

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

Revenue Questions**1. Outline any changes in revenue projections and why. (Brooks)**

A: Please see Attachment A-2 of the Mayor's September 26th budget proposal also included here as Exhibit A-1.

2. Why would you decrease revenues prior to the end of the first quarter (September 30th)? (Brooks)

A: Revenue adjustments were deemed necessary based on a comprehensive analysis of FY 2007-08 year-end unaudited actual revenues and the re-evaluation of the assumptions included in the July 2008 midcycle budget. A continued decline of the overall economy also prompted significant changes, particularly to the Real Estate Transfer Tax revenue. Revenue adjustments and balancing measures were brought forward as quickly as possible in order to have sufficient time to address the projected \$37.4 million shortfall in the General Purpose Fund (GPF).

3. In the Sept. 26, 2008 report, property tax revenue was adjusted to reflect an additional \$2M in revenue. What is the anticipated decrease in property tax due to foreclosures and non-payment? Given the current economic state, the request for reappraisal will most likely increase. What is the anticipated decrease in property tax due to reappraisals? (Reid)

A: The \$2 million increase in FY 2008-09 projection (compared to the midcycle budget) reflects actual revenue receipts from the prior year.

The anticipated decreased growth in Property Tax revenues is reflected in the 5% conservative rate projection. (In the last 5 and 7 years, the average annual growth rate was 15% and 13%, respectively.) The County Assessor's Office supplied the 5% rate and it reflects a 1.6% decrease in properties' assessed valuation due to reappraisals. Regarding foreclosures, the Assessor will not automatically reduce property value after a bank forecloses and takes back the property. Property taxes and back taxes are still due from the Bank or immediately from the foreclosed property buyer. Reappraisals generally take several months to complete, so current requests for reappraisals will not affect the assessed valuation until next year.

4. Sales tax on gasoline: In light of recent decreased consumption and price per gallon fluctuations, what is the projected sales tax revenue from gasoline for FY 2008-09? What growth assumptions are included (if any) for this revenue source in FY 2008-09? (Quan)

A: Sales tax on gasoline, specifically, is not easily obtainable. However, the overall sales tax projection does factor in the discontinuation of the City's Jet Fuel agreement with United Airlines, as well as the current weakened economy overall; a 2.0 percent negative growth is projected in the sales tax revenue, after one-time adjustments.

5. Have the parking meter and parking citation revenue collection issues in FY 2007-08 been resolved? Will some of the citation revenue from last year be collected this year? (Quan) Why did the City have a delay in the collection of delinquent parking tickets? How much of the uncollected fines and penalties does the City expect to receive this year? (Brunner)

A: Last fiscal year's Revenue projections for parking meter fees were based on increased revenue derived from the installation of new multi-space meters by July 2007. However:

- Installation was not complete until December 2007, due to the requirements for an RFP process, delays during contract negotiations, and issues with financing, so a sizeable portion of the additional revenue was not realized.
- Installations were further delayed by scheduling conflicts with PWA crews.

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- Meter Repair staff were pulled away to assist with installation of signs for the new parking kiosks, which took them away from their day-to-day duties.
- Additionally, construction projects impeded meter operations in several locations.

Factors that impacted citation revenue in FY 2007-08:

- The most significant shortfall of revenue for citations was due to under collection of DMV liens (\$3.6 million) while the City migrated to a new citation system. During the migration, unpaid citations were not reported to DMV by the City's contractor, the City of Inglewood. Monies from these liens are not lost revenues, and are expected to be collected this fiscal year (already included in the September parking citation projection).
- Additionally, Franchise Tax Board lien collections came in below projections by \$770,000, due in part to delayed placement of these liens.
- The value of paid citations came in below projections by \$432,000. Budgeted revenue projections were based on an aggressive increase in citation activity, but changes in staffing, staff absences, a grace period allowed during the new meter installations, a three month delay in enforcement of Residential Parking Permits (as the item was debated by Council), and other issues prevented meeting those projections.
- There was \$1.6 million budgeted by the Police for revenue derived from the installation of red light cameras at key intersections throughout the City. Since the program was not implemented, the revenue was not realized (and the corresponding expense of the project was not incurred in the Police budget).

6. Attachment A-2 page 5, parking tax- aren't we able to tax off-airport parking lots? (Nadel)

A: The City currently taxes off-airport parking lots. However, these lots charge much less than airport lots and airport traffic is down in general. Our parking tax revenue projections reflect these factors.

7. What is the \$9.5M Capital trust transfer? (Attachment A-3, p.2 of 13) Given the current market conditions, is this transaction still feasible? (De La Fuente, Quan)

A: Finance & Management/Treasury Division plans to tender or defease the 2005 Central District tax-exempt bonds and reissue taxable bonds. The bond proceeds will be used to repay a loan on the City Center Garage West of approximately \$14 million. Once the payment is made from the ORA to the City, the City will refund and retire the 1985 Certificates of Participation and have a surplus of \$9.5 million. The refinancing will also be used to fund the approximate \$7 million Telegraph Garage purchase (see below) by the Agency. The financing is dependent upon the market returning to some semblance of normality and assumes reasonable interest rates.

8. How is the other \$9.2M in one-time revenues generated? (Attachment D) Given the current market conditions, are these transactions still feasible? (Quan) What is the \$9.2 million "Sales of multiple properties to Central District and Coliseum" and "Deferred pension credits"? Please provide a detailed list of properties being sold and explain the benefit of completing these sales. (D, p.2) (De La Fuente)

A: The \$9.2 million is mostly generated through the sales of property from the City to the Redevelopment Agency. The largest of these transactions is the Telegraph Plaza Garage, which would be financed as described above. The City Council and Redevelopment Agency have approved an Exclusive Negotiating Agreement (ENA) to redevelop the Telegraph Plaza Garage Site and the neighboring Hahn Property. The ENA anticipates the construction of a larger public garage owned by the Redevelopment Agency and/or City as part of a mixed-use project. The size of the public garage will increase from 350 spaces to 650 spaces. The Agency is funding the garage construction and will

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need to transfer the site to the developer. It was always contemplated that the Agency would need to own the site immediately prior to sale to the developer. The market value of the Telegraph Plaza Garage is \$7,000,000 based on an assessment completed by an independent contract appraiser. Sale of this site will support the implementation of a project approved by the City and Agency.

Two additional smaller properties planned to be sold to the Agency include the Intercity Rail Parking lot (\$500,000) and 73rd Ave and International Blvd lot (\$290,000), both within the Coliseum project area.

The City is also expecting \$1.5 million in one-time funds from deferred pension credits resulting from the defeasance of the Oakland Joint Powers Financing Authority 1998 Lease Revenue Bonds.

9. SB 1369 which bans electronic bingo has just been signed by the Governor. What impact will this have on revenue to the City? (Reid)

A: City currently realizes \$2,200 in annual revenue from the bingo operations (\$50/yr per each of the four game operators and \$1,000/yr from each of the 2 halls). Indirectly, the bingo game operators have been donating to local schools and other charitable institutions, and the elimination of electronic bingo would eliminate the entire amount of profit they have been reporting and donating. Staff will address this in detail in a supplemental staff report regarding bingo amendments to the Public Safety Committee on October 28, 2008.

General Expenditure Questions

10. Provide a listing of carryforwards and encumbrances (with details of encumbrances) for the \$14 million carried over in the GPF in the current year. (Brunner, De La Fuente, Quan)

A: Please see Exhibit A-2.

11. What processes can or have been instituted so that we no longer miss prior year carry forwards and encumbrances (Attachment A-1, Page 1)? (Nadel)

A: For clarification, prior year carryforwards and encumbrances have not been "missed" – they are always appropriately reflected in the financial system, and presented in quarterly revenue & expenditure reports. What has not been consistently presented in reports to the City Council is impacts on the fund balance as a result of carrying over these previously appropriated but unspent balances. Normally, fund balance impacts are reflected in year-end audit reports (CAFR). However, on a going forward basis, staff will also show in quarterly revenue & expenditure reports the estimated fund balance figures and their use by the carryforwards.

