

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Budget Office
DATE: February 16, 2010
RE: Balancing Measures to Address FY 2009-10 Budget shortfalls in the General Purpose Fund (1010), Measure B (Alameda County Transportation Improvement Authority) Fund (2211), and Development Services Fund (2415); and

Resolution Amending The City Of Oakland's FY 2009-10 Adopted Budget, Which Was Amended Pursuant To Resolution No. 82519 C.M.S., To Approve Balancing Measures for the Anticipated FY 2009-10 Shortfalls in the General Purpose Fund, Measure B Fund (Transportation Sales Tax) and Development Services Fund

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2010 FEB - 9 PM 1:57

SUMMARY

This report presents proposed measures to balance projected year-end shortfalls in the General Purpose Fund (\$15.3 million), Measure B – Alameda County Transportation Improvement Fund (\$3.5 million) and the Development Services Fund (\$3.5 million). The proposal reflects the elimination of **64.5 full-time equivalent (FTE)** positions, of which **44.0 FTEs** are filled. Immediate actions are necessary to balance all three funds; delays would only increase the number and size of cuts that must be taken by year-end. *Attachments A, B and C* provide detail of proposed reductions.

General Purpose Fund: On November 17, 2009 and December 17, 2009, special City Council budget sessions were convened to resolve the anticipated FY 2009-10 General Purpose Fund (GPF) deficit. In the fall, the year-end GPF deficit was projected at **\$18.87 million**.

Components of this gap were:

- Revenue shortfall of **\$10.08 million**, mainly due to the State-imposed correction to the “triple flip” portion of the sales tax;
- An additional **\$4.5 million** of budgeted, but not realized, income from the Coliseum ticket surcharge; and
- Overspending of **\$4.29 million**, primarily in the Police Department.

At its December special budget session, the City Council approved balancing measures of **\$8.5 million**, comprised of one-time funding, transfers of eligible appropriations to non-GPF funds and departmental balancing. This left a \$10.4 million deficit to be balanced. At the February 23, 2010 Finance and Management Committee, staff will present the second quarter revenue and

Item: # _____

Special City Council Meeting
February 16, 2010

expenditure analysis, showing a revised year-end deficit projection of **\$15.3 million** (Table 1). Components of the additional deficit are:

- Additional revenue shortfall of **\$3.95 million** anticipated for property, sales and utility consumption taxes, as well as parking revenue, including a one-time prior-year parking citation **pass-through payment** to Alameda County of **\$1.2 million**.
- Extended monitoring contract in OPD in fulfillment of the Negotiated Settlement Agreement of **\$0.7 million** (and \$0.8 million in FY 2010-11).
- Erosion of central services overhead recovery of **\$0.2 million** due to proposed personnel reductions in the Development Services and Measure B funds.

**GENERAL PURPOSE FUND
DELINEATION OF PROJECTED YEAR-END DEFICIT**

	FY 09-10	FY 10-11
Pre-December 17th Budget Deficit	(18.87)	(25.44)
<i>Explanation of Deficit</i>		
<i>Projected revenue shortfall:</i>		
Parking Tax	(0.96)	(0.96)
Other General Tax revenues (PTAX, STAX, TOT, Interest)	(9.12)	(6.12)
Additional spending reduction or revenue enhancement (adopted as part of July 28th budget amendment)	-	(3.20)
Doubtful collection of entertainment surcharge	(4.50)	(9.00)
<i>Projected over-spending:</i>		
Police management reductions net of Police overspending	(3.00)	(4.20)
Other Departments	(1.29)	(1.96)
 Balancing Measures Approved by Council on December 17, 2009		
Use of unspent insurance proceeds	3.20	-
Use of unspent COPs	0.90	-
Use of TRAN savings	1.00	-
Use of Non-GPF fund balances	2.84	-
Departmental balancing	0.50	-
Subtotal	8.44	-
Post-December 17th Budget Deficit	(10.43)	(25.44)
Additional Anticipated Shortfalls		
Additional revenue shortfall (Property, sales, parking and utility consumption), offset by one-time real estate transfer gain	(2.75)	(3.85)
Parking meter hours roll-back		(0.33)
Parking citation pass-through payment to Alameda County - prior year	(1.20)	-
Set aside necessary for the new NSA monitoring contract	(0.70)	(0.80)
Net additional cost of Police academies (participation in Alameda County Sheriff's academy)	-	(0.47)
Increase in PERS retirement rate (for Civilian and Sworn employees)	-	(0.80)
Increase in Self-Insurance Liability cost based on the Phoenix Model analysis		(0.56)
Additional loss in central services overhead recovery due to vacancies and reduced revenues in non-general funds (mainly Development Services and Measure B Funds)	(0.18)	(0.47)
Subtotal	(4.83)	(7.28)
February 16, 2010 Anticipated Budget Deficit	\$ (15.26)	\$ (32.72)

This report contains GPF **balancing proposals** for FY 2009-10 totaling **\$15.3 million** to address this projected year-end deficit, summarized generally below:

- Sale of assets (\$12.3 million)
- Use of one-time funds (\$1.9 million)
- Staff reductions (\$0.64 million and 20.0 FTES) and transfers (\$0.08 million and 9.0 PT staff)
- One-time revenue from new parking contract (\$0.5 million)

Preliminary budget balancing ideas are also presented for FY 2010-11 for reference. Staff will present a complete budget balancing proposal for FY 2010-11 during the Midcycle budget review.

Staff requests City Council direction and action on the following:

- A. FY 2009-10 General Purpose Fund balancing measures presented in Exhibit A of the attached legislation.
- B. Declare a fiscal emergency to use one-time funds to balance the anticipated **\$15.3 million** shortfall in the General Purpose Fund in FY 2009-10 (an action required by the City's financial policy, ordinance 12946 C.M.S.), AND declare such one-time General Purpose Funds restricted to be used only for balancing said shortfall.

Measure B Fund: Due to lower than anticipated sales tax revenues, staff projects a FY 2009-10 shortfall of approximately **\$3.5 million** in the Measure B – Alameda County Transportation Improvement Authority Fund (2211). **Exhibit B** of the attached resolution presents proposed balancing measures to avert the projected deficit. These measures will result in the elimination of 13.00 FTE, of which two are filled, and shifting 4.05 FTE to capital projects supported by other funds.

Development Services Fund: Continued weakness in the residential and commercial construction sectors of the economy have led to anemic revenues to the City's Development Services Fund (2415). Staff projects a **\$3.5 million** shortfall by year-end, unless action is taken now to reduce spending. **Exhibit C** of the attached resolution presents proposed balancing measures to avert the projected deficit. These measures will result in the gross elimination of 31.5 FTE, of which 24 FTEs are filled (6.0 new FTEs are proposed to be added).

FISCAL IMPACT

The total value of the fiscal challenges facing the City's **General Purpose Fund** is currently estimated at **\$15.3 million** in FY 2009-10 and **\$32.7 million** in FY 2010-11. Staff has presented

Item: # _____

Special City Council Meeting
February 16, 2010

balancing options for the current fiscal year (Exhibit A), along with preliminary ideas for balancing next fiscal year.

In the **Measure B Fund**, staff projects a **\$3.5 million** deficit by year end, due to weakened sales tax revenues. Revenues are anticipated to reach \$7.3 million in FY 2009-10 – a thirteen percent decrease compared to FY 2008-09. This projection is also consistent with ACTIA’s (Alameda County Transportation Improvement Authority) projection, which was most recently communicated to staff in November 2009. The adopted budget totals \$10.8 million

Staff projects a **\$3.5 million** deficit in the **Development Services Fund** by year end, driven by continuing weakness in the residential and commercial real estate sectors. Revenues are anticipated to reach \$22.8 million in FY 2009-10, compared to budget of \$27.6 million. If no action is taken to reduce expenditures, spending could reach \$26.2 million by year-end. The proposed balancing plan eliminates \$1 million of the anticipated current-year shortfall. However, if approved, this plan is expected to provide an operating surplus for FY 2010-11 (\$1.25 million). A summary of the budget and FTEs for FY 2010-11 (including proposed reductions) is provided in *Exhibit C* of the resolution.

