Tax (TOT) Surcharge Fund (2419) | FY 2024-25 Q1 Year-End Estimate |
|-----------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>            | <b>\$ 1.89</b>                  |
| Revenue                                                         | 5.38                            |
| Expenditures                                                    | 5.26                            |
| Estimated Current Year Surplus/(Shortfall)                      | (0.49)                          |
| <b>Estimated Maximum Ending Fund Balance</b>                    | <b>1.40</b>                     |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b>    |                                 |
| Possible FY 2023-24 Carry Forwards                              | (0.67)                          |
| <b>Estimated Minimum Ending Fund Balance</b>                    | <b>0.73</b>                     |

**Equipment Fund (4100)**

The Equipment Fund (4100) is reported on a modified full accrual basis to reflect current assets and liabilities. The Fund supports the Citywide function for procurement and maintenance of City-owned equipment. Revenues are generated by charges to internal user departments.

Revenues - In the first quarter (Q1) of FY 2024-25, revenue collections in the Equipment Fund have come in at \$7.74 million or 20.5% of the Adjusted Budget of \$37.83 million. The FY 2024-25 year-end revenues project to come in at \$29.23 million, which is \$8.61 million under the FY 2024-25 Adjusted Budget. The Adjusted Budget assumes \$2.87 million in use of fund balance to balance expenditures as adopted in the budget and \$5.66 million in use of fund balance to support FY 2023-24 carryforward expenditures. Net of use of fund balance, the actual internal service fund revenues are expected to come in at \$29.23 million, which is at budget since the cost recovery of the ISF funds is built into the budget.

**Table 40: FY 2024-25 Equipment Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted | Year-End % Over / Under Adjusted |
|---------------------------------|----------------------------|---------------------------|---------------------------------|-----------------------------------|----------------------------------|
| Licenses & Permits              | 0.07                       | —                         | —                               | (0.07)                            | (100.0)%                         |
| Internal Service                | 29.23                      | 7.75                      | 29.23                           | —                                 | — %                              |
| Miscellaneous Revenue           | —                          | (0.01)                    | (0.01)                          | —                                 | — %                              |
| Transfers from Fund             | 2.87                       | —                         | —                               | (2.87)                            | (100.0)%                         |
| Project Offsets & Carryforwards | 5.66                       | —                         | —                               | (5.66)                            | (100.0)%                         |
| <b>Total Revenue</b>            | <b>37.83</b>               | <b>7.74</b>               | <b>29.23</b>                    | <b>(8.61)</b>                     | <b>(22.8) %</b>                  |

Expenditures - FY 2024-25 expenditures are projected to end the year at \$35.74 million, which

is a savings of \$2.09 million, compared to the Adjusted Budget of \$37.83 million. The savings are primarily due to underspending in personnel costs.

**Table 41: FY 2024-25 Equipment Fund Expenditures (\$ in millions)**

| Agency / Department             | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Fire Department                 | 0.05                       | —                         | 0.05                            | —                                        | — %                                     |
| Non Departmental and Port       | 2.37                       | —                         | 2.37                            | —                                        | — %                                     |
| Oakland Public Works Department | 35.41                      | 6.49                      | 33.32                           | 2.09                                     | 5.9 %                                   |
| <b>Total</b>                    | <b>37.83</b>               | <b>6.49</b>               | <b>35.74</b>                    | <b>2.09</b>                              | <b>5.5 %</b>                            |

Fund Balance - FY 2024-25 revenue is projected to end the year at \$29.23 million. Expenditures ended the year at \$35.74 million. This results in an estimated current year shortfall of \$6.51 million. As a result, the maximum estimated available fund balance in the Equipment Fund (4100) is estimated to decrease from \$46.24 million to \$39.72 million in FY 2024-25.

**Table 42: FY 2024-25 Equipment Fund Year-End Available Fund Balance (\$ in millions)**

| Equipment Fund (4100)                                        | FY 2024-25 Q1 Year-End Estimate |
|--------------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b>         | <b>\$ 46.02</b>                 |
| Revenue                                                      | 29.23                           |
| Expenditures                                                 | 35.74                           |
| Estimated Current Year Surplus/(Shortfall)                   | <b>(6.51)</b>                   |
| <b>Estimated Maximum Ending Fund Balance</b>                 | <b>39.51</b>                    |
| <b>Fund Balance Transfer Out</b>                             |                                 |
| Return of Excess Fund Balance out of the Equipment Fund      | <b>(17.73)</b>                  |
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |                                 |
| Possible FY 2023-24 Carry Forwards                           | <b>(7.43)</b>                   |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>14.35</b>                    |

The large fund balance, \$46.02 million at the end of FY 2023-24, has accumulated over the life of the fund due to revenues exceeding the budget as well as longstanding underspending or delays in expenditures. The fund balance accumulated over the past three fiscal years is being returned back to the fund that was originally charged. The breakdown can be seen in Table 41 below. As a result, the estimated ending fund balance in the Equipment Fund in FY2024-25 is estimated to be reduced to \$21.78 million. There are \$7.43 million of possible carry forwards



from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be further reduced to the estimated minimum available fund balance of \$14.35 million.

**Table 43: Fund Balance Return from Equipment Fund**

|                                                                                                               | FY 2021-22        | FY 2022-23         | FY 2023-24       |
|---------------------------------------------------------------------------------------------------------------|-------------------|--------------------|------------------|
| <b>Beginning Fund Balance</b>                                                                                 | 9,361,320         | 25,229,953         | 27,345,262       |
| <b>Ending Fund Balance</b>                                                                                    | 25,229,953        | 27,345,262         | 40,361,180       |
| <b>Overage to Redistribute</b>                                                                                | 15,868,633        | 2,115,309          | 13,015,918       |
| <b>Less: Restricted Funds</b>                                                                                 | (4,424,014)       | (4,424,014)        | (4,424,014)      |
| <b>Net Overage to Redistribute</b>                                                                            | <b>11,444,619</b> | <b>(2,308,705)</b> | <b>8,591,904</b> |
| <b>Fund Balance Redistribution by Fund</b>                                                                    |                   |                    |                  |
| <b>1010 - General Fund: General Purpose</b>                                                                   | 5,718,469         | (1,128,927)        | 3,872,173        |
| <b>1710 - Recycling Program</b>                                                                               | 5,317             | (1,041)            | 4,119            |
| <b>1720 - Comprehensive Clean-up</b>                                                                          | 2,555,347         | (511,949)          | 1,683,667        |
| <b>1760 - Telecommunications Reserve</b>                                                                      | 3,278             | (647)              | 2,388            |
| <b>1870 - Affordable Housing Trust Fund</b>                                                                   | 13,806            | (2,727)            | —                |
| <b>2108 - HUD-CDBG</b>                                                                                        | —                 | —                  | —                |
| <b>2128 - Department of Health and Human Services</b>                                                         | 66,589            | (13,227)           | 3,666            |
| <b>2211 - Measure B: Local Streets &amp; Roads</b>                                                            | 2,927             | —                  | —                |
| <b>2218 - Measure BB - Local Streets and Roads</b>                                                            | 9,467             | (2,631)            | 8,964            |
| <b>2230 - State Gas Tax</b>                                                                                   | 178,585           | (35,258)           | 119,691          |
| <b>2232 - Gas Tax RMRA</b>                                                                                    | 517,589           | (155,199)          | 582,830          |
| <b>2244 - Measure Q - Parks &amp; Recreation Preservation, Litter Reduction, and Homelessness Support Act</b> | 196,977           | (38,134)           | 261,604          |
| <b>2270 - Vacant Property Tax Act Fund</b>                                                                    | 39,928            | —                  | —                |
| <b>2310 - Lighting and Landscape Assessment District</b>                                                      | 797,524           | (157,229)          | 1,059,274        |
| <b>2332 - Gateway Industrial Park</b>                                                                         | 87                | (87)               | 830              |
| <b>2411 - False Alarm Reduction Program</b>                                                                   | 2,587             | (510)              | —                |
| <b>2415 - Development Service Fund</b>                                                                        | 143,388           | (28,834)           | 98,515           |
| <b>2416 - Traffic Safety Fund</b>                                                                             | 10,583            | (2,089)            | —                |
| <b>3100 - Sewer Service Fund</b>                                                                              | 774,289           | (152,892)          | 571,286          |
| <b>3200 - Golf Course</b>                                                                                     | 2,915             | (576)              | 2,127            |
| <b>4100 - Equipment</b>                                                                                       | 126,224           | (24,922)           | 111,387          |
| <b>4200 - Radio / Telecommunications</b>                                                                      | 12,183            | (2,405)            | 12,340           |
| <b>4400 - City Facilities</b>                                                                                 | 186,125           | (32,986)           | 140,371          |
| <b>4500 - Central Stores</b>                                                                                  | 2,302             | (454)              | 1,677            |
| <b>7760 - Grant Clearing</b>                                                                                  | 78,132            | (15,978)           | 54,996           |
| <b>Total</b>                                                                                                  | <b>11,444,619</b> | <b>(2,308,705)</b> | <b>8,591,904</b> |

**City Facilities Fund (4400)**

The Facilities Fund (4400) is reported on a modified full accrual basis to reflect current assets and liabilities. The Fund supports the Citywide function for building maintenance and janitorial services of City-owned facilities. Revenues are generated by charges to internal user departments.