12. Provide components of the discretionary portion of the General Purpose Fund budget. (Brunner) Provide a list of core services. (Chang)

A: The Mayor's budget transmittal letter to the City Council of September 26, 2008 discussed the General Purpose Fund restrictions imposed by legal and other mandates (see page ix):

"Only 23% (\$110 million) of the General Purpose Fund's budget is discretionary. The remainder (\$380 million) is mandated by Measure Y (police sworn staffing) and associated union agreement (fire sworn staffing) at \$222 million, Measure Q (library staffing) at \$9 million, Kids First transfer and baseline funding at \$11 million and \$21 million, respectively, charter-mandated offices at \$1.5 million, debt service costs at \$37 million, and a number of other requirements. "

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The unrestricted / discretionary portion of the GPF budget (estimated \$110 million) can be broken down as follows:

- General Government, which includes the City Administrator's Office, Elected Offices, and the City Clerk's Office
- Finance & Management Agency (includes 50% of revenue generating/collection units) including Human Resources, Accounting, Treasury and Payroll
- Information Technology
- Non-sworn administrative support for Police and Fire
- Human Services, including Senior Centers and grant matching funds
- Oakland Museum
- Non-Departmental, including subsidies to outside entities, art grants, and transfers to funds on a repayment plan

Exhibit A-3 provides additional details of the above discretionary categories.

13. Was there any effort to look at the cuts across the city and see if they were going to have greater impacts on the lowest income and most disenfranchised of our residents? (Nadel)

A: Every effort has been made to **minimize impact on essential services**, particularly those benefiting the most vulnerable residents of Oakland. However, impacts on some services could not be avoided given the \$37.4 million shortfall in the GPF and only \$110 million in discretionary funding from which to cut.

14. Please provide a summary for the GPF for the following categories: salaries, retirement, other fringe benefits, subsidies, debt service, and utilities? (Kernighan)

A: A total of \$416.6 million of GPF resources are spent on personnel services (salaries and benefits), utilities, subsidies/grants and debt service. (Please see Exhibit A-4.) It should be noted that most utilities are paid from the Facilities Fund (4400).

15. The proposed Budget assumes a November 1st implementation date with 1/3 year already expended. Is this implementation date feasible for all of the recommendations included? (Quan) What effective date would be necessary if the additional 120 FTE layoff option is necessary to close the \$10 million gap? (Chang)

A: If the budget is adopted by the City Council by October 21st, November 3rd (Monday) implementation is feasible. All costing (expenditure savings and new revenue) was calculated based on a November 1st implementation date.

16. Attach D page 3- please break down pay-go funds and clarify if funded or not. (Nadel)

A: There is a total of **\$4.4 million** in pay-go project balances in the Capital Improvement Fund (CIP - 5500), as reflected in the table below. There is currently no cash to support any appropriations in the CIP fund; none of these CIP projects are funded. To fund projects, additional one-time revenues would be necessary. (Staff worked diligently to identify additional possible revenues to fund these projects. However, due to the extremely weak financial market, there are currently limited opportunities to generate one-time revenue.)

It must be noted that in addition to the pay-go funds appropriated (although not funded) in the CIP fund, there are set asides in other funding sources. These other set asides are fully funded. An October 14th Finance & Management Committee report on pay-go projects provides details of all Council districts pay-go funds, across various sources. Additionally, please see a pay-go summary table below.

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Source *	District 1	District 2	District 3	District 4	District 5	District 6	District 7	At-Large	Mayor	TOTAL
Regular Pay-Go										
General Purpose Fund (1010)										
FY 2007-08 Balance	2,999	79,774	0	47,575	6,384	0	1,381	120,234	0	\$258,347
FY 2008-09 New	122,223	122,223	99,473	65,725	122,223	99,896	28,223	22,223	44,446	\$726,655
Municipal Capital Improvement Fund (5500)**										
FY 2007-08 Balance	750,570	686,383	190,531	665,214	666,009	581,460	428,112	35,822	0	\$4,004,102
Capital Reserves Fund (5510)										
FY 2007-08 Balance	41,500	125,000	103,154	80,167	20,615	125,000	2,636	125,000	125,000	\$748,072
FY 2008-09 New	125,000	98,000	107,000	111,667	121,200	28,095	6,750	125,000	125,000	\$847,712
Transportation Pay-Go										
Measure B Fund (2211)	8,206	36,800	0	0	77,381	185,501	190,000	99,500	0	\$597,387
State Gas Tax Fund (2230)	85,105	120,600	1,616	226,343	29,896	252,200	170,500	202,680	0	\$1,088,940
TOTAL	\$1,135,602	\$1,308,580	\$551,774	\$1,196,891	\$1,113,506	\$1,357,068	\$830,133	\$730,459	\$294,446	\$8,518,260
* Does not include Council commitments*										
** There is currently no cash to support any appropriations in the CIP Fund (5500)										

17. What savings would be achieved from the shutdown if we kept open all libraries, senior center and recreation centers. (Nadel)

A: For the General Purpose Fund, it would cost an estimated \$1.5 million to keep libraries open during the Friday shutdown; \$0.20 million to keep senior centers open on Fridays; and \$0.55 million to keep Recreation Centers open. The shutdown savings would be reduced from \$10 million to \$7.75 million.

18. How are the cost savings for the shut-down estimated (# of days included)? (Quan)

A: The savings assume 33 days of mandatory shutdown, which is the total number of non-holiday Fridays left in the fiscal year, from November 1st through June 30th.

19. What are the specific negative fund balances in the all of the funds included in the category labeled "funds not immediately requiring one-time revenues" (p. iii)? What are the plans to address these negative fund balances? (De La Fuente, Quan)

A: In most cases, funds that do require one-time revenues are funds that are inactive with no revenue stream to increase or expenditures to decrease. Funds that do not require one-time revenues can be balanced by increasing revenue, reducing expenditures, or some combination of the two. **Measure DD (5320)** is one fund in this category that makes up the largest negative (\$20 million). This negative is the result of committing funding projects related to the Series B issuance, which has not yet happened. In the case of Measure DD, staff will remove Series B commitments from the financial system; these would have to be re-appropriated once the Series B funds become available. Another example is the **Multipurpose Reserve (City Garages) Fund (1750)**, which has a negative fund balance of \$3.4 million. Revenue for this fund comes from City-owned parking garages and expenditures are generally transportation related. In the FY 2009-11 budget, staff will propose to increase parking garage rates, as well as increase efficiencies and to eliminate the negative fund balance over a number of years.

20. Why did some of the departments' expenditures exceed their 3rd Q. R&E projection by such large amounts? (e.g. \$480K CAO, \$540K Library, \$500K Museum, etc.) (Quan)

A: The table below summarizes differences between the expenditure projections made during the 3rd quarter revenue and expenditure analysis in May 2008 and pre-audit year-end actual spending in August 2008. Explanations of major additional spending (above \$300,000) follow.