DISCUSSION

GENERAL PURPOSE FUND

Proposed Balancing Measures for FY 2009-10

The overriding theme of the November 17th and December 17th budget balancing staff proposals was that the current year deficit could not be resolved by programmatic spending reductions. Most of the GPF goes to funding Police, Fire, and paying debt service from prior year borrowings. In addition, GPF mandates from Measure Y and other local measures – notably, Kids First and Measure Q for Library services – severely constrain budget flexibility. As illustrated in the December 17th report, of the **\$421 million** GPF budget, \$369 million (or 88%) is virtually untouchable, leaving only \$51.5 million available for most basic programs and services such as parks, recreation and senior services. By comparison, four years ago in FY 2005-06, \$92.3 million of GPF appropriation remained for these same items.

Exhibit A (attached to the legislation) presents the proposed balancing measures to address the current-year fiscal challenges; these measures are also summarized below. The following categories of measures are proposed: *sale of assets* (\$12.3 million); *use of one-time funds* (\$1.9 million); *staff reductions* (\$0.6 million and 20.0 FTES, of which 18 FTES are filled) and *transfers* (\$0.08 million and 9.0 PT Police Cadets); and *new revenue* (\$0.5 million). Selling assets to bridge a structural deficit and in a down-real estate market is not good policy. Nonetheless, there are limited options for addressing the deficit. On the upside, where possible, staff proposes that blighted properties be sold to the Redevelopment Agency to hold for resale when the real estate market regains strength. Further, selling today may allow the City to off-load non-productive assets that drain City resources.

Item: # _____

Special City Council Meeting
February 16, 2010

Proposed General Purpose Fund Balancing Measures		
in \$ millions		
	FY 09-10	FY 10-11
Total of Fiscal Challenges to Address	\$ (15.26)	\$ (32.72)
Sale of Assets	12.25	12.00
Use of One-Time Funds	1.87	0.74
Position Changes:		
Reductions	0.64	2.19
Transfers	0.08	0.27
Program reductions	-	0.93
Grant reduction	-	2.44
New revenue	0.50	17.07
Total Surplus/(Deficit)	\$ 0.07	\$ 2.93

The proposed balancing measures are as follows:

Citywide/Non-Departmental: reductions include cancellation of unneeded or duplicative carryforward project balances, and transfers of eligible GPF appropriation to non-GPF sources where available. In addition, sale of City assets to both the Redevelopment Agency as well as prospective external parties is proposed. Staff has been working assiduously over these past several months on identifying and preparing assets for sale. While staff is hopeful that proposed asset sales will occur in the current fiscal year, these might not have happened (e.g. Medical Hill garage). At this point in the fiscal year, action must be taken now to ensure that proceeds from the sale of assets could be recognized in FY 2009-10 and thus, available for balancing in the current year.

City Agencies

- **City Attorney:** general reduction of 15% of GPF appropriation or \$0.22 million. This reduction reflects 5.0 FTEs.
- **Information Technology:** eliminations of 2.0 FTE Microcomputer Systems Specialist I and 1.0 FTE Microcomputer Systems Specialist III.
- **Finance and Management:** elimination of 1.0 FTE Revenue Assistant.
- **Personnel Resource Management:** elimination of 1.0 FTE Administrative Analyst II.
- **Police:** restructuring of personnel management (\$0.03 million) and elimination of the abandoned auto detail program (\$0.16 million).

- **Fire:** transfer a total of \$0.6 million of eligible GPF appropriations to the Metropolitan Medical Response System, Emergency Medical Services Retention Act (Measure M; 2412) and Paramedic Services Act (Measure N; 2250) funds.
- **Parks and Recreation:** shift uncommitted balances from the Golf Fund to the GPF.
- **Human Services:** elimination of the remaining Homeless Mobile Outreach/California Hotel grant. Elimination of the remaining grant reduces outreach from five to two days per week. This grant is part of the PATH program to conduct outreach to encourage homeless people in work activities and access to housing.

Information Regarding Whistleblower Program Carryforward Balances in the City Auditor's Office

Questions were asked by Council members regarding prior year carryforward funding related to the Whistleblower Program in the City Auditor's Office. The facts are as follows: The City Council funded the program for two years, in FY 2008-09 and FY 2009-10, at \$250,000 per year. However, because the program began late in the first year (FY 2008-09), only \$40,000 was expended in that year, and \$210,000 in unused funding carried over. The auditor plans to use this money in FY 2010-11 in order to carry the program for a total of 24 consecutive months. If the \$210,000 carryforward funding is taken away, the program would end by July 2010. However, because the Auditor's Office is exercising fiscal prudence in managing the program and currently not spending the \$100,000 set aside for special investigations, this savings amount will likely be available for a one-time reduction. The impact of such a reduction would be a very limited flexibility within the program for any follow up or investigative work. The City Administrator's Office has not included this possible savings amount in the proposed budget balancing and does not provide a recommendation on it since it involves a policy decision regarding the scope of a program approved by the City Council.

Preliminary Balancing Ideas for FY 2010-11

For FY 2010-11, **\$35.7 million** in asset sales; new revenues (special tax levies and temporary tax increases); grant reductions and eliminations; and additional staff reductions and transfers would be necessary to balance next year's anticipated deficit. *Attachment A* details these preliminary ideas.

- *Ballot measures* to raise additional revenues are simply unavoidable. We can not solve the current fiscal crisis with one-time measures and program cuts alone, unless significant reductions to public safety are made. The possible ballot measures listed in the attachment could generate up to **\$12.6 million** in new revenues as soon as FY 2010-11, depending on the alternative forwarded to voters by the City Council. The City Council could approve any or all of these measures for placement on the ballot. These measures could include (a) public safety parcel tax; (b) a temporary transactions and use tax; and (c) temporary utility consumption tax. City resolutions placing these new measures on the June 2010 ballot would need to be adopted no

Item: # _____

Special City Council Meeting
February 16, 2010

later than March 2, 2010 and filed with the Alameda County Registrar of Voters by March 12, 2010 in order for the City to collect revenue during FY 2010-11.

- *Sale of the Kaiser Convention Center* could generate **\$10 million** on a one-time basis.
- *New revenue guaranteed from parking citation management contract* of **\$2.7 million** is anticipated from the contractor recommended by staff. Staff also anticipates one-time revenue to be \$0.5 million in FY 2009-10.
- *Leasing City property for installation of cell phone towers* could also net the City additional revenue. Over the years, various mobile phone companies have expressed interest in leasing City property for the installation of cell phone transmission towers. The Real Estate Division of CEDA has been exploring the feasibility of pursuing such leases.
- *Monetizing City-owned garages* could generate significant upfront revenue to the City. Public assets capable of generating revenues in excess of maintenance and operation costs could be of interest to investors seeking a long-term income stream. Coupled with local government's need to balance their budgets, monetizing City-owned garages could be used as a financial strategy aimed to reduce long-term volatility and fiscal uncertainty. Staff is researching the feasibility of monetizing the City garages.

MEASURE B FUND

The Public Works and Community and Economic Development Agencies are the primary users of the Measure B Fund. Both agencies have submitted balancing proposals to balance this fund (see *Attachment B*).

**Table 2:
Summary of Proposed Measure B Budget Reductions**

FY 2009-10	Adopted Budget			Authorized	
	Adopted Budget	Reduction	%	FTEs	FTE Reduction
City Administrator - ADA Program*	97,500	-	0%	0.70	-
CEDA - Engineering & Construction **	1,984,830	600,000	30%	5.95	4.00
CEDA - Capital Improvement Projects **	5,775,020	1,260,020	22%	6.49	1.05
Public Works Agency	2,983,620	1,523,797	51%	29.32	12.00
Total	10,840,970	3,383,817	31%	42.46	17.05

*This position not proposed for reduction.
** 4.05 FTE will be shifted to other funds/projects.