Revenues - In the first quarter (Q1) of FY 2024-25, revenue collections in the City Facilities Fund have come in at \$0.21 million or 0.3% of the Adjusted Budget of \$56.82 million. The FY 2024-25 year-end revenues project to come in at \$50.69 million, which is \$0.21 million lower than the FY 2024-25 Adjusted Budget. The Adjusted Budget assumes \$6.13 million in use of fund balance to balance carryforward expenditures. The actual internal service fund revenues are expected to come in at \$50.14 million which is at budget since the cost recovery of the ISF funds is built into the budget.

**Table 44: FY 2024-25 City Facilities Fund Revenues (\$ in millions)**

| Revenue Category                | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|---------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Interest Income                 | —                          | —                         | —                               | —                                        | — %                                     |
| Service Charges                 | 0.55                       | 0.21                      | 0.55                            | —                                        | — %                                     |
| Internal Service Funds          | 50.14                      | —                         | 50.14                           | —                                        | — %                                     |
| Miscellaneous                   | —                          | —                         | —                               | —                                        | — %                                     |
| Project Offsets & Carryforwards | 6.13                       | —                         | —                               | (6.13)                                   | (100.0)%                                |
| <b>Total Revenue</b>            | <b>56.82</b>               | <b>0.21</b>               | <b>50.69</b>                    | <b>(6.14)</b>                            | <b>(10.8) %</b>                         |

*\*The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 expenditures are projected to end the year at \$50.93 million, which is a savings of \$5.89 million, compared to the Adjusted Budget of \$56.82 million. The savings are primarily due to underspending in personnel costs.

**Table 45: FY 2024-25 City Facilities Fund Expenditures (\$ in millions)**

| Agency / Department                     | FY 2024-25 Adjusted Budget | FY 2024-25 Q1 YTD Actuals | FY 2024-25 Q1 Year-End Estimate | Year-End \$ Over / Under Adjusted Budget | Year-End % Over / Under Adjusted Budget |
|-----------------------------------------|----------------------------|---------------------------|---------------------------------|------------------------------------------|-----------------------------------------|
| Capital Improvement Projects            | 0.92                       | 0.01                      | 0.92                            | —                                        | — %                                     |
| City Administrator                      | 0.43                       | 0.06                      | 0.30                            | 0.13                                     | 29.7 %                                  |
| Human Resources Management Department   | —                          | —                         | —                               | —                                        | — %                                     |
| Human Services Department               | 0.68                       | 0.13                      | 0.64                            | 0.04                                     | 5.5 %                                   |
| Non Departmental and Port               | 1.72                       | —                         | 0.06                            | 1.67                                     | 96.7 %                                  |
| Oakland Parks and Recreation Department | —                          | —                         | —                               | —                                        | — %                                     |
| Oakland Public Works Department         | 53.06                      | 8.51                      | 48.99                           | 4.07                                     | 7.7 %                                   |
| Police Department                       | 0.01                       | —                         | 0.03                            | (0.01)                                   | (125.0)%                                |
| <b>Total</b>                            | <b>56.82</b>               | <b>8.71</b>               | <b>50.93</b>                    | <b>5.89</b>                              | <b>10.4 %</b>                           |

\*The adjusted budget includes Council Budget Amendments and Carryforwards

Fund Balance - FY 2024-25 revenue is projected to end the year at \$50.69 million. Expenditures ended the year at \$50.93 million. This results in an estimated current year shortfall of \$0.25 million. The maximum estimated available fund balance in the Reproduction Fund (4400) is estimated to increase from \$5.18 million to \$5.22 million in FY 2024-25 after accounting for \$0.29 million returned from excess fund balance in the Equipment Fund. There are \$1.70 million in possible carry forwards from FY 2023-24 in this fund. If these are carried forward on to FY 2024-25 the fund balance would be reduced to the estimated minimum available fund balance of \$3.52 million.

**Table 46: FY 2024-25 Facilities Fund Year-End Available Fund Balance (\$ in millions)**

| City Facilities Fund (4400)                          | FY 2024-25 Q1 Year-End Estimate |
|------------------------------------------------------|---------------------------------|
| <b>Beginning Unassigned Fund Balance - Unaudited</b> | <b>\$ 5.18</b>                  |
| Revenue                                              | 50.69                           |
| Expenditures                                         | 50.93                           |
| Estimated Current Year Surplus/(Shortfall)           | <b>(0.25)</b>                   |
| <b>Estimated Subtotal Ending Fund Balance</b>        | <b>4.93</b>                     |
| <b>Fund Balance Transfer In</b>                      |                                 |
| Return of Excess Fund Balance in Equipment Fund      | <b>0.29</b>                     |
| <b>Estimated Maximum Ending Fund Balance</b>         | <b>5.22</b>                     |

|                                                              |             |
|--------------------------------------------------------------|-------------|
| <b>Possible Additional Use of Fund Balance in FY 2024-25</b> |             |
| Possible FY 2023-24 Carry Forwards                           | (1.70)      |
| <b>Estimated Minimum Ending Fund Balance</b>                 | <b>3.52</b> |

**All Other Funds – Fund Balance Summary**

**Table 47: FY 2024-25 All Other Funds Year-End Available Fund Balances (\$ in millions)**

| Fund Description                                         | FY24-25 Beg Unaudited Fund Balance | FY24-25 Year End Rev Projections | FY24-25 Year End Exp Projections | FY24-25 Year End Estimated Fund Balance | Eligible Possible Carryforward |
|----------------------------------------------------------|------------------------------------|----------------------------------|----------------------------------|-----------------------------------------|--------------------------------|
| 1020 - Vital Services Stabilization Fund                 | 503,081                            | -                                | -                                | 503,081                                 | -                              |
| 1100 - Self Insurance Liability                          | 23,097,126                         | 61,500,607                       | 61,500,607                       | 23,097,126                              | (3,095,436)                    |
| 1150 - Worker's Compensation Insurance Claims            | (58)                               | 60                               | 9,811,061                        | (9,811,059)                             | -                              |
| 1200 - Pension Override Tax Revenue                      | 381,185,390                        | 94,263,973                       | 94,263,973                       | 381,185,390                             | -                              |
| 1610 - Successor Redevelopment Agency Reimbursement Fund | (128,197)                          | 1,464,323                        | 1,094,152                        | 241,974                                 | -                              |
| 1700 - Mandatory Refuse Program                          | (1,086,174)                        | 2,379,008                        | 2,373,931                        | (1,081,097)                             | -                              |
| 1710 - Recycling Program                                 | 5,140,168                          | 6,927,114                        | 6,407,132                        | 5,660,150                               | 836,332                        |
| 1720 - Comprehensive Clean-up                            | (1,964,763)                        | 28,175,650                       | 25,353,421                       | 857,466                                 | 50,712                         |
| 1750 - Multipurpose Reserve                              | (8,866,610)                        | 8,861,043                        | 9,150,927                        | (9,156,494)                             | 119,415                        |
| 1760 - Telecommunications Reserve                        | (1,242,485)                        | 1,312,186                        | 1,234,539                        | (1,164,839)                             | 62,896                         |
| 1770 - Telecommunications Land Use                       | 1,928,286                          | 873,313                          | 882,417                          | 1,919,182                               | -                              |
| 1780 - Kid's First Oakland Children's Fund               | 18,744,492                         | 23,565,016                       | 27,577,776                       | 14,731,732                              | 12,248,501                     |
| 1820 - OPRCA Self Sustaining Revolving Fund              | 2,801,001                          | 11,278,356                       | 11,841,421                       | 2,237,936                               | 23,600                         |
| 1870 - Affordable Housing Trust Fund                     | 37,489,372                         | 16,668,545                       | 16,520,513                       | 37,637,403                              | 31,858,975                     |
| 1871 - Jobs Housing Impact Fee Fund                      | 7,145,073                          | 65,000                           | 65,000                           | 7,145,073                               | 9,863,040                      |