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Department	Original Adopted Budget (June 2007)	3rd Qtr R&E (May 2008)	Pre-audit Actuals (Aug 2008)	Change from 3rd Qtr R&E to Pre-Audit Actuals
EXPENDITURES				
Mayor	3,124,777	3,151,284	3,220,044	68,760
City Administrator	9,046,270	8,782,876	9,265,351	482,475
City Clerk	2,700,442	2,020,766	2,769,349	748,583
City Attorney	9,127,261	9,045,500	9,367,818	322,318
City Auditor	1,335,744	1,339,197	1,171,124	(168,073)
FMA/OPRM	30,632,795	31,028,338	29,614,787	(1,413,551)
Police	188,895,215	194,731,628	204,091,594	9,359,966
Fire Department	108,425,099	106,850,064	107,177,193	327,129
Public Works	2,347,080	2,977,822	2,405,577	(572,245)
DCP	2,341,814	1,991,814	1,890,454	(101,360)
DIT	11,031,040	11,125,285	11,432,493	307,208
OPR	14,415,797	14,798,230	14,999,814	201,584
Library	12,686,644	11,404,258	11,945,473	541,215
Museum	6,610,409	6,485,521	6,986,880	501,359
DHS	6,575,098	6,942,036	6,493,486	(448,550)
CEDA	2,417,383	3,245,532	2,428,077	(817,455)
Non-Dept	59,709,119	65,921,114	71,741,067	5,819,953
CIP	1,600,007	7,073,089	6,164,709	(908,380)
City Council	3,644,459	4,065,840	3,633,441	(432,399)
Total Expenditures	476,666,453	492,980,194	506,798,731	13,818,537

A: City Administrator (\$0.48 mill in additional spending): The City Administrator's additional expenses were due to: (a) 4th quarter accounting adjustments of \$0.38 million that moved salary charges to the general fund from grant funding and Measure Y; and (b) additional unanticipated O&M spending of \$0.1 million.

City Clerk (\$0.75 mill in additional spending): Unanticipated June election costs in the amount of \$847,000 caused the increase to the year-end actual expenditures of the City Clerk.

City Attorney (\$0.32 mill in additional spending): City Attorney's additional expenses were due to overspending in salaries and benefits.

Police Services (\$9.36 mill in additional spending): The unanticipated expense was due to: (a) salary increases awarded by the arbitrator in March 2008, of which \$5.4 million were charged to the GPF; and (b) higher salary expenditures due to the 12-hour shift schedule that commenced in the second half of the year and was not offset with overtime savings at the level expected (\$4 million in the additional net spending was not included in the 3rd quarter projection).

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Fire (\$0.33 mill in additional spending): The R&E projections came within .03% actual spending (\$99.2 million projection versus \$99.5 million actual). The variance is statistically insignificant.

Information Technology (\$0.30 mill in additional spending): DIT's additional expenses were due to overspending in salaries (\$0.2 million) and temporary/part time workers (\$0.1 million).

Library (\$0.54 mill in additional spending): Library's additional expenses were due to: (a) 4th quarter accounting adjustments that moved salary charges to the general fund from grant funds and Measure Q (\$0.44 million); and (b) additional unanticipated O&M spending of \$0.1 million.

Museum (\$0.50 mill in additional spending): Museum's additional expenses were due to: (a) overspending in part-time/temporary workers (\$0.33 million) and (b) failure to realize planned vacancy savings (\$0.17 million).

Non-Departmental (\$5.82 mill in additional spending): This expense reflects TRAN-related interest expense. Historically, interest revenues and expenditures related to TRAN (short-term borrowing) are neither budgeted nor included in quarterly forecasts, because these are typically budget neutral. However in FY 2007-08, the City increased the level of TRAN borrowing to pre-fund PERS obligations, saving the City slightly on retirement costs. (These savings are reflected in the FY 08-09 projections.) This extra borrowing resulted in additional interest expense of \$2.6 million (against a related interest earning of \$3.2 million). In the Mayor's September Budget proposal, TRAN-related revenues and expenses are explicitly included, as they will be in quarterly forecasts.

21. Why was the FY07-08 TRAN interest expense \$5.8M more than 3rd Q. forecast? (Quan)

A: Historically, interest revenues and expenditures related to TRAN (short-term borrowing) are neither budgeted nor included in quarterly forecasts, because these are typically budget neutral. However in FY 2007-08, the City increased the level of TRAN borrowing to pre-fund PERS obligations, saving the City slightly on retirement costs. (These savings are reflected in the FY 08-09 projections.) After TRAN interest earnings totaling \$3.2 million, the net expense for FY 2007-08 was \$2.6 million.

22. Was the additional \$9M drawdown of Fund Balance (in addition to the \$6.9 million budgeted) explicitly discussed and voted on during the 3rd Q. R&E Report? Was Council explicitly advised of the \$6.9 million budgeted use of fund balance in the last year, and another \$6.4 million budgeted fund balance use in the current year? (Quan)

A: The additional fund balance draw down of \$8.9 million for last fiscal year was included in the "fund transfers" revenue line item of the FY 2007-08 3rd Quarter R&E report. Unfortunately, there was very little time spent discussing the 3rd quarter report at the May 29th Special City Council meeting.

The budgeted use of fund balance (\$6.9 million for FY07-08 and another \$6.4 million for FY08-09) was explicitly identified in the City Administrator's transmittal letter (page 10) and on page D-36 of the adopted FY 2007-09 budget document. These funds represent prior year one-time surplus funds and reserve funds that the City Council identified to fund additional expenditures of the budget (see Exhibit A-5).

23. Are the actual revenues and expenditures in line with these projections so far this year (July, August, and September)? (Quan)

A: General Purpose Fund (GPF) revenues for the first three months appear at this time to be on track to meet the September 2008 revised budget projection. For major revenues, such as Property Tax, and Business Tax, sufficient data will not be available for a year-end forecast until January/February 2009.

GPF expenditures also appear to be on target with the midcycle revised budget, except for OPD overtime. Staff is closely monitoring overtime spending, especially in OPD. Detailed analysis will be presented in quarterly revenue and expenditure reports later this fiscal year.

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24. The proposed Budget assumes a \$10M GPF balance. Council policy mandates a 7.5% reserve (approximately \$34M). Is this enough of a cushion in case revenues come in below or expenditures come in above forecast? Could this size reserve affect our bond ratings? What options are available to grow this reserve to the mandated 7.5%? Does this proposed Budget maintain the required \$6M reserve in the Capital Contingency Fund? (Quan)

A: The City Council reserve policy uses the General Fund Group (which has funds in addition to the General Purpose Fund-1010) to calculate the 7.5% reserve. Since there is fund balance available in non-GPF general funds, preliminary calculations by the Finance & Management Agency show a General Fund Group fund balance as of June 30, 2008 of approximately 7.7%. If the GPF uncommitted fund balance of \$10 million is used for the calculation, against the FY 2008-09 Midcycle GPF appropriations of \$476.5 million, the "reserve" level is only 2.1%.

The preliminary (unaudited) Capital Reserve Fund balance as of June 30, 2008 is just over \$6 million.

The Mayor's September budget proposes several policies to ensure the build-up and maintenance of reserves, including the use of additional real estate transfer tax revenues and one-time revenues to fund GPF reserves and capital reserves.

25. Where are the savings due to the travel "freeze" reflected in this budget? (De La Fuente)

A: The total "All Funds" travel budget for FY 2008-09 is \$2.24 million. Of this amount, only \$0.44 million is within the General Purpose Fund (GPF). The citywide freeze on travel will help achieve savings; however, these are not expected to be substantial in the GPF and have not been reflected in the Mayor's budget proposal.

26. How much is budgeted/spent for professional development (memberships, conferences, etc.) in each Agency? (De La Fuente)

A: Exhibit A-6 shows budget and spending for FY 2007-08.

27. How much is budgeted/spent for events, printing, graphic design, outreach and food in each Agency? (De La Fuente)

A: Exhibit A-7 shows budget and spending for FY 2007-08.

28. How much is spent on the purchase of non-essential furniture for office redesign? Is there an existing replacement schedule or policy? (Reid)

A: In reviewing payments to furniture vendors during the past three years, All Funds expenditures ranged between \$400,000 and \$630,000. Of that amount, the GPF portion ranged from \$160,000 to \$430,000. It is difficult to ascertain how much of this was non-essential. Staff is currently revising citywide purchasing policies and will include parameters for furniture replacement or office redesign.

29. Has consideration been given to the establishment of an Essential Services Preservation Fund (ESPF) that could receive a share of one-time revenues and the ESPF to defer closures and/or layoffs? (Reid)

A: Our current proposal does not include this consideration; however, we are open to this and other similar ideas.