Community and Economic Development Agency (CEDA)

- **Department of Engineering & Construction (DEC)** anticipates saving approximately \$0.60 million by year-end in non-project personnel costs, which is equivalent to 4.0 full time equivalents (FTEs). These savings will be achieved for FY

Item: # _____

Special City Council Meeting
February 16, 2010

2009-10 in three ways: 1) eliminate 1.0 FTE; 2) freeze one vacant position; and 3) shift costs of 2.0 FTE to capital projects supported by other funds.

- **Capital Improvement Project (DEC)** reduction proposals include suspending three capital programs until revenues return to levels adequate to support these projects. These include funds to repair and rehabilitate stairs and paths throughout the City (\$0.40 million each year), traffic signal modernization (\$0.33 million each year), and funding for one new traffic signal (\$0.33 million each year). FY 2009-10 includes the elimination of funding for hazard elimination for one year only (\$0.20 million). Additional reductions will be implemented for FY 2010-11 including the elimination of bridge maintenance (\$0.50 million) and the reduction of grant matching funds (\$0.35 million) for one year only. In most cases, there are existing appropriations funded from prior years' revenue (carryforward funds) that will help mitigate or continue these programs despite the loss of new funding. However, the reduction in available funding to match federal grants could result in the inability to obtain these grants in the near future. These capital project reductions include funding for approximately 1.05 and 1.30 FTEs for FY 2009-10 and FY 2010-11, respectively. No positions are actually proposed for elimination, as their time will be charged to other funds/capital projects. It is expected that these programs would be restored as the fund revenues return to previous levels.

Public Works Agency (PWA)

- **Street Light and Traffic Signal Maintenance Program.** Street light maintenance and traffic signal maintenance would be reduced by 5.00 FTE. All of these positions are currently vacant though personnel requisitions have been submitted. These position eliminations equal 20% of the Electrical Services staffing levels. The service impacts may include increased claims, accidents and other negative exposure to the City.
- **Traffic Signs and Markings Program.** Traffic signs and street marking maintenance will be reduced by 2.0 FTE (filled) in addition to funding in the Capital Improvement Program budget for retroreflective street name signs. The service impacts include delayed response to traffic delineation assignments and may create an increased liability for the City with respect to traffic accidents.
- **Street and Sidewalk Maintenance Program.** Street and sidewalk maintenance will be reduced by 5.0 FTE. All of these positions are currently vacant. These position reductions reduce the number of concrete grinding crews from three to one for the entire city.

Item: # _____

Special City Council Meeting
February 16, 2010

DEVELOPMENT SERVICES FUND

The Community and Economic Development Agency manages the Development Services Fund. License and permit revenue from residential and commercial construction is deposited in this fund; proceeds are used to fund planning and zoning and building services functions in the City. A total reduction of **\$1.1 million** is proposed for FY 2009-10, affecting both functions (see *Attachment C*).

**Table 3
Development Services Fund Shortfall**

Development Service Fund (2415) (in millions)	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Adopted Budget	Projected Year-EndBudget	Adopted Budget	Projected Year-End
Revenues	\$27.65	\$22.78	\$26.51	\$22.78
Expenditures				
Personnel & Overhead	\$23.20	\$22.29	\$22.15	\$22.15
Operations & Maintenance	\$4.44	\$3.95	\$4.09	\$4.09
TOTAL	\$27.64	\$26.24	\$26.24	\$26.24
OPERATING DEFICIT		(\$3.46)		(\$3.46)
Savings From Net Reduction of 25.50 FTEs (24 FTE Filled, 7.50 FTE Vacant, 6 FTE New) *		(\$1.14)		(\$4.50)

* Savings for filled positions assumed beginning March 2010

- **The planning and zoning programs** within the DSF are proposing staff reductions totaling **\$0.46 million** in the DSF Fund (2415) in the current year and **\$0.1 million** in ORA Fund (7780). (Savings from this proposal would generate \$1.55 million in FY 2010-11; this proposal will be re-presented during the FY 2010-11 midcycle budget review in the spring.) This is approximately 30 percent of the total planning and zoning budget. The proposed reductions would result in a net reduction of six FTEs or 15 percent of the current 40 FTEs; this includes eliminating 11.0 FTEs and adding 5.0 new FTEs in a different classification to minimize service disruption. All but one of the 11.0 FTEs are filled. Core functions of this program include: processing development applications; processing of CEQA documents, including review in support of the development applications and answering inquiries on zoning regulations from the public; maintaining and updating zoning regulations; updating and amending General Plan elements; and project management of specific planning efforts underway.
- The proposed staff reductions will impact the delivery of these core functions by slowing the processing of development applications, CEQA documents and zoning

- updates. However, staff has worked to minimize the impacts by keeping FTE reductions to the minimum necessary to meet budget reduction targets.
- In addition, one revenue enhancing measure is proposed. Staff is proposing a fee to recover the staff time required to process NEPA reviews required by all projects seeking to obtain Federal funding. The City does not currently charge a fee for the staff time spent processing NEPA documents and the amount and scope of these reviews has greatly increased in the past year. Staff will present proposed revisions to the Master Fee Schedule during the FY 2010-11 midcycle budget review.
 - **The building services program** is proposing a 20 percent staffing reduction saving **\$0.68 million**; this reflects elimination of 20.5 FTEs, including 14.0 filled FTEs and adding 1.0 FTE. Its core functions of permitting and inspecting ensure that building and infrastructure construction conform to the California Model Building Codes and the Oakland Planning Code, and that building and property maintenance conform to the Oakland Municipal Code. The reductions will be marginally mitigated by the reduced activity in private development, but will exacerbate the division's ability to manage increasing code enforcement expectations. The net impact will be an increase in the processing time for permits and response time for inspections and decrease the potential for code enforcement revenue.

SUSTAINABLE OPPORTUNITIES

There are no direct sustainable opportunities associated with this report.

DISABILITY AND SENIOR ACCESS

There are no direct disability and senior access opportunities associated with this report.

RECOMMENDATIONS

Staff requests City Council direction and possible action on the following:

1. FY 2009-10* General Purpose Fund balancing measures presented in **Exhibit A** of the attached legislation.
2. FY 2009-10* Measure B balancing measures presented in **Exhibit B** of the attached legislation.
3. FY 2009-10* Development Services Fund balancing measures presented in **Exhibit C** of the attached legislation.

** Note: Staff will re-submit to the City Council proposed measures for balancing the FY 2010-11 anticipated GPF shortfall as part of the midcycle budget review.*

4. Declare a fiscal emergency to use one-time funds to balance the anticipated \$15.3 million shortfall in the General Purpose Fund in FY 2009-10 (an action required by the City's

Item: **#** _____

Special City Council Meeting
February 16, 2010

Dan Lindheim

RE: Further Action on the Mid-Year Review of FY 2009-10 Financials for the General Purpose, Measure B and Development Services Funds and Proposed Balancing Measures

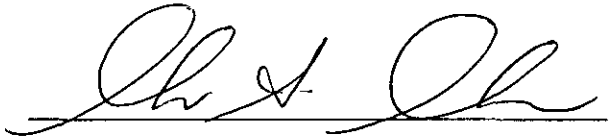
Page 11

financial policy, ordinance 12946 C.M.S.), AND declare such one-time General Purpose Funds restricted to be used only for balancing said shortfall.