|                                                                       |              |            |            |              |             |
|-----------------------------------------------------------------------|--------------|------------|------------|--------------|-------------|
| <b>1872 - Affordable Housing Impact Fee Fund</b>                      | 9,504,140    | 3,150,000  | 3,150,000  | 9,504,140    | 12,426,325  |
| <b>1882 - Multi Service Center/Rent</b>                               | 108,318      | 107,050    | 122,437    | 92,931       | 162,242     |
| <b>1885 - 2011A-T Subordinated Housing</b>                            | 23,870,041   | 748,351    | 1,003,432  | 23,614,960   | 1,482,126   |
| <b>2102 - Department of Agriculture</b>                               | (483,872)    | 8,426,870  | 7,510,366  | 432,632      | 383,046     |
| <b>2103 - HUD-ESG/SHP/HOPWA</b>                                       | (12,822,141) | 14,606,226 | 27,085,969 | (25,301,884) | 6,924,298   |
| <b>2108 - HUD-CDBG</b>                                                | (4,826,375)  | 8,334,410  | 9,011,380  | (5,503,345)  | 1,984,503   |
| <b>2109 - HUD-Home</b>                                                | 1,532,536    | 2,921,719  | 2,955,081  | 1,499,174    | 24,058,773  |
| <b>2112 - Department of Justice</b>                                   | (2,138,556)  | 998,344    | 2,159,254  | (3,299,466)  | 2,814,243   |
| <b>2120 - Federal Action Agency</b>                                   | (155,157)    | 591,147    | 764,910    | (328,920)    | 431,825     |
| <b>2123 - US Dept of Homeland Security</b>                            | (617,096)    | 52,000     | 1,225,610  | (1,790,706)  | 661,834     |
| <b>2124 - Federal Emergency Management Agency (FEMA)</b>              | (606,220)    | 8,861,942  | 5,229,447  | 3,026,275    | 20,150,147  |
| <b>2128 - Department of Health and Human Services</b>                 | (2,179,487)  | 18,803,247 | 21,890,299 | (5,266,540)  | 21,248,443  |
| <b>2138 - California Department of Education</b>                      | 6,985,660    | 6,765,588  | 4,636,743  | 9,114,505    | (1,396,819) |
| <b>2139 - California Department of Conservation</b>                   | (4,710,171)  | 4,242,621  | 472,749    | (940,299)    | 7,578,584   |
| <b>2144 - California Housing and Community Development</b>            | 1,779,598    | 18,645,231 | 18,518,051 | 1,906,778    | 131,073,525 |
| <b>2152 - California Board of Corrections</b>                         | 279,792      | 5,477,125  | 6,896,600  | (1,139,683)  | 10,143,467  |
| <b>2159 - State of California Other</b>                               | (14,707,407) | 26,262,327 | 58,772,018 | (47,217,098) | 98,289,674  |
| <b>2160 - County of Alameda: Grants</b>                               | 700,275      | 1,650,665  | 1,673,529  | 677,411      | 869,366     |
| <b>2172 - Alameda County: Vehicle Abatement Authority</b>             | (210,332)    | 163        | 123,681    | (333,850)    | (103,904)   |
| <b>2190 - Private Grants</b>                                          | 111,863      | 450,568    | 92,733     | 469,698      | 133,414     |
| <b>2195 - Workforce Investment Act</b>                                | 1,157,817    | 3,692,339  | 4,000,801  | 849,355      | 3,590,218   |
| <b>2241 - Measure Q- Library Services Retention &amp; Enhancement</b> | 8,779,999    | 22,393,894 | 21,346,415 | 9,827,478    | 632,036     |

|                                                                                              |             |            |            |            |            |
|----------------------------------------------------------------------------------------------|-------------|------------|------------|------------|------------|
| <b>2243 - Measure D - Parcel Tax to Maintain, Protect &amp; Improve Library Services</b>     | 10,341,990  | 18,431,886 | 15,963,253 | 12,810,623 | 116,000    |
| <b>2250 - Measure N: Fund</b>                                                                | 892,582     | 2,403,096  | 1,991,017  | 1,304,661  | 10,993     |
| <b>2252 - Measure Z - Violence Prevention and Public Safety Act of 2014</b>                  | 9,104,995   | 33,828,268 | 33,918,410 | 9,014,853  | 4,826,904  |
| <b>2253 - Oakland Zoo Fund</b>                                                               | 227,030     | 15,009,876 | 15,009,876 | 227,030    | -          |
| <b>2261 - Measure AA - Oversight</b>                                                         | 6,398,433   | 3,202,657  | 3,243,675  | 6,357,415  | -          |
| <b>2262 - Measure AA - Early Education</b>                                                   | 19,460,736  | 28,366,383 | 28,366,383 | 19,460,736 | -          |
| <b>2263 - Measure AA - Oakland Promise</b>                                                   | 8,468,689   | 14,183,189 | 14,183,189 | 8,468,689  | -          |
| <b>2264 - Measure AA - First 5</b>                                                           | (260,325)   | 6,580,608  | 3,008,948  | 3,311,335  | 4,003,899  |
| <b>2330 - Werner Court Vegetation Mgmt District</b>                                          | 71,018      | 3,200      | 3,200      | 71,018     | -          |
| <b>2331 - Wood Street Community Facilities District</b>                                      | 575,328     | 95,812     | 111,318    | 559,822    | 88,442     |
| <b>2332 - Gateway Industrial Park</b>                                                        | 1,365,172   | 1,502,008  | 1,690,223  | 1,176,956  | 1,352,108  |
| <b>2333 - Brooklyn Basin Public Services</b>                                                 | 602,577     | 502,382    | 517,103    | 587,856    | 915,730    |
| <b>2412 - Measure M - Alameda County: Emergency Dispatch Service Supplemental Assessment</b> | 1,258,116   | 3,559,859  | 3,005,362  | 1,812,613  | 24,389     |
| <b>2413 - Rent Adjustment Program Fund</b>                                                   | (1,047,248) | 11,047,035 | 9,087,510  | 912,277    | 1,570,681  |
| <b>2416 - Traffic Safety Fund</b>                                                            | (39,646)    | 998,989    | 880,923    | 78,389     | -          |
| <b>2417 - Excess Litter Fee Fund</b>                                                         | 1,931,316   | 633,952    | 982,704    | 1,582,564  | 10,000     |
| <b>2420 - Transportation Impact Fee</b>                                                      | 10,561,596  | 3,482,896  | 3,526,446  | 10,518,046 | 6,049,217  |
| <b>2421 - Capital Improvements Impact Fee Fund</b>                                           | 5,501,667   | 3,256,000  | 4,162,468  | 4,595,199  | 2,383,425  |
| <b>2430 - Lead Settlement 2022</b>                                                           | 5,146,451   | -          | -          | 5,146,451  | 4,797,185  |
| <b>2826 - Mortgage Revenue</b>                                                               | 3,131,834   | 89,492     | 91,399     | 3,129,927  | 2,425,076  |
| <b>2830 - Low and Moderate Income Housing Asset Fund</b>                                     | 27,307,148  | 5,990,000  | 6,016,503  | 27,280,645 | 29,458,123 |