30. Please provide the cost per fund for Central Services Overhead (CSO). What are the functions covered by the CSO? (Kernighan)

A: The Central Services Overhead (CSO) is generally charged to non-General Purpose funds to recover costs of central citywide administration. Please see Exhibit A-8 for a summary of CSO per fund.

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Additionally, there are in certain cases departmental and divisional overheads in addition to the CSO, which are used to recover for certain departments/divisions' administrative support to capital and grant funds. Please see Exhibit A-9 for a summary by Fund of departmental overhead budgets and Exhibit A-10 for summary of divisional overhead budgets. (Please note, the LLAD Fund (2310) is not charged CSO, but is charged a substantial amount of the Public Works Departmental overhead.)

CSO components include:

1. Space Allocations for City Hall, 150 FHOP and 250 FHOP
2. Depreciation Allowance
3. Insurance & Liability
4. General Purpose Fund Expenditures from the following departments:
 - a. City Administrator
 - i. Administration
 - ii. Equal Opportunity Programs
 - iii. Ethics Division
 - iv. Budget Division
 - b. City Attorney
 - i. Administration
 - ii. Advisory
 - c. City Auditor
 - d. Finance & Management Agency
 - i. Administration
 - ii. Personnel Division
 - iii. Revenue
 - iv. Treasury Division
 - v. Accounting Division
 1. Administration
 2. General Ledger / Grants
 3. Accounts Payable / Accounts Receivable
 - e. Information Technology

General Personnel Questions

31. Provide a revised list of position eliminations, including the level of position (i.e. management, support, or line staff)

A: Please see Exhibit A-11.

32. Provide a list of all authorized positions by classification, separated by the GPF, LLAD and all other, showing the positions proposed for elimination, as well as the number of position left.

A: Please see Exhibit A-12.

33. Can you provide a list of positions with salaries over \$100K? Please identify which ones are funded by the General Fund. (Brunner)

A: Please see Exhibit A-13 for the General Purpose Fund and A-14 for all other funds.

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A: Overall, GPF FTEs in the FY08-09 Midcycle budget (2,582 have increased only slightly compared to 10-years ago FY98-99 totaled 2,561). With the additional September proposed position eliminations and transfers, the number of FTEs within the GPF will be substantially less than ten years ago (2,448). The chart in Exhibit A-15 provides an "all funds" summary of FTE changes by Department. A breakdown of FTEs by Department for FY98-99 for the GPF only is not available.

35. How much would salaries have to be reduced by in order to close the \$10 million budget gap in the GPF? (Kernighan)

A: Including all positions in the GPF, a salary reduction of almost 3.5% would have to be implemented to close the \$10 million budget gap. Please see summary below:

	3.44%
Fire Sworn	2,811,868
Police Sworn	4,013,712
Civilian	3,174,303
Total	9,999,883

36. What employees receive an auto allowance and/or parking space? (Quan)

A: Exhibit A-16 shows a count of employees, by department / unit, who receive various monthly levels of automobile allowances. Information on free parking was presented to the Community & Economic Development Committee on June 11, 2008 – please see a copy of the staff report in Exhibit A-17.

37. For each City Department identify all employees who take vehicles/motorcycles home overnight. Identify, by Department, the savings if this privilege was eliminated. (Brooks)

A: The estimated cost for take-home vehicles within the Police Services Agency is \$190,000. For Fire Services Agency, the cost for take-home vehicles is estimated to be \$38,000. For additional information, please see item #9 from the June 11th Special City Council Meeting.

38. How much was spent on overtime by each Agency in FY07-08? (De La Fuente)

A: Please see Exhibit A-18.

39. Provide a listing of positions (2-3 scenarios) that could be eliminated if the Council chooses to do layoffs instead of shutdown – with salaries. (Brunner, Quan)

A: Per direction from the October 10th budget workshop, below are three scenarios showing the savings from varied levels of shutdowns and layoffs.

1. A one-day shutdown per month, starting in November (8 total days) would save \$2.37 million in the GPF. In order to reach the \$10 million savings target, at least an additional 105 positions would be eliminated.
2. A one-day shutdown per month, starting in November (8 days), plus a shutdown from December 26th to January 2nd (5 days) for a total of 13 days, would save \$3.86 million in the GPF. In order to reach the \$10 million savings target, an additional 85 positions would be eliminated.
3. A twice per month shutdown, starting in November (16 total days) would save \$4.75 million in the GPF. In order to reach the \$10 million savings target, at least an additional 72 positions would be eliminated.

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

40. Please provide organizational charts for all agencies showing all authorized positions and those positions targeted for reduction. (Brunner, Chang, Nadel)

A: Please see Exhibit A-19

41. Which classifications are considered exempt in the citywide business shutdown calculation? (Quan)

A: Positions exempt from the shutdown, in addition to sworn police and fire personnel, are listed in Exhibit A-20.

42. After taking into account the proposed eliminations in Attachment A-3, what vacancies remain in the General Purpose Fund? Which of them will be frozen to generate the additional \$0.5 million savings included in the proposed budget? Will the remaining vacancies be sufficient to meet the required 4% vacancy rate? (De La Fuente, Quan)

A: Please see Exhibit A-21 for a list of GPF vacant positions (after the proposed eliminations) as of October, and those proposed to be frozen (shaded) to generate \$0.50 million in savings. The remaining vacancies along with additional attrition throughout the year is expected be sufficient to meet the 4% vacancy factor.

43. What is the actual current vacancy rate? (De La Fuente)

A: As of the October position control report, the City-wide vacancy rate is 7.9%, of which the GPF is just under 4%. Note that many of the current vacancies have been frozen or will be eliminated.

44. Please provide a list of all positions in the City (both represented and unrepresented), the salary for that position, whether the position is filled or not, by Fund/Department. (De La Fuente)

A: Please see Exhibit A-22.

45. Were any recommendations from PFM used to determine where staff cuts should take place or any other part of the budget? (De La Fuente)

A: PFM has not completed its organizational assessment yet. Their report is expected in November. However, \$200,000 (3.0 FTEs) in cuts is assumed in the Mayor's Office.

46. Does the proposed shutdown affect an employee's CalPERS Service Credit calculation? (Quan)

A: No, according to the Finance & Management Agency, employees will receive a full credit for FY 2008-09 service without any discount due to a shutdown.

47. What are our annual costs for PERS? (Brooks)

A: The Fiscal Year 2008-09 retirement costs (i.e. payments to PERS) are estimated at \$92.0 million, including \$46.5 million for sworn personnel and \$45.5 million for non-sworn (miscellaneous) employees. The General Purpose Fund share is \$63.2 million, including \$43.4 million for sworn and \$19.8 million for non-sworn.

48. What are our annual costs for employee healthcare benefits? Please specify by union? (Brooks)

A: Please see chart below for a summary of actual healthcare costs for FY 2007-08 for active employees.

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

	# of employees	% of total	PERS Health Payments (City of Oakland Active Employees)
Police	868	22.908%	8,766,343.98
Fire	461	12.167%	4,655,857.80
Other	2,460	64.925%	24,844,707.59
TOTAL	3,789	100.000%	38,266,909.37

49. Please indicate employee contributions, by Union, for retirement and health benefits. (Brooks)

A: Miscellaneous employees in all unions (except police and fire and unrepresented) pay 3% of the 8% employee contribution for retirement; the City picks up 5%. Sworn Police employees pay zero employee contribution for retirement; the City pays the entire 9.81%. Sworn Fire employees pay the full 9.81% employee contribution for retirement, as well as an additional 4% contribution to offset the cost of the enhanced retirement benefit (3% at 50), for a total of 13.81%.

50. What is the number of exempt positions and what are the budget totals for them? (Reid)

A: The number of exempt positions within the General Purpose Fund is 178 and the total cost of salaries and benefits for those positions is \$32 million.