CHERYL L. TAYLOR
Director, Budget Office

APPROVED FOR FORWARDING TO THE
CITY COUNCIL



Office of the City Administrator

- Attachment A:** Proposed General Purpose Fund Balancing Measures for FY 2009-11
- Attachment B:** Measure B – Alameda County Transportation Improvement Authority (ACTIA) Fund Background
- Attachment C:** Development Services Fund Background

Item: # _____

Special City Council Meeting
February 16, 2010

**GENERAL PURPOSE FUND
DELINEATION OF PROJECTED YEAR-END DEFICIT**

	FY 09-10	FY 10-11
Pre-December 17th Budget Deficit	(18.87)	(25.44)
<i>Explanation of Deficit</i>		
Projected revenue shortfall:		
Parking Tax	(0.96)	(0.96)
Other General Tax revenues (PTAX, STAX, TOT, Interest)	(9.12)	(6.12)
Additional spending reduction or revenue enhancement (adopted as part of July 28th budget amendment)	-	(3.20)
Doubtful collection of entertainment surcharge	(4.50)	(9.00)
Projected over-spending:		
Police management reductions net of Police overspending	(3.00)	(4.20)
Other Departments	(1.29)	(1.96)
Balancing Measures Approved by Council on December 17, 2009		
Use of unspent insurance proceeds	3.20	-
Use of unspent COPs	0.90	-
Use of TRAN savings	1.00	-
Use of Non-GPF fund balances	2.84	-
Departmental balancing	0.50	-
Subtotal	8.44	-
Post-December 17th Budget Deficit	(10.43)	(25.44)
Additional Anticipated Shortfalls		
Additional revenue shortfall (Property, sales, parking and utility consumption), offset by one-time real estate transfer gain	(2.75)	(3.85)
Parking meter hours roll-back		(0.33)
Parking citation pass-through payment to Alameda County - prior year	(1.20)	-
Set aside necessary for the new NSA monitoring contract	(0.70)	(0.80)
Net additional cost of Police academies (participation in Alameda County Sheriff's academy)	-	(0.47)
Increase in PERS retirement rate (for Civilian and Sworn employees)	-	(0.80)
Increase in Self-Insurance Liability cost based on the Phoenix Model analysis		(0.56)
Additional loss in central services overhead recovery due to vacancies and reduced revenues in non-general funds (mainly Development Services and Measure B Funds)	(0.18)	(0.47)
Subtotal	(4.83)	(7.28)
February 16, 2010 Anticipated Budget Deficit	\$ (15.26)	\$ (32.72)

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs		Prorated FY 09-10	Full Year FY 10-11	Impacts
	Filled	Vac			
Citywide/Non-Departmental					
<i>Eliminate or reduce grants and subsidies:</i>					
Vietnamese Senior Services				0.05	Action would zero out grant.
Chabot Space & Science Subsidy				0.30	Action would zero out grant.
Chabot Science Center				0.18	Action would zero out grant.
Cypress-Mandela Training Center				0.22	Action would zero out grant.
Hacienda Peralta				0.14	Action would zero out grant.
Oakland Asian Cultural Center				0.08	Action would zero out grant.
School of the Arts				0.14	Action would zero out grant.
Symphony in the Schools Program				0.08	Action would zero out grant.
Women's Business Initiative				0.12	Action would zero out grant.
Day Laborer Program				0.16	Action would zero out grant.
Art Grants				0.49	Represents 50% reduction
Zoo subsidy				0.20	Represents 25% reduction
Jack London Aquatic Center project				0.13	Action would zero out grant.
Human Services -- Academies Program				0.15	Action would zero out grant.
Subtotal	-	-		\$ 2.44	
<i>Cancel carryforward:</i>					
FEMA grant match					
Head Start waiver (FY 07-08 and FY 08-09)					Prior years' waivers; not needed
Subtotal	-	-		\$ -	
<i>Sale of Assets</i>					
Lease of Scotlan to ORA/Central District or Sale of Other Facilities (\$2 mill / year); repayment of Oak Center debt (\$1 mill / year 1 only)				2.00	This would leave no funds for a loan to the CityWalk developer and purchase of the Valdez property site
Sale of Alta Bates Garage OR sale of City properties to ORA					Reflects the \$5 mill appraised value less closing costs
Sale of City property to ORA/Coliseum					Represents City's interest in the Malibu site.
Sale of Coliseum tract to ORA					
Sale of Grandview Lots					
Sale of City properties to ORA - various areas					TBD
Sale of Henry J. Kaiser Convention Center				10.00	
Subtotal	-	-		\$ 12.00	
<i>New revenues and Other financing</i>					
Guaranteed new parking citation contract revenue				2.70	Reflects revenue guaranteed by the contractor recommended by staff for the parking citation management contract
Proceeds from sale of billboard space				1.00	One-time proceeds from sale of billboard space, along with \$0.4 million per year is anticipated from arrangement with Clear Channel Inc.
Subtotal	-	-		\$ 3.70	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Full Year FY 10-11	Impacts
	Filled	Vac	Total			
<i>Possible Ballot Measure Alternatives - Requires Council action by March 2, 2010 for the June 2010 ballot; action by early August 2010 for the Nov 2010 ballot</i>						
Public Safety parcel tax					12.60	Special tax levy requires 2/3 vote of electorate; must be placed on ballot by March 2, 2010 on the June 2010 ballot for collection during FY 10-11. Single family residential parcel assessment would be approximately \$90 annually, or \$7.50 per month.
Transactions and Use Tax -- proceeds to be set aside for public safety and prevention programs					3.29	Temporary 1/4 cent sales tax increase. Requires 2/3 voter approval if earmarked for a special purpose. *NOTE: This option not reflected in subtotals or grand total.
Utility Consumption Tax -- temporary 0.5% increase and possible expansion to other utilities*					2.60	General tax requires a majority affirmative ("yes") vote for approval. *NOTE: This option not reflected in subtotals or grand total.
Subtotal	-	-	-	\$	12.60	
<i>Other Savings for Further Research</i>						
Cell phone tower leasing					TBD	Over the years there have been various cell phone providers who have expressed interest in leasing City property for the installation of cell phone transmission towers. The Real Estate Division of CEDA has been exploring the feasibility of pursuing such leasing.
Monetizing City garages					TBD	Monetizing garages could generate significant upfront revenue to the City. Public assets capable of generating revenues in excess of maintenance and operation costs could be of interest to investors seeking a long-term income stream. Staff is researching the feasibility of monetizing the City garages.
Subtotal	-	-	-	\$	-	
Citywide/Non-Departmental Subtotal				\$	30.74	
City Attorney						
Position reductions	5.00		5.00		0.75	
Subtotal	5.00	-	5.00	\$	0.75	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Full Year FY 10-11	Impacts
	Filled	Vac	Total			
Contracting and Purchasing						
Revenue increases through fees, recoverables, fines					0.04	Revenue increase activities: fee for certification (\$.03); fee for plans-specs (\$.02); fee registration iSupplies (\$.02); fee increase LCP tracker usage (\$.01); non-compliance violations fine (\$.01); ARRA Reveune (\$.09); department revenue (\$.05)
Subtotal	-	-	-	\$	0.04	
Information Technology						
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	0.10	There would be significant delay in replacing and or troubleshooting damaged software or hardware for computer equipment citywide. Documentation of computer equipment inventory would be affected as well.
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	0.10	There would be a significant and severe delay in the response to failures on systems used by the Libraries and the Museum which would negatively impact downtime. There would also be significant delay in computer replacements and on troubleshooting damaged computer equipment.
Delete Microcomputer Systems Specialist III	1.00		1.00	0.04	0.14	There would be significant delay on the response to network related issues. Daily logs would not be monitored as frequent as they should be, possibly on a weekly rotation. Coordination of network services related to relocation of staff and office rearrangements would be delayed significantly as well.
Subtotal	3.00	-	3.00	\$	0.34	
Finance and Management						
Eliminate Revenue Assistant	1.00		1.00	0.02	0.08	Slowdown in collections
Subtotal	1.00	-	1.00	\$	0.08	
Personnel Resource Management						
Eliminate Admin Analyst II		1.00	1.00	0.03	0.10	Loss of bill-paying, payroll, other fiscal functions
Subtotal	-	1.00	1.00	\$	0.10	
Police Services						
Restructure Personnel Management						
Eliminate Admin Analyst II		1.00	1.00	0.03	0.09	
Eliminate Abandoned Auto Detail						
Eliminate Police Service Technicians	7.00		7.00	0.16	0.54	Eliminating Abandoned Auto Detail may result in a loss of \$115K of revenue.
Other						