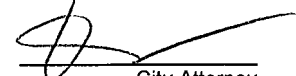
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|--------------------------------------------------------------------------------------------|-------------|------------|-------------|-------------|------------|
| <b>2990 - Public Works Grants</b>                                                          | (957,692)   | 328,408    | 398,261     | (1,027,545) | 7,765      |
| <b>2994 - Social Services Grants</b>                                                       | 527,559     | 600,000    | 478,774     | 648,785     | 621,550    |
| <b>2996 - Parks and Recreation Grants 2001</b>                                             | 180,950     | 16,847     | 16,847      | 180,950     | 59,225     |
| <b>2999 - Miscellaneous Grants</b>                                                         | 9,182,877   | 1,351,419  | 6,736,316   | 3,797,980   | 5,080,406  |
| <b>3100 - Sewer Service Fund</b>                                                           | 111,713,607 | 93,786,795 | 118,639,365 | 86,861,037  | 39,082,047 |
| <b>3200 - Golf Course</b>                                                                  | (718,981)   | 769,365    | 611,814     | (561,430)   | 2,593,621  |
| <b>4200 - Radio / Telecommunications</b>                                                   | 7,847,416   | 5,400,868  | 6,384,591   | 6,863,693   | 610,033    |
| <b>4210 - Telephone Equipment and Software</b>                                             | (1,196,502) | 2,244,660  | 1,863,112   | (814,954)   | -          |
| <b>4300 - Reproduction</b>                                                                 | 956,441     | 1,953,410  | 1,984,165   | 925,686     | -          |
| <b>4450 - City Facilities Energy Conservation Projects</b>                                 | (214,882)   | 167        | 3,799       | (218,514)   | -          |
| <b>4500 - Central Stores</b>                                                               | (78,588)    | 654,796    | 624,635     | (48,427)    | -          |
| <b>4510 - Personnel Management</b>                                                         | -           | 20,031,625 | 15,860,932  | 4,170,693   | -          |
| <b>4550 - Purchasing</b>                                                                   | 305,739     | 8,643,523  | 6,772,923   | 2,176,339   | -          |
| <b>4600 - Information Technology</b>                                                       | 16,365,750  | 27,111,787 | 28,341,261  | 15,136,276  | 10,139,846 |
| <b>5322 - Measure DD: 2017C Clean Water, Safe Parks &amp; Open Space Trust for Oakland</b> | 10,523,582  | -          | 777,557     | 9,746,025   | 8,111,216  |
| <b>5331 - Measure KK: Affordable Housing (GOB 2017A-2 Taxable)</b>                         | 10,030,693  | -          | 350         | 10,030,343  | 6,891,490  |
| <b>5332 - Measure KK: Infrastructure Series 2020B-1 (Tax Exempt)</b>                       | 14,122,083  | 570        | 9,310,024   | 4,812,629   | 9,219,628  |
| <b>5333 - Measure KK: Affordable Housing Series 2020B-2 (Taxable)</b>                      | 16,404,439  | -          | 276,588     | 16,127,851  | 15,102,271 |
| <b>5335 - Measure KK: Infrastructure Series 2022C-1 (Tax Exempt)</b>                       | 95,629,813  | 26,613     | 39,735,771  | 55,920,655  | 67,326,936 |
| <b>5337 - Measure KK: Series 2023 GOB</b>                                                  | 37,051,745  | 509        | 17,945,277  | 19,106,977  | 25,206,542 |
| <b>5338 - Measure KK Infrastructure Series 2024E GOB (Tax Exempt)</b>                      | -           | -          | -           | -           | -          |

|                                                                                            |             |            |            |             |            |
|--------------------------------------------------------------------------------------------|-------------|------------|------------|-------------|------------|
| <b>5340 - Measure U: Affordable Housing and Infrastructure GOB</b>                         | 30,940,455  | 2          | 9,916,736  | 21,023,721  | 19,974,178 |
| <b>5341 - Measure U: Affordable Housing GOB Series 2023A-2 (Taxable)</b>                   | 64,745,124  | 1,969      | 1,220,813  | 63,526,280  | 62,502,424 |
| <b>5500 - Municipal Capital Improvement</b>                                                | (3,334,023) | 10,000,000 | 10,000,000 | (3,334,023) | -          |
| <b>5505 - Municipal Capital Improvement: Public Arts</b>                                   | 3,642,997   | 294,116    | 303,256    | 3,633,857   | 1,691,481  |
| <b>5510 - Capital Reserves</b>                                                             | 1,223,630   | -          | 18,666     | 1,204,964   | 994,870    |
| <b>5610 - Central District Projects</b>                                                    | 20,420,106  | 911,621    | 1,178,957  | 20,152,770  | 6,076,142  |
| <b>5614 - Central District: TA Bonds Series 2006T</b>                                      | 12,959,358  | 2,234,170  | 2,511,334  | 12,682,194  | 5,689,032  |
| <b>5638 - BMSP: TA Bond Series 2006C-T</b>                                                 | 443,794     | 380        | -          | 444,174     | 174,776    |
| <b>5643 - Central City East TA Bonds Series 2006A-T (Taxable)</b>                          | 16,942,143  | 7,457      | 259,544    | 16,690,056  | 6,467,945  |
| <b>5650 - Coliseum Projects</b>                                                            | 4,972,196   | 100,000    | 306,506    | 4,765,690   | 2,773,325  |
| <b>5656 - Coliseum: TA Bonds Series 2006B-T (Taxable)</b>                                  | 26,212,291  | 2,373,107  | 2,573,409  | 26,011,989  | 4,907,055  |
| <b>5671 - OBRA: Leasing &amp; Utility</b>                                                  | 56,154,280  | 1,607,000  | 1,997,451  | 55,763,829  | 4,081,373  |
| <b>5999 - Miscellaneous Capital Projects</b>                                               | 4,612,453   | 2,371,793  | 2,029,262  | 4,954,984   | 12,429,044 |
| <b>6013 - 2013 LED Streetlight Acquisition Lease Financing</b>                             | 13,908      | 1,435,338  | 1,435,338  | 13,908      | 3,502      |
| <b>6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS</b>                           | 9,335,273   | 54,086,806 | 54,086,806 | 9,335,273   | 5,250      |
| <b>6064 - GO Refunding Bonds, Series 2015A</b>                                             | 1,586,631   | 5,517,175  | 5,517,175  | 1,586,631   | 6,650      |
| <b>6322 - Measure DD: 2017C Clean Water, Safe Parks &amp; Open Space Trust for Oakland</b> | 592,625     | 1,456,433  | 1,456,433  | 592,625     | 7,001      |
| <b>6330 - Measure KK: 2017A-1 (TE) Infrastructure and Affordable Housing</b>               | 1,498,534   | 2,247,558  | 2,247,558  | 1,498,534   | 6,136      |
| <b>6331 - Measure KK: 2017A-2 (Taxable) Infrastructure and Affordable Housing</b>          | 1,131,326   | 4,137,780  | 4,137,780  | 1,131,326   | 7,500      |



