



CITY OF OAKLAND

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OAKLAND

2017 MAY 12 AM 9:06

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: FY 2016-17 Q3 R&E Report

DATE: May 8, 2017

City Administrator Approval

Date:

5/11/17

RECOMMENDATION

Staff Recommends That City Council Accept This Informational Report On The Projected Fiscal Year (FY) 2016-17 Third Quarter Revenue and Expenditure Results And Year-End Summaries For Six Selected Funds – General Purpose Fund (GPF, 1010), Multipurpose Reserve Fund (1750), State Gas Tax Fund (2230), State Gas Tax Proposition 42 Replacement Fund (2231), Landscape & Lighting Assessment District Fund (LLAD, 2310), And Facilities Fund (4400); And Overtime Analysis For The General Purpose Fund (1010) And All Funds.

EXECUTIVE SUMMARY

Based on the results of the third quarter for FY 2016-17, the projected GPF available fund balance at year-end is estimated to be **\$0.85 million** (*Table 1*). This amount is net of the 7.5% GPF Emergency Reserve, amounts allocated in the FY 2016-17 Midcycle Adjusted Budget and FY 2017-19 Proposed Policy Budget, and mid-year Council Adopted Resolutions. Revenues are projected to exceed the Adjusted Budget estimates by approximately \$21.44 million. The year-end expenditures are projected to exceed the third quarter Adjusted Budget by approximately \$17.28 million.

Highlights of this FY 2016-17 third quarter revenue and expenditure report include:

- The projected revenues for the GPF are estimated to be \$571.38 million, which exceed the Adjusted Budget by approximately \$21.44 million (**Attachment A-1**);
- The projected expenditures for GPF totaled \$567.22 million, which exceed the Adjusted Budget by approximately \$17.28 million, (**Attachment A-2**);
- The total designated 7.5% GPF Emergency Reserve balance is projected to be \$42.79 million, which is 7.5% of the FY 2017-19 Proposed Policy Budget.

Item: _____
Finance and Management Committee
May 23, 2017

- The GPF ending available fund balance is projected to be \$0.85 million (after reducing for the 7.5% GPF Emergency Reserve, and other items as shown in *Table 1*);
- Citywide overtime (OT) expenditures across all funds is projected to be \$54.07 million, exceeding the Adjusted Budget by \$33.22 million, of which \$31.75 million is in the GPF; overtime spending by department is listed in **Attachment B**.

The projected year-end available GPF fund balance is estimated to be approximately \$0.85 million (*Table 1*). It should be noted that this balance reflects the net difference between the revenue and expenditure results, as well as, adjustments made for: (1) project and encumbrance balances carried forward into FY 2016-17, (2) items allocated in the FY 2016-17 Midcycle Adjusted Budget, (3) amounts appropriated by Council Resolution during FY 2016-17 (4) items allocated for the FY 2017-19 Proposed Policy Budget and, (5) designated and/or mandated reserves.

Table 1: Estimated Year-End Available Fund Balance:

GENERAL PURPOSE FUND (1010)	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$116.75	\$116.75	
Revenue	\$549.94	\$571.38	\$21.44
Expenditures	\$549.94	\$567.22	\$17.28
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$4.16	\$4.16
Subtotal Fund Balance	\$116.75	\$120.91	
Use of Fund Balance in FY 2016-17:			
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$38.26)	(\$38.26)	
FY 2016-17 Midcycle Adopted Budget	(\$28.09)	(\$28.09)	
FY 2016-17 Adopted Council Resolutions	(\$2.59)	(\$2.59)	
<i>FY 2015 COPS Grant Match (FY 2016-17)</i> (\$1.63)			
<i>Immigrant Legal Representation Grant</i> (\$0.15)			
<i>Affordable Housing Initiative</i> (\$0.35)			
<i>Various Grant CSO Subsidies</i> (\$0.46)			
Mosswood Insurance Proceeds	(\$0.75)	(\$0.75)	
FY 2017-19 Proposed Policy Budget	\$0.00	(\$2.00)	
25% Excess RETT for Long Term Obligations	\$0.00	(\$1.61)	
25% Excess RETT for Vital Services Stabilization Fund	\$0.00	(\$1.61)	
Subtotal Use of Fund Balance	(\$69.69)	(\$74.91)	
Designated / Mandated Reserves:			
7.5% GPF Required Reserve (<i>FY 2017-19 Proposed Policy Budget</i>)	(\$41.25)	(\$42.79)	
OMERS Reversion of Assets (<i>held with Trustee; Resolution 85098</i>)	(\$2.36)	(\$2.36)	
Subtotal Reserves	(\$43.61)	(\$45.15)	
Estimated Ending Available Fund Balance	\$3.45	\$0.85	