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY/09-10	Full Year FY 10-11	Impacts
	Filled	Vac	Total			
Eliminate Rangers	2.00		2.00		0.28	
Transfer Cadet Program to Asset Forfeiture fund	9.00		9.00		0.27	
Subtotal	18.00	1.00	19.00		\$ 1.19	
Fire Services						
Utilize one-time Metropolitan Medical Response System Funds					-	
Utilize balance of funds from Measure N					-	
Utilize balance of funds from Alameda County for Emergency Medical Dispatch					-	
SAFER Grant for 3 Firefighters					0.49	
Stricter False Alarm Enforcement Revenue					0.24	
Subtotal					\$0.73	
Museum						
Debt service shift					0.60	Museum would partially cover debt service that totals \$3.7 million/year.
Subtotal					\$0.60	
Library						
Utilize available Measure Q fund balance					0.54	Initial analysis shows adequate fund balance remaining for FY 10-11
Subtotal					\$0.54	
Parks and Recreation						
Transfer revenues to GPF from Golf Fund					0.20	Added revenue from Lake Chabot & Montclair Courses
Subtotal					\$0.20	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY/09-10	Full Year FY 10-11	Impacts
	Filled	Vac	Total			
Human Services						
Eliminate Linkages Grant Match					0.19	State grant funding of \$200k annually is proposed for elimination in FY 10-11 as part of State budget balancing. Elimination of the local grant match would terminate base program services for adults with disabilities, which currently serves approximately 372 clients. With City GPF funding the program could continue serving a base number of clients.
Eliminate Homeless Mobile Outreach/California Hotel grant match					0.14	Reduces outreach efforts by 2 (two) days from the current 5 (five) days. Currently part of PATH program to do outreach to encourage and engage homeless people in work activities and access to housing. Would need 30 days notice to modify the contract.
<i>Subtotal</i>	-	-	-	\$0.00	\$0.33	
TOTAL SOLUTIONS	27.00	2.00	29.00	15.33	35.64	
Subtotal surplus/(deficit)				0.07	2.93	

Attachment B: Measure B – Alameda County Transportation Improvement Authority (ACTIA) Fund Balancing Measures

Measure B, Alameda County's half-cent transportation sales tax, was originally approved in 1986. Voters reauthorized the half-cent sales tax in November 2000 with 81.5% support. The County distributes 60% of revenues to local agencies using a formula based on population and road miles in each city.

Prior to FY 2008-09, annual revenue receipts for Measure B were close to \$10 million per year, so for FY 2009-10, a \$9 million revenue budget was adopted, which reflected an anticipated drop in sales tax revenue. Unfortunately, the revenue has experienced an even larger hit than expected, and a \$3.5 million annual gap will be an ongoing problem if no action is taken.

Staff is proposing the following balancing measures:

Summary of Proposed Measure B Budget Reductions

FY 2009-10	Adopted Budget	Reduction	%	Authorized FTEs	FTE Reduction
City Administrator - ADA Program*	97,500	-	0%	0.70	-
CEDA - Engineering & Construction **	1,984,830	600,000	30%	5.95	4.00
CEDA - Capital Improvement Projects **	5,775,020	1,260,020	22%	6.49	1.05
Public Works Agency	2,983,620	1,523,797	51%	29.32	12.00
Total	10,840,970	3,383,817	31%	42.46	17.05

*This position not proposed for reduction.
** 4.05 FTE will be shifted to other funds/projects.

Community and Economic Development Agency (CEDA)

- **Department of Engineering & Construction (DEC)** anticipates saving approximately \$0.60 million by year-end in non-project personnel costs, which is equivalent to 4.0 full time equivalents (FTEs). These savings will be achieved for FY 2009-10 in three ways: 1) eliminate 1.0 FTE; 2) freeze one vacant position; and 3) shift costs of 2.0 FTE to capital projects supported by other funds.
- **Capital Improvement Project (DEC)** reduction proposals include suspending three capital programs until revenues return to levels adequate to support these projects. These include funds to repair and rehabilitate stairs and paths throughout the City (\$0.40 million each year), traffic signal modernization (\$0.33 million each year), and funding for one new traffic signal (\$0.33 million each year). FY 2009-10 includes the elimination of funding for hazard elimination for one year only (\$0.20 million).

Additional reductions will be implemented for FY 2010-11 including the elimination of bridge maintenance (\$0.50 million) and the reduction of grant matching funds (\$0.35 million) for one year only. In most cases, there are existing appropriations funded from prior years' revenue (carryforward funds) that will help mitigate or continue these programs despite the loss of new funding. However, the reduction in available funding to match federal grants could result in the inability to obtain these grants in the near future. These capital project reductions include funding for approximately 1.05 and 1.30 FTEs for FY 2009-10 and FY 2010-11, respectively. No positions are actually proposed for elimination, as their time will be charged to other funds/capital projects. It is expected that these programs would be restored as the fund revenues return to previous levels.

Public Works Agency (PWA)

- **Street Light and Traffic Signal Maintenance Program.** Street light maintenance and traffic signal maintenance would be reduced by 5.00 FTE. All of these positions are currently vacant though personnel requisitions have been submitted. These position eliminations equal 20% of the Electrical Services staffing levels. The service impacts may include increased claims, accidents and other negative exposure to the City.
- **Traffic Signs and Markings Program.** Traffic signs and street marking maintenance will be reduced by 2.0 FTE (filled) in addition to funding in the Capital Improvement Program budget for retroreflective street name signs. The service impacts include delayed response to traffic delineation assignments and may create an increased liability for the City with respect to traffic accidents.
- **Street and Sidewalk Maintenance Program.** Street and sidewalk maintenance will be reduced by 5.0 FTE. All of these positions are currently vacant. These position reductions reduce the number of concrete grinding crews from three to one for the entire city.

Attachment C: Development Services Fund Balancing Measures

The Development Services Fund (DSF) is supported by various building, planning and construction related permit fees, as well as code enforcement fees. Over the past few years, revenue that supports the DSF has been declining due to a poor overall economy and the drop in the private building industry. Currently, private development continues to stall and new planning applications (the first step in the development process) have decreased by 40 percent (calendar year 2009 compared to 2008). As a result, financial health of the fund has been greatly impacted.

Staff is proposing a total budget reduction of \$1.1 million for FY 2009-10, as detailed below.

Development Services Fund Shortfall and Balancing Measures

Development Service Fund (2415) (in millions)	FY 2009-10 Adopted Budget	FY 2009-10 Projected Year-End	FY 2010-11 Adopted Budget	FY 2010-11 Projected Year-End
Revenues	\$27.65	\$22.78	\$26.51	\$22.78
Expenditures				
Personnel & Overhead	\$23.20	\$22.29	\$22.15	\$22.15
Operations & Maintenance	\$4.44	\$3.95	\$4.09	\$4.09
TOTAL	\$27.64	\$26.24	\$26.24	\$26.24
OPERATING DEFICIT		(\$3.46)		(\$3.46)
Savings From Net Reduction of 25.50 FTEs (24 FTE Filled, 7.50 FTE Vacant, 6 FTE New) *		(\$1.14)		(\$4.50)

* Savings for filled positions assumed beginning March 2010

- **The planning and zoning programs** within the DSF are proposing staff reductions totaling **\$0.46 million** in the DSF Fund (2415) in the current year and **\$0.1 million** in ORA Fund (7780). (Savings from this proposal would generate \$1.55 million in FY 2010-11; this proposal will be re-presented during the FY 2010-11 midcycle budget review in the spring.) This is approximately 30 percent of the total planning and zoning budget. The proposed reductions would eliminate 11.0 FTEs, but add 5.0 FTEs in new classifications, resulting in a net reduction of six FTEs, or 15 percent of the current 40 FTEs, to minimize disruption of service delivery. (All but one of the 11.0 FTEs are filled.) Core functions of this program include: processing development applications; processing of CEQA documents, including review in support of the development applications and answering inquiries on zoning regulations from the public; maintaining and updating zoning regulations; updating

and amending General Plan elements; and project management of specific planning efforts underway.