|                                                                                       |              |            |            |              |           |
|---------------------------------------------------------------------------------------|--------------|------------|------------|--------------|-----------|
| <b>6332 - Measure KK:<br/>2020B-1 GOB</b>                                             | 2,608,526    | 3,944,700  | 3,944,700  | 2,608,526    | 8,500     |
| <b>6333 - Measure KK:<br/>2020B-2 GOB</b>                                             | 1,307,608    | 4,964,944  | 4,964,944  | 1,307,608    | 8,500     |
| <b>6334 - 2020 GOB<br/>Refunding</b>                                                  | (696,046)    | 5,806,950  | 5,806,950  | (696,046)    | 8,000     |
| <b>6335 - Measure KK:<br/>Infrastructure Series<br/>2022C-1 GOB (Tax<br/>Exempt)</b>  | 23,557,661   | 10,446,400 | 10,446,400 | 23,557,661   | 7,900     |
| <b>6337 - Measure KK:<br/>Infrastructure Series<br/>2023D GOB (Tax-<br/>Exempt)</b>   | 4,874,390    | 2,820,350  | 2,820,350  | 4,874,390    | (21,500)  |
| <b>6340 - Measure U:<br/>Infrastructure Series<br/>2023 A-1 GOB (Tax-<br/>Exempt)</b> | 3,493,286    | 1,763,963  | 1,763,963  | 3,493,286    | 8,500     |
| <b>6341 - Measure U:<br/>Affordable Housing<br/>GOB Series 2023A-2<br/>(Taxable)</b>  | 13,754,634   | 12,934,855 | 12,934,855 | 13,754,634   | 8,500     |
| <b>6540 - Skyline Sewer<br/>District -<br/>Redemption</b>                             | 37,294       | -          | -          | 37,294       | 20,000    |
| <b>6557 - Piedmont<br/>Pines P1 2018<br/>Reassessment<br/>Refunding Bond</b>          | 233,973      | 107,122    | 107,122    | 233,973      | 25,953    |
| <b>6587 - 2012<br/>Refunding<br/>Reassessment<br/>Bonds-Debt Service</b>              | 579,527      | 416,844    | 416,844    | 579,527      | 45,960    |
| <b>6613 - JPFA Lease<br/>Revenue Refunding<br/>Bonds, Series 2018</b>                 | (14,231)     | 8,328,125  | 8,328,125  | (14,231)     | 6,450     |
| <b>6999 - Miscellaneous<br/>Debt Service</b>                                          | -            | 25,000,000 | 25,000,000 | -            | -         |
| <b>7100 - Police and<br/>Fire Retirement<br/>System</b>                               | 450,007,769  | 6,895,633  | 3,774,392  | 453,129,010  | -         |
| <b>7130 - Employee<br/>Deferred<br/>Compensation</b>                                  | (3,856)      | 42,505     | 51,861     | (13,212)     | -         |
| <b>7320 - Police and<br/>Fire Retirement<br/>System Refinancing<br/>Annuity Trust</b> | 30,192,325   | 3,722,833  | 3,722,833  | 30,192,325   | -         |
| <b>7540 - Oakland<br/>Public Library Trust</b>                                        | 1,430,524    | 103,399    | 165,393    | 1,368,530    | 978,051   |
| <b>7640 - Oakland<br/>Public Museum<br/>Trust</b>                                     | 449,624      | 9,500      | 9,500      | 449,624      | 368,815   |
| <b>7760 - Grant<br/>Clearing</b>                                                      | (11,309,961) | 125,850    | 9,239,171  | (20,423,281) | -         |
| <b>7999 - Miscellaneous<br/>Trusts</b>                                                | 2,968,572    | 264,270    | 278,645    | 2,954,197    | 1,772,982 |

2018 APR 13 AM 9:29

  
City Attorney

**OAKLAND CITY COUNCIL**  
**ORDINANCE NO. ~~13279~~ 13487 C.M.S.**

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**ORDINANCE AMENDING THE CITY OF OAKLAND  
CONSOLIDATED FISCAL POLICY**

**WHEREAS**, the City Council adopted Ordinance No. 13279, known as the Consolidated Fiscal Policy, on December 9, 2014; and,

**WHEREAS**, the Government Finance Officers Association (GFOA) recommends that local governments adopt formal policies in the areas of financial management, planning, revenues, and expenditures; and

**WHEREAS**, the Consolidated Fiscal Policy sets forth guidelines for budget balancing, use of volatile revenues, use of one-time revenues, process for carryforward appropriations, long-term financial planning, and transparency & public participation; and

**WHEREAS**, the Consolidated Fiscal Policy establishes reserve funds for emergencies, insurmountable and unanticipated hardship, and for capital improvement; and

**WHEREAS**, the Consolidated Fiscal Policy establishes a reserve fund to stabilize the provision of vital services, and protect against service reductions, layoffs, furloughs, and similar measures in times of economic hardship; and

**WHEREAS**, the Consolidated Fiscal Policy provides for accelerated debt repayment and pay-down of unfunded long-term obligations; and

**WHEREAS**, City staff recommends the definition of excess Real Estate Transfer Tax should be modified based on historical experience; and

**WHEREAS**, the Consolidated Fiscal Policy will include the policies on budgeting practices, reserve funds, and budget process, fiscal planning, transparency, and public participation; now, therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 1.** The Council does find, determine and declare the foregoing recitals to be true and correct and hereby adopts and incorporates them into this Ordinance.

**Section 2.** The City of Oakland Consolidated Fiscal Policy is hereby, amended, approved, and adopted in the form attached hereto as Exhibit 1.

**Section 3.** In conformance with best practice and sound financial management, the City shall continue to separately maintain and submit on an as needed basis to the City Council, statements of the City's Debt Policy and Investment Policy.

IN COUNCIL, OAKLAND, CALIFORNIA, MAY 15 2018

**PASSED BY THE FOLLOWING VOTE:**

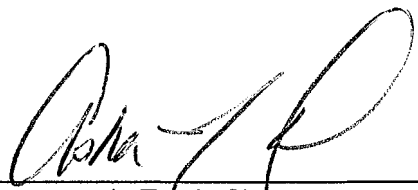
AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, ~~AND PRESIDENT~~ - 7

NOES- 0

ABSENT- 0

ABSTENTION- 0

Excused- Reid

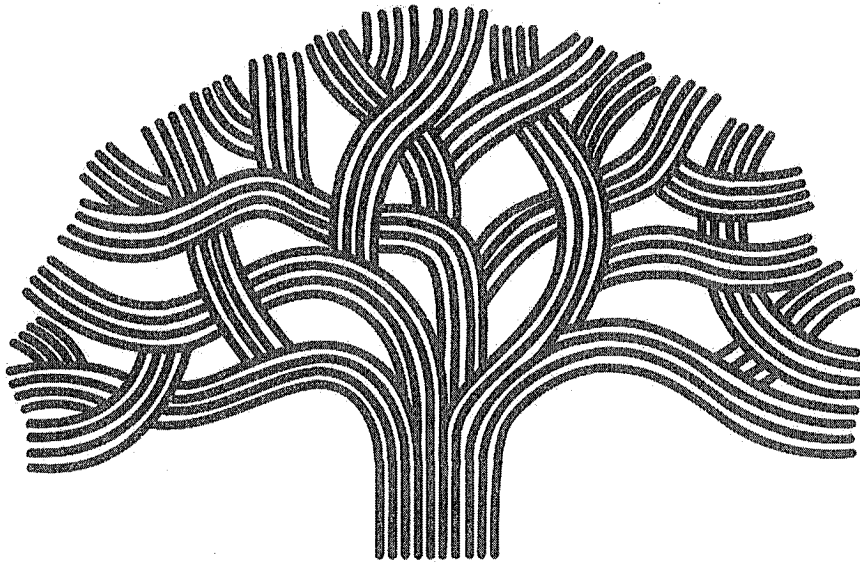
ATTEST:   
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**Introduction Date**

**MAY 01 2018**

# CITY OF OAKLAND

## CONSOLIDATED FISCAL POLICY



## **Section 1. Budgeting Practices**

### **Part A. General Provisions**

The City's Fiscal Year shall begin on July 1<sup>st</sup> of each year and end on June 30<sup>th</sup> of the subsequent year. The City shall adopt a two-year biennial policy budget by June 30<sup>th</sup> of odd-numbered calendar years. The City shall amend its biennial policy budget (midcycle) by June 30<sup>th</sup> of even-numbered years. The budget and midcycle amendments shall be adopted by resolution of the City Council as required by the City Charter.

### **Part B. Policy on Balanced Budgets**

The City shall adopt a balanced budget that limits appropriations to the total of estimated revenues and unallocated fund balances projected to be available at the close of the current fiscal year. The City Administrator shall be responsible for ensuring that the budget proposed to the City Council by the Mayor, adheres to the balanced budget policy.

This policy entails the following additional definitions and qualifications:

1. The budget must be balanced at an individual fund level.
2. City policies on reserve requirements for individual funds must be taken into account. The appropriated expenditures included in the balanced budget equation must include the appropriations necessary to achieve or maintain reserve targets.
3. Appropriated revenues can include transfers from unallocated fund balance where such fund balance is reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. Transfers from fund balance are not to be counted as revenue if the fund balance is not reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. (Note: The precise definition of 'fund balance' will vary from fund to fund, depending on the fund's characteristics and accounting treatment.)
4. Appropriated expenditures can include transfers to fund balance or to reserves.

From time to time the City Council may present changes in policy and consider additional appropriations that were not anticipated in the most recently adopted budget. Amendments by the City Council shall maintain a balanced budget.

Each fiscal year the City Administrator shall report to the City Council on actual revenues and expenditures in the General Purpose Fund and other funds as deemed necessary.