51. What is the possible savings if volunteer time off with pay is offered? (Reid)

A: Voluntary time off is currently offered to employees (See Exhibit A-23, Administrative Instruction 511). However, it is difficult to estimate savings from voluntary time off, since there is no way to guarantee the number of employees who will utilize the option.

52. How does the proposed Friday shutdown affect employees who do not work on Friday? What impact will the shutdown have on benefits and time of service? (Reid)

A: Individual departments will have to manage their employees' work schedules to ensure equity in terms of impact.

In terms of benefits impact, there is a slight impact to accrued leave balances (employees would accrue sick and vacation leave a little more slowly since they're based on paid hours worked).

For retirement benefits, there's no impact in terms of service credit (with one day a week shutdowns, employees would still earn a full year's service credit). Their retirement pay is based on their highest earning 12 months; so again, retirement benefit would not be negatively affected.

53. Please provide a list of unrepresented management employees that are proposed for reduction? (Chang)

A: No unrepresented management employee positions are proposed for elimination. However, car allowances for all department directors will be frozen for the remainder of the year.

54. What would be the cost savings if the number of Assistant Directors and Deputy Directors is reduced by 50%? How many represented employees could be saved with this cost savings? (Chang)

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

A: There are 23.0 Assistant and Deputy Director FTEs citywide. Salary and benefits total \$6.2 million in all funds. The GPF portion is 14.60 FTEs costing just under \$4 million. Assuming that salaries of such positions do not vary greatly, a 50% reduction in the number of positions could save \$2 million in the GPF on an annual basis (or \$1.3 million discounted for 8 months). It must be noted, however, that a decision of this kind would require a careful analysis of the affected departments organizational structure and possible impacts.

55. Please provide data on the size of Oakland's workforce when the zero net gain policy was adopted and what it is today (in particular GPF supported positions). (Chang)

A: In FY 2000-01 (the "base" for the "Zero Net FTE" policy adopted during the FY 2001-03 budget), the City had 4,225 FTEs. Currently, there are 4,425 FTEs budgeted with the Mayor's proposed reductions; the number of FTEs would be 4,292.

56. How feasible is the Golden Handshake as a cost saving incentive? What are the costs and savings? What would be the parameters of such a program? (Brunner, Chang, Quan)

A: The "Golden Handshake" is not expected to provide the necessary savings in the short term to address the GPF shortfall. For the longer term (FY 2009-11), staff is looking into this option. OPRM staff has requested CalPERS to provide the City with a contract modification and pricing if we were directed to offer it to certain employees. The City is still waiting for this information.

City Administrator

57. In proposing the elimination of positions was there any consideration given to whether or not the positions are revenue generating? If so what is the justification of the proposed elimination of the 'Specialty Combo Inspector'? (Brooks)

A: Yes, revenue-generating positions were typically not accepted as cut options. In the case of the Specialty Combo Inspector in the City Administrator's Office, it is in the Nuisance Abatement program, which is not budget neutral. The position is vacant.

58. What budget materials will not be printed as a result of the reduction in O&M Budget office (A3 p.3)? (Brunner)

A: Currently the Budget Office prints approximately 150 copies each of the Proposed and Adopted budget documents for the City, ORA and CIP, as well as the Master Fee Schedule. With this reduction, the Budget Office will print only a limited number of the Proposed Budget document (for FY 2009-11), and more City staff and residents will be referred to the Internet and/or provided copies of the budget via compact disk. The printing of the FY 2009-11 Adopted budget will not be impacted if this appropriation is restored in the FY 2009-11 (next cycle's) budget.

59. Can you provide the total budget for the Shop Oakland program? (Brunner)

A: Midcycle Adopted budget for Shop Oakland was \$146,000; the \$50,000 proposed (September 2008) reduction would leave a balance of \$96,000.

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

Mayor**60. How much is currently budgeted and spent for all Federal lobbying, including both City staff and contracts? (De La Fuente)**

A: The \$149,999 contract with the City's Federal Lobbyist (Polsinelli Shalton Flanigan Suelthaus, PC) is for calendar year 2008 (through December 31, 2008). The FY 2008-09 budgeted amount is \$125,000. Two staff members within the Mayor's Office assist with Federal and State lobbying, each costing approximately \$200,000 annually (including benefits). This and other executive branch functions are being reviewed by PFM, with a report expected by November.

Information Technology**61. Page 4 of 13 budget balancing - how will the IT Project Manager II position affect WO cameras project if this is being paid for out of redevelopment and we are trying not to cut public safety projects and people? (Nadel)**

A: The project itself is funded through redevelopment funds, but the Project Manager II position is budgeted in the General Purpose Fund. If this position is cut, DIT would assign the cameras project to an Information Systems Manager or another Project Manager for completion. In addition, staff will research the possibility of funding appropriate IT personnel from redevelopment to minimize disruptions to the project.

62. Page 5 of 13 - Telephone Services Specialist comments section suggests contracting out instead. Isn't this counter to charter re contracting out? (Nadel)

A: Use of outside vendors may be necessary only in some ad-hoc cases, to provide services that are occasionally performed by this position. To the extent possible, these services will be reassigned to the remaining staff, and outside occasional assistance will be sought only if absolutely necessary.

63. Identify all planned and anticipated software or IT upgrades and/or implementation of new programs. For each, provide the timeline for implementation. With specificity please indicate the impact of the proposed IT cuts on the implementation of these upgrades/new programs. Provide context for the IT cuts. (Brooks)

A: DIT and administration are currently re-evaluating all IT projects in the pipeline to prioritize them and re-set implementation timelines according to the established priorities. Staff will be available to discuss the specifics after October 14, 2008.

Finance & Management**64. What kind of increase would be needed for truck parking tickets to cover the truck parking tax for army base truck parking? (Nadel)**

A: Parking tickets for trucks could not be raised enough to cover the lost parking tax. (Approximately \$290,000 annually is due for Port properties alone; to collect this amount through truck parking tickets, their value would need to increase from the current \$122 to over \$3,330.) More importantly, there are significant legal issues. Raising taxes and enforcing them only on port, army base or other specific properties would violate selective enforcement prohibitions. Additional legal analysis may be needed by the City Attorney's Office.

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Police

65. How many police evidence technicians are currently budgeted? How many are filled? (Brunner)

A: There are 15.0 Police Evidence Technicians budgeted and 13.0 are filled.

66. How do kiosks replace 2 dispatchers and 2 PST IIs? When will we know whether grant funding will pay for kiosks? (Brunner)

A: The kiosks only offset the loss of the PST IIs who are assigned to report writing. Citizens will be able to complete reports online. The kiosks will be provided for citizens who don't have internet access. Grant funds are available to fund the kiosks and the kiosks are expected to be operational by the end of November 2008.

67. Page 8 of 13 - OPD Admin Services Manager - comments section says this will result in more expense if done by sworn and counter to civilianizing policy. Why do this if not cost saving? (Nadel)

A: The Admin Services Manager currently reports to OPD's Deputy Director of Administration (a civilian position). OPD's Personnel Unit is a small unit that can report directly to the Deputy Director, or be reassigned to a fiscal manager. OPD does not plan to backfill nor replace the ASMI with a sworn officer.

68. The proposed Budget assumes a substantial reduction in police overtime. Is it realistic that OPD will achieve these savings with only 2/3 of the year remaining? What specifically is the plan for achieving this savings? (Quan) Please detail the overtime monitoring and control measures being used for the Oakland Police Department. (Attachment F, p.1)? (Brunner, De La Fuente) Identify each and every strategy that will be implemented by the Police Department to reduce overtime spending. For each strategy identify who will be responsible for its implementation and the benchmarks for evaluating their success. (Brooks)

A: Based on two-months of data, actual overtime spending is down (annualized \$24 million versus \$27 million last fiscal year). The Mayor's proposal assumes a further decrease to \$16 million by year-end. Several steps have been implemented to better monitor overtime expenditures including more regular reporting and review meetings, updating the agency's General Order that establishes the management of overtime and incorporating management of overtime into Command personnel's performance appraisal.

