



AGENDA REPORT

TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Kiran Bawa

SUBJECT: General Purpose Fund (GPF) Proposed
FY 2014-15 Appropriations

DATE: November 20, 2014

City Administrator
Approval

Date

11/20/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council approve a resolution to appropriate undesignated General Purpose Fund (GPF) balance as follows:

Resolution Amending the City of Oakland's FY 2014-15 Midcycle Budget, which was Adopted Pursuant to Resolution No. 85085 C.M.S. on July 1, 2014, and further amended by Resolution No. 85281 C.M.S. on November 18, 2014 to appropriate FY 2014-15 GPF Expenditures in an Amount not to Exceed \$1,185,155 from undesignated fund balance for Oakland Parks and Recreation (OPR) Reserve for Youth Program (\$800,000) and Oakland Public Library (OPL) Reserve (\$385,155)

OUTCOME

The FY 2014-15 Policy Budget will be amended with additional appropriations of \$1,185,155 to fund OPR and OPL reserves.

EXECUTIVE SUMMARY

Critical funding needs totaling \$1,185,155 have been identified that require an appropriation from the undesignated GPF fund balance for OPR Youth Program and OPL reserves. Because this action is reserving funds for future use, approval of this action will not require an additional appropriation to the 7.5% GPF reserve. Both OPL and OPR can better plan early for the summer programs if these reserves are available.

Item: 6

Finance and Management Committee
December 2, 2014

BACKGROUND/LEGISLATIVE HISTORY

On July 1, 2014, the City Council adopted the FY 2014-15 Midcycle budget (Legistar File No. 13-0540-1, Resolution No. 85085), which increased GPF revenue projections by \$33,837,358 and appropriated \$33,837,358 in additional FY 2014-15 GPF expenditures. The additional appropriations were used to fund a number of items that included, but were not limited to:

- **Public Safety** – police academies, Shotspotter, ceasefire, and other related items ;
- **Investments in and Stabilize our Workforce** –new positions in various departments, deposits into City reserves, and the set-aside of funding for pending litigation and settlements;
- **Economic Growth, Job Creation and Training, Education** – bridge funding for the West Oakland Job Resource Center, Bus Rapid Transit capital improvement mitigation projects, Head Start gap funding ;
- **Investment in Technology and Equipment** – a number of technology and infrastructure projects; and
- **Quality of Life** –additional street paving of “worst streets” and support for the Cultural Arts Grant Program

Then, on November 18, 2014, based on the FY 2013-14 Q4 Revenue & Expenditure report, which showed an unaudited year-end surplus of \$11.25 million, the Council approved an additional appropriation of \$7.25 million to fund critical projects including technology, election costs, acceleration of police academies etc. and fund the GPF Emergency Reserve appropriately.

A couple of needs have been identified requiring an appropriation that cannot wait until the adoption of the FY 2015-17 Policy Budget that are detailed below along with funding requests. Accompanied resolution would authorize an additional appropriation of \$1,185,155 from undesignated GPF fund balance for:

OPR Reserve for Youth Programs (\$800,000; one-time)

OPR recreation and cultural arts sites provide after school programs on a fee basis. Due to underfunding of these programs in the past few years, reserve funds are required to relieve the stress of fee-based after school programming. This funding would allow recreation and cultural arts sites in administering after school programming homework assistance, visual and performing arts, sports, fitness, cooking, drama and other programs to the challenged and underserved communities. Due to limited resources majority of the OPR youth programs have been reduced significantly in terms of hours and weeks, for example the youth sports leagues is down to 4 weeks from 8 weeks offered previously, leading to no time for youth skills development, self-esteem building relationship building. These activities are currently provided through a fee, which varies according to recreation center or cultural arts site.

OPL Reserve (\$385,155; one-time)

As part of the FY 2014-15 Midcycle Budget, \$500,000 was appropriated to OPL as a contingency for potential future funding deficiencies due to increasing shortfalls in Measure Q as a result of expenditure growth outpacing revenue growth. As part of the appropriations resulting due to Q4 R&E report, an additional \$114,845 was appropriated as additional contingency funds for the Library. An additional one-time appropriation of \$385,155 would bring the Library reserve to a total of \$1 million to help address the projected shortage of Measure Q funds.

PUBLIC OUTREACH/INTEREST

Not applicable.

COORDINATION

This report was prepared in coordination with the Controllers Bureau and Revenue Management Bureau, and various departments.

COST SUMMARY/IMPLICATIONS

The proposed expenditures of \$1,185,155 include a \$385,155 appropriation for the Library Reserve and \$800,000 for OPR Reserve for Youth Programs. Approval of this action does not require an additional appropriation to the GPF Emergency reserve, since these are reserve funds for FY 2015-17 appropriation.

SUSTAINABLE OPPORTUNITIES

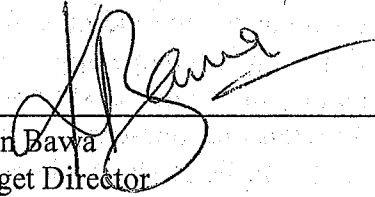
Economic: None.

Environmental: None.

Social Equity: None.

For questions regarding this report, please contact Kiran Bawa, Budget Director, at (510) 238-3671.

Respectfully submitted,



Kiran Bawa
Budget Director

Reviewed By:
Donna Hom, Assistant City Administrator
City Administrator's Office

Attachments:

General Purpose Fund Proposed FY 2014-15 Appropriations Resolution

DRAFT

City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

2014 NOV 21 AM 8:59

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AMENDING THE CITY OF OAKLAND'S FY 2014-15 MIDCYCLE BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 85085 C.M.S. ON JULY 1, 2014 AND AMENDED BY RESOLUTION 85281 C.M.S. ON NOVEMBER 18, 2014 TO APPROPRIATE FY 2014-15 GENERAL PURPOSE FUND EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$1,185,155 FROM UNDESIGNATED FUND BALANCE FOR OAKLAND PARKS AND RECREATION RESERVE FOR YOUTH PROGRAM (\$800,000) AND OAKLAND PUBLIC LIBRARY RESERVE (\$385,155)

WHEREAS, on July 1, 2014, the City Council adopted the FY 2014-15 Midcycle Policy Budget (Resolution 85085 C.M.S.), which authorized appropriations of \$493,709,824 in FY 2014-15 in the General Purpose Fund; and

WHEREAS, the FY 2013-14 Fourth Quarter Revenue and Expenditure Report projects that there is undesignated and un-appropriated fund balance in the General Purpose Fund in the amount equal to \$11.25 million ; and

WHEREAS, on November 18, 2014, the City Council adopted the FY 2014-15 Midcycle Policy Budget (Resolution 85281 C.M.S.), which authorized appropriations of \$7,246,887 in FY 2014-15 in the General Purpose Fund; and

WHEREAS, the Administration has identified additional expenditures that will require appropriations to continue to provide current services and fulfill the policy directives established by the City Council; therefore be it

RESOLVED: That the Oakland City Council, hereby amends the Fiscal Year 2014-15 budget to appropriate additional General Purpose Fund expenditures in an amount not to exceed \$1,185,155 for Oakland Parks and Recreation Reserve (\$800,000) and Library Reserve (\$385,155).

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

6

FINANCE & MANAGEMENT CMTTE

ATTEST: DEC 02 2014
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California