### **Part C. Use of Excess Real Estate Transfer Tax (RETT) Revenues**

To ensure adequate levels of the General Purpose Fund reserves and to provide necessary funding for municipal capital improvement projects and one-time expenses, the City shall require that excess Real Estate Transfer Tax revenues be defined and used as follows:

1. The excess Real Estate Transfer Tax (RETT) revenue is hereby defined as any amount of projected RETT revenues that exceed 15% of General Purpose Fund Tax Revenues (inclusive of RETT).
2. The excess Real Estate Transfer Tax, as described in this section, shall be used in the following manner and appropriated through the budget process:
  - a. At least 25% shall be allocated to the Vital Services Stabilization Fund, until the value in such fund is projected to equal to 15% of total General Purpose Fund revenues over the coming fiscal year; and
  - b. At least 25% shall be used to fund debt retirement and unfunded long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post-Employment Benefits (OPEB) unfunded liabilities; and
  - c. The remainder shall be used to fund one-time expenses or to augment reserves.
3. Use of the excess RETT revenues for purposes other than those established in this section must be authorized by City Council resolution. The resolution shall explain the need for using excess RETT revenues for purposes other than those established in this section. The resolution shall also include steps the City will take to return to using excess RETT revenues pursuant to this section.
4. Following the completion of the annual audit, excess RETT revenues will be analyzed to determine whether the transfers to the Vital Services Stabilization Fund or expenditures to fund debt retirement and unfunded long-term obligations were sufficient. If insufficient funds were transferred, a true-up payment shall be made in the next fiscal year. If the transfers exceed the actual requirement, the amounts in excess may be credited against allocations in the next fiscal year.

#### **Part D. Use of One-Time Revenues**

1. One-time revenues are defined as resources that the City cannot reasonably expect to receive on an ongoing basis, such as proceeds from asset sales and debt refinancing. This part shall not apply to the use of excess RETT revenues pursuant to Section 1. Part C.
2. Fiscal prudence requires that any unrestricted one-time revenues be used for one-time expenses. Therefore, one-time revenues shall be used in the following manner, unless they are legally restricted to other purposes: to fund one-time expenditures, to fund debt retirement and unfunded long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post-Employment Benefits (OPEB) unfunded liabilities; or shall remain as fund balance.

3. Use of one-time revenues for purposes other than those established in in this section must be authorized by City Council resolution. The resolution shall explain the need for using one-time revenues for purposes other than those established in this section. The resolution shall also include steps the City will take to return to using one-time revenues pursuant to this section.

#### **Part E. Use of Unassigned General Purpose Fund Balance**

Any unassigned General Purpose Fund balance, as projected in the 3rd Quarter Revenue and Expenditure Report, and not budgeted for other purposes, shall be used in accordance with Section 1, Part D.

#### **Part F. Analysis of Funding for Debt or Unfunded Long-Term Obligations From Certain Revenues**

When excess RETT or other one-time revenues are used to fund accelerated debt retirement or unfunded long-term obligations, the City Administrator shall present his or her analysis and recommendations to the Council based on the best long-term financial interest of the City.

#### **Part G. Criteria for Project Carryforwards and Encumbrances**

Previously approved but unspent project appropriations ("carryforwards") and contingent liability reserves for current purchases or contracts that are paid in the following fiscal year ("encumbrances") are financial obligations against reserves. Fiscal prudence requires that such obligations be limited.

Each fiscal year, the Finance Department will submit a list of eligible carryforwards and encumbrances to all departments for evaluation for all funds, including the General Purpose Fund. Departments may request to retain some or all carryforwards and encumbrances when such balances are:

1. Deemed essential to the delivery of active city projects, programs and services; or
2. If the liquidation of such balances would be in violation of legislative or legal requirements.

A departmental request to retain project carryforwards and/or encumbrances must be submitted to the Finance Department. Departments shall provide specific reasons for requested project carryforwards and encumbrance carryforwards, including, but not limited to, those reasons outlined above. Carryforward of project appropriations in funds with negative balances will only be allowed on an exception basis.

The Finance Department will recommend to the City Administrator an action on the departmental requests. The City Administrator shall make a final determination on project carryforward and encumbrances, and will direct the Finance Department to make carryforwards

available to the appropriate department.

#### **Part H. Grant Retention Clauses**

Prior to the appropriation of revenues from any grant outside of the budget process, the City Council shall be informed of any retention clauses that require the City to retain grant-funded staff, services, programs, or operations beyond the term of the grant. The fiscal impacts of such retention clauses shall be disclosed. During the biennial budget process staff shall report to the Council the ongoing projected fiscal impacts of such retention clauses.

#### **Part I. Alterations to the Budget**

Substantial or material alterations to the adopted budget including shifting the allocation of funds between departments and substantial or material changes to funded service levels, shall be made by resolution of the City Council.

The Finance Department will include departmental expenditure projections for the General Purpose Fund in the Second Quarter Revenue & Expenditure Report. In the event that a department is projected to overspend in the General Purpose Fund by more than one percent (1%), the City Administrator shall bring an informational report to the City Council within 60 days following acceptance of the Revenue & Expenditure report by the City Council. The report shall list the actions the Administration is taking to bring the expenditures into alignment with the budget.

#### **Part J. Transfers of Funds between accounts.**

The City Administrator shall have the authority to transfer funds between personnel accounts, and between non-personnel accounts within a department. The City Administrator shall have the authority to transfer funds allocated to personnel accounts to non-personnel accounts within a department provided that cumulative transfers within one fiscal year do not exceed 5% of the original personnel account allocation of that department. The City Administrator shall have the authority to transfer funds from non-personnel accounts to personnel accounts within a department. The City Administrator shall have the authority to transfer funds allocated to personnel accounts to non-personnel accounts if the transfer is required to meet the conditions of or maximize the funding derived from a grant that has been approved by the City Council. For the purposes of this section accounts for the provision of temporary personnel services shall be considered personnel accounts.

#### **Part K. Pay-Go Account Expenditures, Priority Project Fund Expenditures, and Grants**

The City Council hereby finds and determines that it is in the public interest to spend Pay-go account fund to facilitate and support programs & services of the City of Oakland, capital improvement projects of the City of Oakland, and programs & capital improvement projects of the public schools and other public entities within the City of Oakland. The Council authorizes Pay-Go account funds to be used for the following purposes:



## Capital Improvements:

1. To pay for or augment funding for a City of Oakland capital improvement project including planning and pre-construction services for projects such as, but not limited to, feasibility studies and design, landscaping, architectural and engineering services and all services and materials needed to construct a capital improvements such as, but not limited to, contractor services, lumber, concrete, gravel, plants and other landscape materials, fountains, benches, banners, signs, affixed artwork and any other design and decorative elements of the project; and
2. To provide a grant to a public school, including a school chartered by the State of California or Oakland Unified School District, or other public entity for use on capital improvement project within the City of Oakland, including planning and pre-construction services for projects such as, but not limited to, feasibility studies and design, landscaping, architectural and engineering services and all services and materials needed to construct a capital improvements such as, but not limited to, contractor services, lumber, concrete, gravel, plants and other landscape materials, fountains, benches, banners, signs, affixed artwork and any other design and decorative elements of the project; and

## Furniture &amp; Equipment:

3. To pay for or augment funding for purchase of furniture and equipment, including computer equipment and software, to be used by participants in a program operated by the City of Oakland; and
4. To provide a grant to a public school, including a school chartered by the State of California or Oakland Unified School District, or another public entity to be used for furniture and equipment, including computer equipment and software, to be used by participants in a program operated by the public school or public entity.

Pay-go purposes stated above shall operate as restrictions on Pay-go expenditures or Pay-go grants, regardless of the Pay-go account funding source.

Pay-go purposes stated above shall apply to any and all Pay-go expenditures or grants made by the Mayor and each City Councilmember. All Pay-go expenditures and grants shall be administered by the City Administrator on behalf of the city, and grant agreements shall be required for all such grants.

In accord with the City Council's motion approving the initial allocation of Councilmember Priority Project funds on June 8, 2006, the City Councilmembers must obtain City Council approval for all Priority Project expenditures.

All Priority Project fund grants approved by the City Council and shall be administered and executed by the City Administrator on behalf of the city, and grant agreements shall be required for all such grants.