- The proposed staff reductions will impact the delivery of these core functions by slowing the processing of development applications, CEQA documents and zoning updates. However, staff has worked to minimize the impacts by keeping FTE reductions to the minimum necessary to meet budget reduction targets.
- In addition, one revenue enhancing measure is proposed. Staff is proposing a fee to recover the staff time required to process NEPA reviews required by all projects seeking to obtain Federal funding. The City does not currently charge a fee for the staff time spent processing NEPA documents and the amount and scope of these reviews has greatly increased in the past year. Staff will present proposed revisions to the Master Fee Schedule during the FY 2010-11 midcycle budget review.
- **The building services program** is proposing a 20 percent staffing reduction saving **\$0.68 million**; this reflects elimination of 20.5 FTEs, including 14.0 filled FTEs and adding 1.0 FTE. Its core functions of permitting and inspecting ensure that building and infrastructure construction conform to the California Model Building Codes and the Oakland Planning Code, and that building and property maintenance conform to the Oakland Municipal Code. The reductions will be marginally mitigated by the reduced activity in private development, but will exacerbate the division's ability to manage increasing code enforcement expectations. The net impact will be an increase in the processing time for permits and response time for inspections and decrease the potential for code enforcement revenue.

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2010 FEB -9 PM 1:16

Approved as to Form and Legality

OAKLAND CITY COUNCIL


City Attorney

RESOLUTION NO. _____ C.M.S.

RESOLUTION AMENDING THE CITY OF OAKLAND'S FISCAL YEAR ("FY") 2009-10 ADOPTED BUDGET, WHICH WAS AMENDED PURSUANT TO RESOLUTION NO 82519 C.M.S., TO APPROVE BALANCING MEASURES FOR THE ANTICIPATED FY 2009-10 SHORTFALLS IN THE GENERAL PURPOSE FUND, MEASURE B FUND (INCLUDES ONE-HALF CENT SALES TAX FOR TRANSPORTATION PROJECTS) AND DEVELOPMENT SERVICES FUND

WHEREAS, on June 30, 2009, in accordance with City Charter section 800, the City Council adopted the biennial policy budget by passing Resolution No. 82102 C.M.S.; and

WHEREAS, on July 28, 2009 and December 17, 2009, the City Council approved amendments to the adopted budget, via Resolutions No. 82235 C.M.S. and 82519 C.M.S., respectively; and

WHEREAS, due to continued weakness in the local economy and real estate market and additional pressures in public safety service provision, a \$15.3 million shortfall is anticipated in the General Purpose Fund in Fiscal Year 2009-10; and

WHEREAS, continued weakness in the sales tax revenue also has led to a \$3.5 million projected shortfall in Fiscal Year 2009-10 for the Measure B fund, which is financed through a one-half cent sales tax approved by voters and pays for transportation related activities; and

WHEREAS, lack of local building construction activity has led to reduced revenues to the Development Services Fund, which is projected to have a \$3.5 million shortfall in Fiscal Year 2009-10; and

WHEREAS, administration has developed budget balancing measures for the General Purpose, Measure B and Development Services funds to fully offset the projected Fiscal Year 2009-10 shortfalls, as reflected in **Exhibits A, B, and C**; and

WHEREAS, the administration's balancing proposal includes the use of one-time revenues and requires declaration of a fiscal emergency per the City's financial policy codified in ordinance 12946 C.M.S., now therefore be it

RESOLVED: that the City's Fiscal Year 2009-10 Budget is hereby amended by the balancing implementation measures reflected in **Exhibits A, B, and C** included with and made a part of this resolution, subject to amendments that may be presented and adopted on the floor at the February 16, 2010 meeting; and be it further

RESOLVED: that the City Council declares a fiscal emergency to use one-time revenues to balance the FY 2009-10 projected General Purpose Fund shortfall; and be it further

RESOLVED: that one-time monies used to balance the FY 2009-10 General Purpose Fund projected deficit are restricted revenues to be used only for the purpose of budget balancing; and be it further

RESOLVED: that the City Council directs the City Administrator to implement the aforementioned with all deliberate speed.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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

EXHIBIT A
Balancing Measures Addressing Projected FY 2009-10 General Purpose Fund
Deficit

EXHIBIT A

**Balancing Measures Addressing Projected FY 2009-10 General Purpose Fund
Deficit**

**GENERAL PURPOSE FUND
DELINEATION OF PROJECTED YEAR-END DEFICIT**

	FY 09-10
Pre-December 17th Budget Deficit	(18.87)
<i>Explanation of Deficit</i>	
Projected revenue shortfall:	
Parking Tax	(0.96)
Other General Tax revenues (PTAX, STAX, TOT, Interest)	(9.12)
Additional spending reduction or revenue enhancement (adopted as part of July 28th budget amendment)	-
Doubtful collection of entertainment surcharge	(4.50)
Projected over-spending:	
Police management reductions net of Police overspending	(3.00)
Other Departments	(1.29)
 Balancing Measures Approved by Council on December 17, 2009	
Use of unspent insurance proceeds	3.20
Use of unspent COPs	0.90
Use of TRAN savings	1.00
Use of Non-GPF fund balances	2.84
Departmental balancing	0.50
Subtotal	8.44
Post-December 17th Budget Deficit	(10.43)
Additional Anticipated Shortfalls	
Additional revenue shortfall (Property, sales, parking and utility consumption), offset by one-time real estate transfer gain	(2.75)
Parking meter hours roll-back	
Parking citation pass-through payment to Alameda County - prior year	(1.20)
Set aside necessary for the new NSA monitoring contract	(0.70)
Net additional cost of Police academies (participation in Alameda County Sheriff's academy)	-
Increase in PERS retirement rate (for Civilian and Sworn employees)	-
Increase in Self-Insurance Liability cost based on the Phoenix Model analysis	
Additional loss in central services overhead recovery due to vacancies and reduced revenues in non-general funds (mainly Development Services and Measure B Funds)	(0.18)
Subtotal	(4.83)
February 16, 2010 Anticipated Budget Deficit	\$ (15.26)

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	Filled	FTEs Vac	Total	Prorated FY09-10	Impacts
Citywide/Non-Departmental					
Eliminate or reduce grants and subsidies:					
Vietnamese Senior Services					Action would zero out grant.
Chabot Space & Science Subsidy					Action would zero out grant.
Chabot Science Center					Action would zero out grant.
Cypress-Mandela Training Center					Action would zero out grant.
Hacienda Peralta					Action would zero out grant.
Oakland Asian Cultural Center					Action would zero out grant.
School of the Arts					Action would zero out grant.
Symphony in the Schools Program					Action would zero out grant.
Women's Business Initiative					Action would zero out grant.
Day Laborer Program					Action would zero out grant.
Art Grants					Represents 50% reduction
Zoo subsidy					Represents 25% reduction
Jack London Aquatic Center project					Action would zero out grant.
Human Services -- Academies Program					Action would zero out grant.
Subtotal	-	-	-	\$ 0:00	
Cancel carryforward:					
FEMA grant match				0:30	
Head Start waiver (FY 07-08 and FY 08-09)				0:87	Prior years' waivers; not needed
Subtotal	-	-	-	\$ 0:17	
Sale of Assets					
Lease of Scotlan to ORA/Central District or Sale of Other Facilities (\$2 mill / year); repayment of Oak Center debt (\$1 mill / year 1 only)				3:00	This would leave no funds for a loan to the CityWalk developer and purchase of the Valdez property site
Sale of Alta Bates Garage OR sale of City properties to ORA				4:50	Reflects the \$5 mill appraised value less closing costs
Sale of City property to ORA/Coliseum				3:50	Represents City's interest in the Malibu site.
Sale of Coliseum tract to ORA				1:00	
Sale of Grandview Lots				0:25	
Sale of City properties to ORA - various areas					
Sale of Henry J. Kaiser Convention Center					
Subtotal	-	-	-	\$ 12:25	
New revenues and Other financing					
Guaranteed new parking citation contract revenue				0:50	Reflects revenue guaranteed by the contractor recommended by staff for the parking citation management contract