Generally, the receipts of revenue in FY 2016-17 reflect continued growth in the local economy. Notably, the local real-estate market is still leading strong growth in real-estate related revenues; including property tax, real estate transfer tax, and transient occupancy tax (**Attachment A-1**).

The projected year-end expenditures for the GPF total \$567.22 million, which is approximately \$17.28 million over the net Adjusted Budget Citywide. The overage is primarily due to overtime costs in Public Safety. Expenditures by department are listed in **Attachment A-2**.

Non-GPF Funds

Three of the five non-GPF funds analyzed for this report have historically shown negative fund, or cash, balances and are projected to improve (**Attachments C-1 to F-2**). The Multipurpose Reserve Fund (1750) has a projected negative fund balance and is on an informal repayment plan. While the State Gas Tax Prop 42 Replacement Fund (2231) is projected to maintain a positive fund balance, the State Gas Tax Fund (2230) is projected to have a negative balance. Revenue projections continue to decline for all gas tax revenues in the current fiscal year, however new legislation increasing the per gallon tax on gasoline will provide an increase in revenues beginning in FY 2017-18. The FY 2016-17 projected ending fund balance/(deficit) compared to FY 2015-16 is shown below

FY 2016-17 Projected Ending Fund Balance for Non-GPF Funds:

FUND	FY 2015-16 Audited Ending Balance	FY 2016-17 Projected Ending Balance
LLAD	(\$0.30)	(\$0.29)
State Gas Tax	\$1.22	(\$0.72)
State Gas Tax Prop 42	\$2.07	\$0.30
Facilities Fund	(\$11.37)	(\$9.34)
Multipurpose Reserve	(\$2.63)	(\$2.09)

This report provides analysis and details on the projected fiscal year-end revenues and expenditures in six City funds based on data through the end of the Third Quarter (July 1, 2016 – March 31, 2017). Revenues, expenditures and overtime for these funds, as well as overtime for all funds, are presented in this report, and are compared to the FY 2016-17 Adjusted Budget.

BACKGROUND / LEGISLATIVE HISTORY

On July 1, 2016, Council adopted the FY 2016-17 Midcycle Adjusted Budget of \$549.92 million (both revenues and expenditures) including a transfer of \$28.07 million from fund balance in the General Purpose Fund.

This report contains the projected fiscal year-end budget and actual information for FY 2016-17.

ANALYSIS AND POLICY ALTERNATIVES

GENERAL PURPOSE FUND

I. REVENUES

The FY 2016-17 adjusted General Purpose Fund revenue budget is \$549.94 million. Third Quarter year-end projections total \$571.38 million, which represents a net increase of \$21.44 million over the FY 2016-17 Adjusted Budget.

Table 2: Summary of GPF Revenue Variance:

Description	FY 2016-17 Revenue
FY 2016-17 Adjusted Revenue Budget	\$549.94
Increases/(Decreases):	
Property Tax	\$11.37
Service Charges	\$4.07
Real Estate Transfer Tax	\$7.82
Parking Tax	(\$1.46)
Fines & Penalties	(\$1.96)
Miscellaneous	(\$1.85)
All Other	\$3.45
FY 2016-17 Third Quarter Projected Revenue	\$571.38
Net GPF Revenue Growth	\$21.44

II. EXPENDITURES

The projected year-end expenditures are estimated at \$567.22 million, which is \$17.28 million over the net Adjusted Budget Citywide. The overspending is primarily attributed to sworn overtime costs in the Public Safety.