## Section 2. Reserve Funds

### Part A. General Purpose Fund Emergency Reserve Policy

1. Council hereby declares that it shall be the policy of the shall City of Oakland maintain in each fiscal year a reserve equal to seven and one-half (7.5%) of the General Purpose Fund (Fund 1010) appropriations as adopted in the biennial or midcycle budget, and not including prior year carryforwards, encumbrances, or appropriations to Fund Balance for, such fiscal year (the "General Purpose Fund Emergency Reserve Policy"),
2. Each year, upon completion of the City's financial audited statements, the City Administrator shall report the status of the General Purpose Funds Emergency Reserve to the City Council and on the adequacy of the of the 7.5% reserve level. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to Council a strategy to meet the General Purpose Funds Emergency Reserve Policy. Each year, the City Administrator shall determine whether the 7.5% reserve level requires adjustment and recommend any changes to the City Council.
3. The amounts identified as the General Purpose Funds Emergency Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency. For the purposes of this Ordinance, "fiscal emergency" may be declared (1) by the Mayor and approved by the majority of the City Council, or (2) by a majority vote of the City Council.
4. Prior to appropriating monies from the General Purpose Funds Emergency Reserve, the City Administrator shall prepare and present such analysis to the City Council. Upon review and approval of the proposed expenditure by the City Council, and appropriate fiscal emergency declaration necessary for the use of GPF reserve, the City Administrator will have the authority to allocate from the reserves.

### Part B. Vital Services Stabilization Fund Reserve Policy

1. Council hereby declares that it shall be the policy of the City of Oakland to maintain a Vital Services Stabilization Fund (VSSF) with a target funding level of 15% of General Purpose Fund Revenues. The funding of the Vital Services Stabilization Fund shall be made pursuant to Section 1, Part C concerning excess Real Estate Transfer Tax.
2. In years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of this fund must be considered to maintain existing services.
3. Use of the VSSF must be authorized by City Council resolution. The resolution shall explain the need for using the VSSF. The resolution shall also include steps the City will take in order to replenish the VSSF in future years.

**Part C. Capital Improvements Reserve Fund**

1. Council hereby declares that it shall be the policy of the City of Oakland to maintain a Capital Improvements Reserve Fund.
2. Revenue received from one time activities, including the sale of Real Property, shall be deposited into the Capital Improvements Reserve Fund, unless otherwise directed by a majority vote of the City Council. Interest earnings on monies on deposit in the Capital Improvements Reserve Fund shall accrue to said fund and be maintained therein.
3. Monies on deposit in the Capital Improvements Reserve Fund may be appropriated by Council to fund unexpected emergencies, major capital maintenance, repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program.

### **Section 3. Budget Process, Fiscal Planning, Transparency, and Public Participation**

Unless otherwise noted all timelines apply only to budget development years, normally odd numbered years and not to mid-cycle revisions to an adopted two-year budget.

#### **1. Assessment of Stakeholder Needs, Concerns and Priorities**

**Timeline:** Budget Advisory Committee review prior to survey release. Survey completion by December 5<sup>th</sup> of even-numbered years. Results publicly available within three weeks of survey's close.

**Requirements:** The City Administrator should develop or secure a statistically valid survey for assessing the public's concerns, needs and priorities prior to the development of the biennial budget. Whenever feasible, the City should conduct a professional poll administered to a statistically relevant and valid sample of residents that is representative of Oakland's population in terms of race, income, neighborhood, age, profession, family size, homeownership/renter-ship, etc. If that's not possible, then demographic information should be collected and reported out with the survey results.

Prior to release, the survey questions shall be submitted to the Budget Advisory Committee by September 1st of even numbered years for review of bias, relevance, consistency in administration, inclusion of benchmark questions, and ability to assess concerns, needs and priorities. The survey instrument, method of dissemination, and any instructions for administration shall be publicly available. The survey should be conducted following the November election and before December 5<sup>th</sup>.

If the City cannot afford a professional survey, an informal survey shall be made available for broad dissemination by the Mayor and Councilmembers through community list serves and other communication channels. Furthermore, the City Administrator shall take steps to promote participation, such as issuing a Flyer promoting participation in the survey and methods of participation (survey internet link, email, phone number) and posting such Fliers near publicly available computers in all City libraries, Recreation Centers, and Senior Centers. A list of those dissemination channels should be publicly available along with survey results.

Survey results should be publicly available within three weeks of the completion and analysis of the survey. Survey results should be made widely available, shared on social media, and published on the City's Budget website. In the event that City's statistically valid survey has been completed, the Mayor and City Administrator shall include in their proposed budget a summary of the survey data and a statement regarding how the data was or was not incorporated into the final proposed budget. Informal surveys and their results shall be made public but not included in their proposed budget document.

The City Administrator shall development a standardized and diverse means of collecting resident input via other means prior to budget development.

#### **2. Council Initial Budget Briefing and Priorities Discussion**

**Timeline:** February

**Requirements:** The Mayor and City Council will hold a bi-annual budget workshop soon after the commencement of the Council term. The workshop will include briefings on estimated baseline expenditures, revenue projections and an overview of the City's budgeting process. The workshop will provide the Mayor and Council with the opportunity to begin discussing priorities for the next budget year based on the Assessment of Stakeholder Needs, Concerns and Priorities.

### 3. Five-Year Forecast

**Timeline:** Produced and heard by the Council's Finance & Management Committee or the full City Council in February or March. Forecast Fact Sheets should be distributed to City community centers and Forecast data should be available on Open Data Portal within two weeks of the Council hearing.

**Requirements:** Each Budget Cycle, the City Administrator must prepare a Five-Year Forecast.

The Five-Year Financial Forecast ("Forecast") is a planning tool that estimates the City's likely revenues and expenditures over five-years, based on appropriate financial, economic, and demographic data. The purpose of the Forecast is to surface all major financial issues and estimate future financial conditions to support informed long-term decision making. Such planning provides for greater financial stability, signals a prudent approach to financial management, and is consistent with best practices.

The Forecast shall contain the two-year baseline budget for the forthcoming budget period, clearly reflecting projected expenditures to maintain existing service levels and obligations, plus an additional three-year forecast of revenues and expenditures. The Baseline Budget shall consist of projected expenditures necessary to maintain existing staffing and service levels, plus an estimate of anticipated revenues for the two-year period.

The Forecast shall also contain information on the variance between prior forecasts and actual amounts, including the factors that influenced these variances. Revenue estimates shall be based on the most current data available; minimally revenue projections shall take into account projected revenue for the current fiscal year, as reflected in the 2nd quarter Revenue and Expenditure Report, with appropriate trending into future years and an explanation as to how such revenue projections were derived.

The report shall include a Five-Year Forecast "Fact Sheet" document, which summarizes the Forecast's key findings with simplified text and graphics to make this important budgetary information more accessible to the general public. Within two weeks after the Forecast is heard by the City Council, the City Administrator shall print and distribute the Forecast Fact Sheet to all City libraries, recreation centers and senior centers, including in languages required by Oakland's Equal Access Ordinance. The full Forecast shall also be posted on the City of Oakland's website. Forecast data shall be available in open data format on Oakland's data portal.

#### 4. Statement of Councilmember Priorities

**Timeline:** Written submission due by March 15th.

**Requirements:** City Council Members will have the opportunity to advise the Mayor and City Administrator publicly of their priorities. Each Councilmember shall be invited to submit up to seven expenditure priorities in ranked and/or weighted order for changes to the baseline budget as presented in the Five-Year Forecast. Councilmember priority statements must be submitted as part of a report to be heard by the City Council and/or in a publicly available writing to the Mayor and City Administrator by March 15. In addition to the priorities, Councilmembers may also submit other suggestions, including revenue suggestions.

#### 5. Administrator's Budget Outlook Message & Calendar Report

**Timeline:** Heard by City Council before April 15th.

**Requirements:** The City Administrator shall bring as a report to the City Council a Budget Outlook Message & Calendar no later than April 15th that provides an overview of the budget development process and lists all key dates and estimated dates of key budget events, including, but not limited to the release of the Mayor and Administrator's Proposed Budget, Community Budget Forums, Council meetings, and formal budget passage dates. This publication shall be posted on the City's website and by other means determined by the City Administrator.