Administration continues to work with OPD on a regular basis to finalize and implement specific overtime reduction strategies necessary to achieve additional significant decreases in OPD overtime by the end of this fiscal year.

69. Is it more or less expensive in the long-term to absorb the rangers into sworn police? Can the PSOs realistically be expected to add this to their job duties? (Quan)

A: In the long run, the proposed elimination of the ranger program will lead to operational savings. The program has not operated efficiently for the past several years. It has required the assignment of an OPD sergeant to supervise 2-5 rangers. The same sergeant position could have been better used in the patrol function to supervise eight officers. Additionally, the program has used one FTE Police Records Specialist to oversee administrative responsibilities for a handful of personnel. That position typically handles the administrative duties for an entire Division (40-100 personnel). Finally, the program has equipment and assets (vehicles, office space, etc.) that have not been used to maximum effectiveness. With the full implementation of the Measure-Y funded Problem-

RESPONSES TO QUESTIONS FROM COUNCIL

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Solving Officer (PSO) program, it is only logical that the PSO, in cooperation with other Department entities, assume responsibility for the parks on their beat. The "community policing beats" that PSOs are assigned to are substantially smaller than regular police beats meaning that the PSO will have both occasion and opportunity to involve themselves with public safety in the parks on the beat. The assignment of PSO's to parks and recreation facilities will not impact the current coverage or schedule; Parks & Recreation staff will continue enjoying direct access to the assigned safety officers.

70. What effect would the proposed position eliminations have on 911 service? (Quan)

A: The positions reduced within Emergency Services (911) are two filled Police Service Technicians (PSTs) and two vacant dispatchers. PSTs mainly complete reports for insurance purposes. These reports are prioritized so urgent calls will remain unaffected. The Police Department is currently testing a new on-line report writing service that will allow residents to complete their own reports and submit them electronically. Additionally, kiosks will be provided for residents who don't have internet access. Grant funds are available to fund the kiosks and the kiosks are expected to be operational by the end of November 2008. Therefore, this impact should be mitigated within a couple of months.

Police Services is currently authorized for 72 dispatchers. Currently 64 dispatcher positions are filled, of which 10 are in training. The elimination of two dispatchers will not have an impact. There will, in fact, be a positive impact on the call response time once the additional 10 dispatchers complete training.

71. Please show detail of overtime costs incurred by the Police Department. (A-2, p.9) (De La Fuente)

A: A breakdown of OPD's actual overtime spending for ALL FUNDS in the last fiscal year is provided below.

Category Name	FY 2007-08			
	Budget	Actuals - \$	Actuals %	Actuals hrs
Canine Handlers Total		42,083	0.20%	3,652
FLSA Overtime Premium Total		145,976	0.50%	N/A
CompDay Award Total		237,218	0.90%	N/A
Community Meetings Total		468,340	1.70%	8,229
Court Total		608,434	2.20%	10,447
Acting Higher Rank Total		589,377	2.20%	7,525
Recruiting & Background Total		1,025,587	3.80%	15,844
Callbacks Total		1,258,892	4.60%	18,391
Holiday Total		1,389,078	5.10%	24,836
Unspecified Total		1,819,425	6.70%	32,639
Special Events Total		1,840,245	6.80%	29,441
Training Total		1,912,204	7.00%	29,958
Extension Total		1,006,649	3.70%	63,073
Special Enforcement Total		5,063,477	18.60%	80,510
Backfill Total		9,804,837	36.00%	120,366
Grand Total	\$16,430,029	\$ 27,211,820	100.00%	444,911

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

72. What is the cost to staff, operate and maintain the police helicopters per year? (De La Fuente)

A: The estimated cost to operate three police helicopters is \$950,000 per year. The cost includes \$550,000 for 5 FTEs, \$50,000 for insurance and \$350,000 for O&M (fuel, maintenance, etc). The cost is funded fully by the General Purpose Fund.

One Sergeant of Police and three Police Officers staff the Department's Air Support Unit (the Unit); all are FAA certified pilots. There are a total of three helicopters in OPD, two MD500E helicopters are used for patrol duties and one piston helicopter is used for training exercises. The Unit supports the Department by providing aerial support for suspect searches, setting perimeters, pursuits, tactical incidents, crowd control/events, surveillance, missing persons, photo requests, traffic enforcement, searchlight assists, entry team insertions, and water rescue. The Helicopter Unit also provides support to the Oakland Fire Department with the detection and reporting of fires, scene evaluations, best approach routes, evacuation assistance, rooftop rescues, Forward Looking Infrared (FLIR) assessments, video downlinks, and aerial command post.

Lastly, the Unit provides mutual aid to the Department of Homeland Security by partnering with the U.S. Coast Guard; patrolling the Oakland International Airport; assisting the F.B.I. providing surveillance of potential targets, as well as patrolling of the Port of Oakland and Bay Bridge.

73. Please provide the Council Resolution authorizing the \$11 million increase to the Police Department's budget. (Brooks)

A: The \$11 million reflects an anticipated minimum additional funding that the OPD will need to finish the current year. This proposed enhancement to the OPD budget is one of the recommendations in the Mayor's September 26th budget submission to the City Council. If the Council approves this request, it would be documented in appropriate budget legislation. The breakdown of the \$11 million in requested essential funding is discussed in the Mayor's transmittal letter (pages vi and vii) and Attachment "A2" (pages 8-10). It includes \$6 million for overtime, \$4.5 million for two police academies and \$0.5 million for booking fees paid to Alameda County. The requested overtime enhancement still assumes an overall OPD overtime decrease from the last year's actual of \$27 million to the current year's target of \$15.8 million.

74. Were the Mayor's and Council goals and directives factored into the deliberative process when making Departmental cuts? If so, please explain the justification for the proposed elimination of the Park Rangers, Police Service Technicians, and Evidence Technician Positions. If not, why not? (Brooks)

A: Yes, however given the limited non-sworn options available for Police Services to contribute to the balancing plan, these cuts were offered and accepted.

75. Provide the date the Civilianization report for Police Department positions will be presented to the Council – this report is more than a year overdue. (Brooks)

A: At the Public Safety Committee meeting on Oct. 14, 2008, OPD will schedule the Civilianization report for the Dec. 9, 2008 Public Safety Committee meeting.

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76. How many Police Service Technicians do we currently have on staff? How many are we currently included in the budget? Are there duties that sworn officers are currently performing that can be delegated to Police Service Technicians? If so, please identify each and every duty. (Brooks)

A: 52.0 PST II positions are budgeted and 47.0 are filled. PST II's are performing the following tasks that **in the past** and **in the absence of a PST II** are still performed by police officers:

- Routine traffic direction
- Preliminary investigation of non-injury traffic collisions
- Stand-by for tow trucks
- Towing of abandoned cars on public and private property
- Parking enforcement
- Routine crime reports not involving an extensive preliminary investigation (i.e. auto theft, auto burglary, larceny, and petty theft)
- Assisting at the Youth and Family Services juvenile receiving desk
- Transport children to foster care facilities
- Stand-by at insecure premises to wait for an responsible party of the City's Corp Yard
- Check the well-being of people believed to be sick or injured with no foul play suspected

In the future, we plan on training the PST II's to: investigate auto collisions involving minor injuries; take routine evidentiary photographs; and process property crime scenes for fingerprints. The full deployment of existing PST II's and future PST II's is complicated by a lack of vehicles.