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY09-10	Impacts
	Filled	Vac	Total		
Proceeds from sale of billboard space					One-time proceeds from sale of billboard space, along with \$0.4 million per year is anticipated from arrangement with Clear Channel Inc.
Subtotal	-	-	-	\$ 0:50	
Possible Ballot Measure Alternatives - Requires Council action by March 2, 2010 for the June 2010 ballot; action by early August 2010 for the Nov 2010 ballot					
Public Safety parcel tax					Special tax levy requires 2/3 vote of electorate; must be placed on ballot by March 2, 2010 on the June 2010 ballot for collection during FY 10-11. Single family residential parcel assessment would be approximately \$90 annually, or \$7.50 per month.
Transactions and Use Tax -- proceeds to be set aside for public safety and prevention programs*					Temporary 1/4 cent sales tax increase. Requires 2/3 voter approval if earmarked for a special purpose. *NOTE: This option not reflected in subtotals or grand total.
Utility Consumption Tax -- temporary 0.5% increase and possible expansion to other utilities*					General tax requires a majority affirmative ("yes") vote for approval. *NOTE: This option not reflected in subtotals or grand total.
Subtotal	-	-	-	\$	
Other Savings for Further Research					
Cell phone tower leasing					Over the years there have been various cell phone providers who have expressed interest in leasing City property for the installation of cell phone transmission towers. The Real Estate Division of CEDA has been exploring the feasibility of pursuing such leasing.
Monetizing City garages					Monetizing garages could generate significant upfront revenue to the City. Public assets capable of generating revenues in excess of maintenance and operation costs could be of interest to investors seeking a long-term income stream. Staff is researching the feasibility of monetizing the City garages.
Subtotal	-	-	-	\$	
Citywide/Non-Departmental Subtotal				\$ 13:92	
City Attorney					
Position reductions	5.00		5.00	0:22	
Subtotal	5.00	-	5.00	0:22	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	Filed	FTEs Vac	Total	Prorated FY 09-10	Impacts
Contracting and Purchasing					
Revenue increases through fees, recoverables, fines					Revenue increase activities: fee for certification (\$0.03); fee for plans-specs (\$0.02); fee registration iSupplies (\$0.02); fee increase LCP tracker usage (\$0.01); non-compliance violations fine (\$0.01); ARRA Reveune (\$0.09); department revenue (\$0.05)
Subtotal					
Information Technology					
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	There would be significant delay in replacing and or troubleshooting damaged software or hardware for computer equipment citywide. Documentation of computer equipment inventory would be affected as well.
Delete Microcomputer Systems Specialist I	1.00		1.00	0.03	There would be a significant and severe delay in the response to failures on systems used by the Libraries and the Museum which would negatively impact downtime. There would also be significant delay in computer replacments and on troubleshooting damaged computer equipment.
Delete Microcomputer Systems Specialist III	1.00		1.00	0.04	There would be significant delay on the response to network related issues. Daily logs would not be monitored as frequent as they should be, possibliy on a weekly rotation. Coordination of network services related to relocation of staff and office rearrangements would be delayed significantly as well.
Subtotal	3.00		3.00	0.10	
Finance and Management					
Eliminate Revenue Assistant	1.00		1.00	0.02	Slowdown in collections
Subtotal	1.00		1.00	0.02	
Personnel Resource Management					
Eliminate Admin Analyst II		1.00	1.00	0.03	Loss of bill-paying, payroll, other fiscal functions
Subtotal		1.00	1.00	0.03	
Police Services					
Restructure Personnel Management					
Eliminate Admin Analyst II		1.00	1.00	0.03	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	Filled	FTEs Vac	Total	Prorated FY 09-10	Impacts
Eliminate Abandoned Auto Detail					
Eliminate Police Service Technicians	7.00		7.00	0.16	Eliminating Abandoned Auto Detail may result in a loss of \$115K of revenue.
Other					
Eliminate Rangers	2.00		2.00	0.08	
Transfer Cadet Program to Asset Forfeiture fund	9.00		9.00	0.08	
Subtotal	18.00	1.00	19.00	\$20.35	
Fire Services					
Utilize one-time Metropolitan Medical Response System Funds				0.30	
Utilize balance of funds from Measure N				0.20	
Utilize balance of funds from Alameda County for Emergency Medical Dispatch				0.10	
SAFER Grant for 3 Firefighters					
Stricter False Alarm Enforcement Revenue					
Subtotal				\$0.60	
Museum					
Debt service shift					Museum would partially cover debt service that totals \$3.7 million/year.
Subtotal				\$0.00	
Library					
Utilize available Measure Q fund balance					Initial analysis shows adequate fund balance remaining for FY 10-11
Subtotal				\$0.00	
Parks and Recreation					
Transfer revenues to GPF from Golf Fund				0.10	Added revenue from Lake Chabot & Montclair Courses
Subtotal				\$0.10	

PROPOSED BALANCING MEASURES

(Note: FY 2010-11 measures are preliminary and for information only at this time. A formal budget balancing proposal for this year will be presented during the Midcycle budget review process, planned for May 2010.)

	FTEs			Prorated FY 09-10	Impacts
	Filled	Vac	Total		
Human Services					
Eliminate Linkages Grant Match					State grant funding of \$200k annually is proposed for elimination in FY 10-11 as part of State budget balancing. Elimination of the local grant match would terminate base program services for adults with disabilities, which currently serves approximately 372 clients. With City GPF funding the program could continue serving a base number of clients.
Eliminate Homeless Mobile Outreach/California Hotel grant match					Reduces outreach efforts by 2 (two) days from the current 5 (five) days. Currently part of PATH program to do outreach to encourage and engage homeless people in work activities and access to housing. Would need 30 days notice to modify the contract.
Subtotal				\$0.00	
TOTAL SOLUTIONS	27.00	2.00	29.00	15.33	
Subtotal surplus/(deficit)				0.07	

EXHIBIT B

**Balancing Measures Addressing Projected FY 2009-10 Measure B Fund
Deficit**

FUND 2211 - Measure B: ACTIA**BALANCING SUMMARY**

FY 2009-10	Adopted Budget	Reduction	%	Authorized FTEs	FTE Reduction
City Administrator - ADA Program*	97,500	-	0%	0.70	-
CEDA - Engineering & Construction **	1,984,830	600,000	30%	5.95	4.00
CEDA - Capital Improvement Projects **	5,775,020	1,260,020	22%	6.49	1.05
Public Works Agency	2,983,620	1,523,797	51%	29.32	12.00
Total	10,840,970	3,383,817	31%	42.46	17.05

*This position not proposed for reduction.