#### 6. Release of Mayor & Administrator's Proposed Budget & Fact Sheet

**Timeline:** Published and publicly available by May 1st. Heard by City Council and Fact Sheet distributed by May 15th.

**Requirements:** The Proposed Budget must be released by May 1st and shall clearly indicate any substantive changes from the current baseline budget, including all changes to service levels from the current budget. The Proposed Budget shall indicate staffing by listing the number of positions in each classification for each Department, including a listing of each position proposed for addition or deletion. The Council shall hold a public meeting to present the Proposed Budget no later than May 15th in budget adoption years. The full proposed budget document shall be made available online from the City's website, and printed copies shall be available in all City libraries. Additionally, the proposed budget data shall be available in open data format on the City's open data portal by May 1st. Every effort should be made to thoroughly respond to any public request for departmental budget details, such as line item budgets. The requested information shall also be made available on the City's website and open data portal within a reasonable time following the request.

The Proposed Budget must include a Budget Fact Sheet with easy-to-understand graphics and text explaining the City's overall finances, the Proposed Budget and that year's Budget Calendar. The Fact Sheet shall be published in languages required by Oakland's Equal Access Ordinance. The Fact Sheet shall be printed and made available in all City Recreation Centers and Senior Centers as well as all City libraries by May 15th or the presentation to the Council, whichever is

sooner.

## 7. Community Budget Forums

**Timeline:** During the months of May and June of odd-numbered years

**Requirements:** The Administration and Council shall hold at least one (1) Community Budget Forum in each council district. These forums, organized by the City Administrator's Office in partnership with Councilmembers shall be scheduled to maximize residents' access. The forums should include sufficient time for a question and answer period in a format that maximizes community participation, as well as a presentation of budget facts by City staff. One or more of the forums must be scheduled in the evening. Another must be scheduled on the weekend. These meetings shall also be scheduled so that Councilmembers have sufficient opportunity to attend a meeting close to their council district. Every member of the City Council shall make their best effort to attend the Community Budget Forum in their council district. Sufficient Fact Sheets in all available languages shall be available at all Forums.

These forums should be publicized in social media and via other means in a manner that is linguistically and culturally appropriate. City Council staff shall work with community-based, faith-based, identity based, and district specific organizations to ensure that a representative and broad group of residents is aware and encouraged to attend each forum.

## 8. Ongoing Public Education

**Timeline:** During the months of May and June of even-numbered years

**Requirements:** Beginning with the first even-numbered year following adoption of this ordinance, the Administration and City Council shall hold at least three (3) Community Budget Education Presentations in different neighborhoods throughout the City and outside of City Hall. These presentations shall seek to increase Oakland residents understanding and awareness of the City Budget and Budget process.

## 9. Budget Advisory Commission's Report

**Timeline:** June 1st

**Requirements:** The Budget Advisory Committee (BAC) shall be requested to submit published, written report to the full City Council regarding the proposed budget with any suggested amendments no later than June 1 in budget adoption years. If submitted, the statement shall be published as part of the next budget report to the City Council. The BAC is encouraged to provide similar statements during the mid-cycle budget revise and any other significant budget actions.

## 10. Council President's Proposed Budget

**Timeline:** June 17th

**Requirements:** The City Council President, on behalf of the City Council, shall prepare a proposed budget for Council consideration to be heard at a Special City Council Budget Hearing occurring on or before June 17th. The Council President may delegate the duty to prepare a budget proposal to another member of the Council. The Finance Department will provide a costing analysis for proposed amendments. The City Council may schedule additional Special City Council Budget Hearings or Workshops as needed.

## 11. Council Budget Amendments

**Timeline:** No later than up to three (3) days prior to final budget adoption for public noticing

**Requirements:** In addition to the Council President's proposed budget, any Councilmember or group of Councilmembers may submit proposed budget amendments at any time during the budget process. However, the adopted budget shall not contain substantive amendments made on the floor by Councilmembers at the final meeting when the budget is adopted. All substantive amendments must have been published in the City Council agenda packet for at least three days prior to the budget's final adoption and posted on the City's budget website. This shall not preclude Council members from combining elements from various proposals, provided each element considered has been published in the City Council agenda packet as a component of one proposal. This three-day noticing requirement may be waived by a vote of Council upon a finding that (1) new information impacting the budget by at least \$1 million dollars came to the attention of the body after the publication deadline making it not reasonably possible to meet the additional notice requirement and (2) the need to take immediate action on the item is required to avoid a substantial adverse impact that would occur if the action were deferred to a subsequent special or regular meeting, such as employee layoffs.

Councilmembers will present their proposed amendments in an easy to understand, standardized format provided by the City Administrator. The format should allow the proposals to be easily compared to the Mayor's Proposed Budget and to one another. Additions and reductions shall be clearly noted in separate sections.

In order to provide sufficient time to evaluate the cost of proposals, Councilmembers should request costing analyses for proposed budget amendments or line-items within a budget amendment to the City Administrator at least six (6) working days prior to the City Council meeting where that amendment will be considered.

## 12. Process Feedback & Continual Improvement

**Timeline:** September 30<sup>th</sup> following budget adoption

**Requirements:** The Budget Advisory Commission (BAC) shall be requested to submit an Informational Report to the Council's Finance and Management Committee and City Council containing their analysis of the budget adoption process including, but not limited to: 1) the informational quality of the Proposed Budget; 2) the City Administration's and City Council's attention to engaging the public and its impacts on the budget process and product; 3) the level of



transparency and open dialogue in all public meetings dedicated to the budget; and 4) opportunities for improving the process in future years. In assessing opportunities for continually improving public participation in the budget process, the Administration, City Council and BAC shall be requested to consider the following guiding principles:

- **Inclusive Design:** The design of a public participation process includes input from appropriate local officials as well as from members of intended participant communities. Public participation is an early and integral part of issue and opportunity identification, concept development, design, and implementation of city policies, programs, and projects.
- **Authentic Intent:** A primary purpose of the public participation process is to generate public views and ideas to help shape local government action or policy.
- **Transparency:** Public participation processes are open, honest, and understandable. There is clarity and transparency about public participation process sponsorship, purpose, design, and how decision makers will use the process results.
- **Inclusiveness and Equity:** Public participation processes identify, reach out to, and encourage participation of the community in its full diversity. Processes respect a range of values and interests and the knowledge of those involved. Historically excluded individuals and groups are included authentically in processes, activities, and decision and policymaking. Impacts, including costs and benefits, are identified and distributed fairly.
- **Informed Participation:** Participants in the process have information and/or access to expertise consistent with the work that sponsors and conveners ask them to do. Members of the public receive the information they need, and with enough lead time, to participate effectively.
- **Accessible Participation:** Public participation processes are broadly accessible in terms of location, time, and language, and support the engagement of community members with disabilities.
- **Appropriate Process:** The public participation process uses one or more engagement formats that are responsive to the needs of identified participant groups; and encourage full, authentic, effective and equitable participation consistent with process purposes. Participation processes and techniques are well- designed to appropriately fit the scope, character, and impact of a policy or project. Processes adapt to changing needs and issues as they move forward.
- **Use of Information:** The ideas, preferences, and/or recommendations contributed by community members are documented and given consideration by decision-makers. Local officials communicate decisions back to process participants and the broader public, with a description of how the public input was considered and used.
- **Building Relationships and Community Capacity:** Public participation processes invest in and develop long-term, collaborative working relationships and learning opportunities with community partners and stakeholders. This may include relationships with other temporary or ongoing community participation venues.
- **Evaluation:** Sponsors and participants evaluate each public participation process with the collected feedback and learning shared broadly and applied to future public participation efforts.

**AN ORDINANCE AMENDING ORDINANCE NO. 13279 C.M.S. (THE CITY OF OAKLAND CONSOLIDATED FISCAL POLICY, OR “CFP”) TO ESTABLISH AND MODIFY THE FINANCIAL POLICIES OF THE CITY OF OAKLAND.**

**NOTICE AND DIGEST**

This Ordinance authorizes an amendment to Ordinance Number 13279 C.M.S. (The Consolidated Fiscal Policy, “CFP”), to establish and modify the financial policies and budgeting practices of the City of Oakland. The first public reading of this ordinance is scheduled at a public hearing on 5/1/18 and second on 5/15/18. The location is at City Council Chambers located on the Third Floor of City Hall, One Frank H. Ogawa Plaza, Oakland, California, at 5:30pm. The CFP will be effective upon final adoption of the Ordinance and will remain in effect until further notice.