77. What is the hourly salary of a Police Department trainee/cadet? What employee benefits are provided to each? (Brooks)

A: A Police Officer Trainee's hourly salary is \$33.68. They also receive the following benefits (per A.I. 1303): Retirement (in the form of a match to the City's Deferred Compensation Program) at a cost of 3.75% of their salary; Health Benefits at a cost of 14.91% of their salary; Worker's Compensation at a cost of 10.48% of their salary; Dental at a cost of 1.69% of their salary; Unemployment Insurance at a cost of 0.33% of their salary; and a Uniform Allowance at a cost of 0.96% of their salary. Total burdening (per Appendix B of A.I. 1303 is 32.12%. Police Officer trainees are represented by the OPOA; the OPOA union agreement establishes their salaries and benefits.

78. Explain why the implementation of 3/12 work schedule hasn't reduced police overtime. (Brooks)

A: The 3/12 work schedule has reduced police overtime. So far, FY 2008-09 annualized projections indicate overtime spending will be \$3 million less by year-end than FY 2007-08.

79. Provide a matrix showing what functions would be covered with \$21M in OT vs \$16M. (Brooks, Brunner)

A: Please see Exhibit A-24.

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Fire

80. What is the hourly salary of a Fire Department trainee/cadet? What employee benefits are provided to each? (Brooks)

A: The Fire Trainees receive \$13.21 per hour and they receive health insurance, worker's comp, Dental, Unemployment Insurance, and 3.75% retirement benefits (not PERS). Fire trainees' salary amount is established by the salary ordinance.

Library

81. Page 10 or 13 – Explain proposed changes to adult literacy, bookmobile and senior and disabled library services. This is unacceptable. There are no other service providers to absorb this program. In fact, since we have about 30% of our adult population unable to read above 4th grade level, this needs expansion, not cutting. Cut to most vulnerable population. Comments section says customers could be absorbed by other programs. What conversations have occurred if any to confirm this? (Nadel)

A: Staff is working with appropriate parties to research all viable options to realign the provision of adult literacy, bookmobile and senior / disabled library services in a way that would result in efficiencies but minimize impacts on the service recipients. In short, the adult literacy and senior / disabled services will continue to be provided at a more accessible location with longer hours, although 30 lowest-level learners will be affected. The Bookmobile will be used for special events and promotions only.

82. What sites are currently served by the Bookmobile? (Quan)

A: Please see Exhibit A-25.

83. How can the City reorganize the adult literacy program and work with OUSD to maintain these services? (Quan) For the programs proposed to be eliminated or cut back, such as Second Start and the bookmobile, has the possibility of partnering with other agencies such as the County been researched? (Reid)

A: 2nd Start Adult Literacy has focused its services on the most challenged learners – adults who are not traditionally served by the OUSD Adult & Career Education nor community colleges. Many students from 2nd Start have included adults with learning disabilities and mental health issues. Staff continues working with appropriate players to study opportunities to refer these learners for service. For all other students, the Library will continue to work with them in the new Life Long Learning Center at the Main Library and will also continue to refer learners to OUSD.

The Library is currently partnering with Alameda County Probation Department to provide English literacy skills to non-English speakers (ESL) wherein the ACPD refers adult probationers to the Cesar Chavez Library for the ESL program. The Library is examining the potential for expansion of this program at a system-wide level by providing the meeting room space.

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)**Parks & Rec****84. Which programs / parks are going to be impacted by the \$630,000 cut in OPR? (Brunner)**

A: Impacts of the proposed \$630,000 reduction are provided below (based on eight months).

- Reductions in part-time classifications: Hours for various part-time classifications from Rec Aides to Recreation Specialists will be impacted. This will result in an overall reduction equivalent to 2.20 FTEs shared between 24 Recreation Centers, resulting in several centers closing at 6:00 p.m. instead of 8:00 p.m. daily and some closing all day Saturday. Reduction of weekday evening hours and Saturday closure will be determined based on programs. For example, sites with a gymnasium or that have a Supervisor managing playgrounds will continue to remain open on Saturdays. A site that runs Tiny Tot or Senior programs will be open early and close early. Due to budget reductions, recreation sites that could close on Saturdays are: Campbell Village, Allendale, and Carmen Flores. Ira Jenkins, Malonga, Studio One, Dimond, Redwood Heights and Montclair will continue to operate revenue neutral programming on Saturdays.

- Discontinue Operation of OUSD Pools: Eliminates OPR operation at OUSD High School Pools of Castlemont and McClymonds. McClymonds community can access deFremery Pool while the Castlemont community can use the Fremont Pool. A winter Pool Manager will be reassigned to cover lifeguard shifts 2 to 3 days each week.

- Boating Programs: Boat rentals will be closed five days a week versus four days a week Nov 1st – Feb 28th. Additional cost reductions will come by absorbing staff costs for special events, Junior Sailing Team and fleet maintenance in the Self Sustaining Revolving Fund (1820).

- Cultural Arts Programs: These programs, currently offered at school sites, will decrease from fifteen schools to ten schools and will be limited at recreation centers.

- Citywide Girls Sports League: This program will be reduced from eight weeks to six weeks.

- Pocket Park and Mobile Recreation: Pocket park programming elimination will result in the cancellation of structured programs at Peralta Hacienda, Cesar Chavez and Linden Parks. Mobile programming brings recreation to communities that don't have traditional recreation facilities or large parks.

85. Page 10 of 13 parks and recreation - bottom of page. Which OUSD owned pools would be closed in summer? (Nadel)

A: The proposal reflects discontinuation of city services at OUSD High School Pools at Castlemont and McClymonds. McClymonds community would have access to deFremery Pool, and Castlemont visitors can use Fremont Pool.

86. Will the \$500,000 allocated to each district for teen centers be impacted by cuts? (Nadel)

A: The Mayor's proposed budget does not impact the \$500,000 teen center allocations. This one-time funding was appropriated in FY 2007-08 mostly from redevelopment funds.

87. In light of the proposed shutdown, is there a legal requirement that afterschool childcare programs be kept open? Are these revenue-neutral programs? (Quan)

A: There is no legal requirement to keep the afterschool programs operated by the Office of Parks and Recreation open if a shutdown occurs. Afterschool programs are not budget neutral and generally cost more to operate than participants are charged. Proposed shutdowns also affect Winter Break Camps and the annual Holiday Basketball Tournament, which are revenue generating. In general, General Fund-subsidized programs could be kept open by increases in fees where feasible.

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(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

88. Page 2 of 13 – transfer of 50% of Golf Course Concessions – isn't this money used to maintain golf facilities throughout the city? If yes, has all deferred maintenance been addressed at all golf facilities throughout the City? Do any of our agreements with the current golf concessionaires/contractors require a minimum level of maintenance to be paid for by this fund? Will this transfer of funds impact any of these agreements? Is this proposed transfer indefinite or is there a sunset date for this proposed transfer? (Brooks)

A: The Golf Enterprise Fund is used for capital improvements and not maintenance. Deferred maintenance at the capital level has been addressed at two of the golf courses, and OPR has set aside funds for completion of capital improvement projects at the third (Montclair Golf Course). Agreements with golf concessionaires do not require a minimum amount to be paid from the City's Golf Fund for ongoing maintenance, and the transfer of funds will not impact the agreements. The 50% transfer of concession revenues is an ongoing measure.

Human Services

89. Please identify possible outside funding sources for the senior shuttle proposed for reduction. (Brunner)

A: DHS has attempted to identify other funding sources for this effort. DHS discussed the situation with BACS, the current contract recipient. DHS has also contacted ACTIA to see if there is a possibility of any additional County resources. At this point, no other funding sources appear to be readily available; however, staff will continue researching options.

Public Works

90. Page 12 of 13 - PW Utility Workers - are these the LEOs? If so, this is unacceptable in West Oakland. (Nadel)

A: No, LEOs are funded from the Comprehensive Clean-up Fund (1720).