** 4.05 FTE will be shifted to other funds/projects.

FUND 2211 - Measure B: ACTIA
CEDA - Department of Engineering & Construction
FY09-10

Project And Description	Budget Amount	Reduction	Impact	FTEs *
0000000 - NON-PROJECT STAFF	1,984,830	600,000	Delete 1.0 FTE. Transfer 3.0 FTE to capital projects supported by other funds.	4.00
C03930 - TRAFFIC SIGNAL CONTROLLER REPLACMT FD 2211	100,000			
C271410 - LED TRAFFIC SIGNAL REPLACEMENT	350,000			
C314010 - CITYWIDE SIGN REPLACEMENT PROGRAM FY 2007-09	200,000			
C369910 - CITYWIDE EMERGENCY ROADWAY REPRS CONTINGENCY	400,000			
C370010 - MATCHING FUNDS FOR GRANT FUNDED PROJECTS	750,000			
C370210 - REPAIR AND REHAB OF CITY PATHS AND STAIRS	400,000	400,000	This proposed reduction will eliminate repair and rehabilitation of paths and stairways in FY 2009-11.	0.40
C370510 - ADA CURB RAMP 30-YR TRANSITION PLAN	660,000			
C370610 - CITYWIDE SIDEWALK REPAIR	620,000			
C370910 - DISABLED PARKING ZONE PROGRAM	50,000			
C371010 - HAZARD ELIMINATION PROGRAM 2009-2011	200,000	200,000	The HEP is a federal safety program supplemented by Measure B. It provides funds for safety improvements on all public roads. Funds serve to eliminate/reduce the number and/or severity of traffic accidents at highest accident locations citywide. Suspension of Measure B funds will eliminate the City's ability to apply for grant funds in this cycle, since local match is required, may expose City to liability in the event of accidents, and will delay projects to make corrective improvements at high-accident locations	0.15
C371110 - TRAFFIC SIGNAL OPERATIONS	110,000			
C371210 - TS-MODERNIZATION	330,010	330,010	Proposed reduction will eliminate repair/upgrades and deferred maintenance of antiquated traffic signals.	0.25
C371310 - TS @ ONE HIGH ACCIDENT LOCATION	330,010	330,010	Suspension of program that addressed one high priority intersection per year.	0.25
C371410 - NTSP 2009-11	375,000			
C371510 - SR2/TS LOCAL MATCH	100,000			
C37310 - TRAFFIC LOOP DETECTORS FD 2211	100,000			
C55010 - TRAFFIC SIGNAL CAP REPLACMT FD 2211	100,000			
C62853 - ANNUAL STREET LIGHTING REQUESTS	100,000			
P321910 - PROACTIVE STREETLIGHT RELAMPING PRGM	500,000			
	7,759,850			
	7,759,850	1,860,020		5.05

* 4.05 FTE will be shifted to other funds/projects.

FUND 2211 - Measure B: ACTIA

PWA - Department of Infrastructure and Operations

DESCRIPTION	POSITIONS	VACANT FILLED	FY 2009-10 SAVINGS	IMPACT	MITIGATIONS
Program Analyst II	1.00	V	\$113,223	Works with Engineer to develop undergrounding projects and generates reports for council and public. Results in less timely development of informational data for use by customers and council.	The loss of these safety sensitive positions could result in increased claims, accidents and other negative exposure to the City. Reduction equals 20% of electrical services staff.
Electrician Helper	1.00	V	\$76,587	Assists Electricians with manual labor tasks and non-electrical work. Results in using skilled labor to perform unskilled tasks delaying work schedule.	
Electrician	3.00	V	\$367,077	Responds to traffic signal and lighting repair requests 24/7. Performs maintenance inspection of wiring and hardware. Results in delayed response to signal and lighting repair requests.	
Traffic Painter	1.00	F	\$132,406	Installs and maintains traffic delineation markings using paint and mechanical delineation products. Reduces painting staff ability to respond in a timely manner to requests by public and Council.	Traffic delineation is a safety sensitive issue and needs to be fully funded in order to meet the needs of the City. Serious safety and liability concerns can be avoided through the proper maintenance and upkeep of lane stripes and other demarcation graphics. Reduction equals 25% of paint staff.
Public Works Maintenance Worker	1.00	F	\$93,967	Assists painter in placement of delineation devices, Results in delayed response to requests.	
C314010 - Citywide Sign Replacement Project (O&M)	-	n/a	\$200,000	Street Name Sign material budget	Retro reflective street name signs will be prioritized after regulatory signs and as funds permit.
Public Works Supervisor I	1.00	V	\$145,912	The Streets Section currently has six vacant positions that include three Public Works Maintenance Workers, a vacant Public Works Supervisor I, a Heavy equipment Operator and one Street Maintenance Lead position. All of these positions except the Heavy equipment operator will be eliminated to avoid having to lay additional people off.	The impacts of the proposed reductions would include reducing the number of concrete grinding crews from three to one and the number of grinds per year from and estimated 8,000 to 12,000 to between 2,640 and 4,000 grinds. These impacts are based on not leaving any unfilled positions in the section.
Street Maintenance Leader	1.00	V	\$120,807		
Public Works Maintenance Worker	3.00	V	\$273,818		
TOTAL	12.00		\$1,523,977		

EXHIBIT C

Balancing Measures Addressing Projected FY 2009-10 Development Services Fund Deficit

EXHIBIT C

Fund 2415
Staffing Reduction

Position	Vacant / Filled	FTE	FY 2009-10 Savings (in millions) *	FY 2010-11 Savings (in millions)
<u>Planning/Zoning Services Division</u>				
Deputy Director/City Planner	Filled	(1.00)	(\$0.10)	(\$0.31)
Project Manager	Filled	(1.00)	(\$0.08)	(\$0.25)
Management Assistant	Vacant	(1.00)	\$0.00	(\$0.16)
Administrative Assistant I	Filled	(1.00)	(\$0.03)	(\$0.10)
Planner III, Historic Preservation **	Filled	(1.00)	(\$0.04)	(\$0.13)
Planner IV ***	Filled	(6.00)	(\$0.32)	(\$0.97)
Add: Planner III		5.00	\$0.18	\$0.54
Shift Planner III to ORA fund (7780) ****	Filled	-	(\$0.06)	(\$0.17)
		(6.00)	(\$0.46)	(\$1.55)
<u>Building Services Division</u>				
Specialty Combination Inspector	Vacant	(6.00)	\$0.00	(\$0.87)
Specialty Combination Inspector	Filled	(1.00)	(\$0.04)	(\$0.13)
Add: Paralegal		1.00	\$0.04	\$0.12
Engineering Intern, PT	Vacant	(0.50)	\$0.00	(\$0.04)
Administrative Assistant II	Filled	(1.00)	(\$0.04)	(\$0.12)
Construction Inspector Supv (Field)	Filled	(1.00)	(\$0.06)	(\$0.17)
Management Assistant	Filled	(1.00)	(\$0.06)	(\$0.18)
Engineer, Civil Supv (Office)	Filled	(1.00)	(\$0.08)	(\$0.25)
Office Manager	Filled	(1.00)	(\$0.05)	(\$0.14)
Process Coordinator II	Filled	(1.00)	(\$0.05)	(\$0.15)
Permit Technician II	Filled	(1.00)	(\$0.04)	(\$0.13)
Engineering Technician II (Office)	Filled	(1.00)	(\$0.04)	(\$0.13)
Principal Inspection Supv	Filled	(1.00)	(\$0.07)	(\$0.21)
Engineer, Assistant II (Office)	Filled	(1.00)	(\$0.05)	(\$0.16)
Engineer, Civil (Office)	Filled	(1.00)	(\$0.07)	(\$0.20)
Public Service Representative	Filled	(2.00)	(\$0.07)	(\$0.20)
		(19.50)	(\$0.68)	(\$2.96)
Total		(25.50)	(\$1.14)	(\$4.50)

NOTES:

* Costing assumes March 1, 2010 implementation

** 0.25 FTE funded in ORA fund (7780)

*** 1.20 FTE funded in ORA fund (7780)

**** Through June 30, 2011 using previously allocated one-time project funds