91. What is the status of implementation of the Work Management System for Public Works? (De La Fuente)

A: Since the contract was signed on February 15, 2008, the Public Works Agency and Department of Information Technology have worked with 14 different work units to translate the work flows from memory and paper into the Cityworks system. Laptop mounts have been installed into 45 vehicles. Public Works supervisors and leaders are in the process (during October) of testing the work flows and configuration. Training and deployment of the first laptops to 45 crews is expected in late October / early November. This is currently dependent upon successfully getting a wireless infrastructure installed. In the first phase, the PWA Call Center will completely switch over from previous system to Cityworks, and the first 45 laptops will be deployed in drainage, illegal dumping removal, park maintenance and tree services. Deployment to Electrical Services (traffic signals, street lights, traffic maintenance), graffiti abatement, buildings, right-of-way management, sewers, streets and sidewalks will follow in the next phase targeted for February/March.

92. What would be the savings if call back pay was reduced to 2.5 hours? (Reid)

A: The current call back pay for Public Works (non-GPF) is for 2.5 hours.

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

93. What specific parks will be closed due to the reduction of park maintenance in the LLAD?

A: The PWA plans to take a three-pronged approach in managing the landscape assets of the City (grounds at City facilities, parks, open space, street medians and parking lots). This will no longer involve fencing off parks.

1. A number of locations will no longer receive routine service. The "soft closure" of these assets will include placement of signage informing the public that the location will no longer receive routine services (as-needed at a "mothball" level) and asking for community commitment to adopt the given location. Potential impact includes 30-40 acres.

2. All landscape assets will have decreased service levels. The current service levels divide the City into 32 Hubs, each are a defined geographic area that are the responsibility of the landscape staff. The number of Hubs will be decreased due to the decrease in staff, therefore giving each crew an increased number of locations to maintain.

3. A transfer of responsibility is proposed for a number of locations. This includes property owned by other public agencies that the City is currently maintaining. In some cases leases have expired and staff is proposing to formally notify the agency that the City will no longer maintain the location, in other cases there are agreements with the Office of Parks and Recreation that will be opened for discussion and a re-allocation of responsibilities. This could impact as much as 80 acres the City is currently maintaining.

94. What are the total revenues currently generated by the Public Works right of way crew? (Brooks)

A: See below for historical data. The revenue listed below is for the Right of Way Management Unit only.

Fund	Description	FY 2005-06		FY 2006 -07		FY 2007-08		FY 2008-09 (P03-09)	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
3100	Sewer Service	2,422,268	1,553,298	2,479,597	1,803,597	1,897,262	1,738,793	2,022,054	304,775

Note that the revenue figures above reflect both actual fees paid as well as receivables in the Oracle system.

95. What is the total number of authorized FTEs in this unit? How many vacancies? What are the historical staffing levels and revenue generation? (Brooks)

A: There are 24 authorized FTEs in the unit. Of the 24, 18 of the FTEs are funded by fund 3100 – Sewer Service Fund, and assigned to utility inspections. The remaining staff works with the sidewalk and street resurfacing programs and review private development projects. There are currently 4 Vacancies in the unit. See the table below for staffing level. Revenue generation is discussed in the previous question.

	FY05-06	FY06-07	FY07-08	FY08-09
Total FTEs	27.00	26.00	29.00	24.00
3100 funded FTEs	18.00	18.00	19.00	18.00
Vacancies	2.00	2.00	3.00	4.00

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

96. How are we capturing billable inspection hours? What is our collection rate? Have any inspection fees been waived in the past 3 years? If so, how much? What is the highest amount waived? (Brooks)

A: Utility inspections are billed at an hourly rate as called for in the Master Fee Schedule. Hours are documented through daily reports and inspection logs that are attached to the invoices sent to the utility companies for reimbursement.

Our collection rate was very low before October 2005. Several factors lead to this, including the bankruptcy of PG&E. Since last year, staff has worked closely with the utility companies to recover past unpaid invoices; which improved the collection rate substantially.

No fees have been waived. However, as noted above, some inspection fees have been disputed by various utilities and remain unpaid pending resolution. This includes fees billed to PG&E during that company's bankruptcy period, which is being reviewed by staff and the City Attorney. Other disputed billings by other utilities are being reviewed on a case-by-case basis.

As noted above, revenue figures reflect the total amount billed, whether actually received or not. Under new protocols, staff no longer relies upon the revenue figures but confirms whether amounts are actually received. Staff now follows up immediately with any unpaid bills.

In addition, staff resolved and collected over \$1,000,000 of unpaid fees from 1998 from the utility companies in the last fiscal year. This work will continue until all remaining disputed billings are resolved.

Approximate remaining unpaid fees for each utility are as follows:

PG&E - \$560,000 which includes approximately \$505,000 accumulated during their bankruptcy

EBMUD - \$369,000.

AT&T - \$83,000.

97. What is staff's analysis of 1021's right of Way Management Revenue analysis? (Brooks)

A. We have not seen any 1021 revenue analysis & are therefore unable to comment on this item.

CEDA

98. What are our options short and long-term with respect to shutting down the coliseum complex? (Nadel)

A: The Oakland-Alameda County Coliseum Authority (JPA) has long-term agreements with the three sports franchises. The agreement with the Golden State Warriors has approximately ten more years, the agreement with the Raiders runs through the 2010 Football season and the agreement with the A's has approximately five years remaining. Even if the JPA was able to terminate these agreements early, the debt service and related obligations of approximately \$22 million per year (split 50/50 between the City and County) would remain until 2026.

RESPONSES TO QUESTIONS FROM COUNCIL

(Please see the Mayor's Sept. 30th Budget Proposal for Attachments and Pages Referenced in Questions)

99. Development Services Fund: (a) What is the current fund balance? (b) Can the fund sustain payment of the owed interest (to the General Purpose Fund) of \$0.3 million? (c) Is the fund balance projected to go down in the current year, due to the slowdown in building activity? (d) What is the plan to mitigate the reduction in the fund balance? (Quan, Chang) With respect to the 2415 fund in CEDA – Is the fund self sustaining? Do we anticipate a reduction in revenues from this fund given the current market conditions? (Brooks)

A: The cash balance in the Development Services Fund (DSF) is currently \$906,000. If the \$351,000 interest payment to the General Purpose Fund is made, cash would drop to \$555,000.

In acknowledgement of the weak economy, CEDA staff has implemented cost savings measures: no new hires; reduction in overtime; reductions in O&M spending; and delays in project implementation. If the value of vacant positions is included, then total savings expected for FY08-09 is \$4.8 million.

However, the worsening economy and the recent financial meltdown have caused expected cash receipts for the Development Service Fund to drop off even further. Millions of dollars in code violation citations will be issued this year, but not collected until the real estate market improves and the property changes hands.

The financial meltdown is virtually without precedent, and thus difficult to forecast. Even with the cost-savings measures mentioned above, the Development Services Fund may end the year with a cash deficit. Currently, staff's projections include year-end revenue receipts of \$31.0 million against actual spending of \$31.9 million. If the economic weakness results in continuing declining of permit and related revenues, additional position reductions will be necessary in this fund in the FY 2009-11 budget cycle.

100. With respect to the 2415 Fund in CEDA -- what functions and projects are they currently working on?

A: A majority of the functions performed by staff within the Development Services Fund (2415) can be categorized in three ways: issuing building permits; inspections arising from issued permits; and code enforcement.

- Issuing of new permits has decreased substantially due to the housing slump and the recent financial meltdown.
- Inspections continue at a strong pace, since they are a product of permits issued when the housing market was stronger (1-3 years ago).
- Code enforcement activities (a product of the blight in Oakland) are also increasing due to continuing problems with blight and the dramatic increase in foreclosed properties.
- In addition, Land Use processing, which involves any and all subdividing, altering of boundaries or other land use issues, continues in spite of the slowing economy.

Recognizing that the Fund's cash flow has slowed, all vacant positions have been frozen.

101. What is the total cost of employee benefits for employees paid by Fund 2415? (Brooks)

A: The FY 2008-09 retirement budget is \$3.3 million; the fringe benefits budget is \$4.9 million. These costs reflect 168.52 budgeted FTEs.