Table 3: Summary of FY 2016-17 GPF Expenditure Variance:

Department	Adjusted Budget (Q3 less CF)	Projected Year-End Actuals	Year-End (Over) / Under Budget
FY 2016-17 Expenditures	\$549.94	\$567.22	(\$17.28)
MAYOR	\$2.72	\$2.72	\$0.00
CITY COUNCIL	\$4.81	\$4.81	\$0.00
CITY ADMINISTRATOR	\$15.91	\$15.15	\$0.76
CITY ATTORNEY	\$5.87	\$5.87	\$0.00
CITY AUDITOR	\$1.92	\$1.75	\$0.16
CITY CLERK	\$2.93	\$2.93	\$0.00
PUBLIC ETHICS	\$0.93	\$0.91	\$0.02
FINANCE	\$24.51	\$23.83	\$0.68
INFORMATION TECHNOLOGY	\$11.03	\$11.27	(\$0.24)
RACE & EQUITY	\$0.33	\$0.16	\$0.17
HUMAN RESOURCES	\$4.93	\$4.41	\$0.52
POLICE	\$234.22	\$249.24	(\$15.02)
FIRE	\$127.21	\$132.80	(\$5.60)
LIBRARY	\$12.51	\$11.85	\$0.67
PARKS & RECREATION	\$15.97	\$15.97	\$0.00
HUMAN SERVICES	\$8.08	\$8.08	\$0.00
ECONOMIC & WORKFORCE DEVELOPMENT	\$5.66	\$5.07	\$0.60
HOUSING & COMMUNITY DEVELOPMENT	\$0.37	\$0.37	\$0.00
PLANNING & BUILDING	\$0.04	\$0.04	\$0.00
PUBLIC WORKS	\$2.65	\$2.65	\$0.00
NON-DEPARTMENTAL	\$64.55	\$64.55	\$0.00
CAPITAL IMPROVEMENT PROGRAM	\$0.79	\$0.79	\$0.00

It is important to note that GPF overtime expenditures exceeded the overtime Adjusted Budget by \$31.75 million (**Attachment B**), which is primarily attributed to Police and Fire. However, GPF overtime costs are projected to decrease by \$1.08 million over FY 2015-16 as shown below.

Department	FY 2015-16 Overtime	FY 2016-17 Projected Overtime	Increase/ (Decrease) Year-To-Year
FY 2016-17 Expenditures	\$49.13	\$48.05	(\$1.08)
CITY ADMINISTRATOR	\$0.29	\$0.34	\$0.05
CITY CLERK	\$0.01	\$0.03	\$0.01
FINANCE	\$0.17	\$0.18	\$0.00
INFORMATION TECHNOLOGY	\$0.09	\$0.12	\$0.03
HUMAN RESOURCES	\$0.03	\$0.02	(\$0.01)
POLICE	\$27.78	\$27.24	(\$0.54)
FIRE	\$20.66	\$19.97	(\$0.69)
PARKS & RECREATION	\$0.02	\$0.03	\$0.01
ECONOMIC & WORKFORCE DEVELOPMENT	\$0.01	\$0.02	\$0.01
PUBLIC WORKS	\$0.06	\$0.08	\$0.03
All Other	\$0.01	\$0.02	\$0.01

FUND BALANCE

The audited FY 2016-17 gross GPF beginning fund balance is \$116.75 million. Importantly, this amount includes the City Council appropriated reserves discussed earlier in this report, as well as project and encumbrance balances carried forward into FY 2016-17. The projected year-end available fund balance is estimated to be approximately \$0.85 million, after including projections for year-end revenues and expenditures, project and encumbrance carryforward, and amounts budgeted in FY 2016-17 (Table 4). The City's General Purpose Fund 7.5% GPF Emergency Reserve is set at \$42.79 million based on the FY 2017-19 Proposed Policy Budget.

Table 4: FY 2016-17 Projected Year-End Available GPF Fund Balance

GENERAL PURPOSE FUND (1010)	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$116.75	\$116.75	
Revenue	\$549.94	\$571.38	\$21.44
Expenditures	\$549.94	\$567.22	\$17.28
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$4.16	\$4.16
Subtotal Fund Balance	\$116.75	\$120.91	
Use of Fund Balance in FY 2016-17:			
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$38.26)	(\$38.26)	
FY 2016-17 Midcycle Adopted Budget	(\$28.09)	(\$28.09)	
FY 2016-17 Adopted Council Resolutions	(\$2.59)	(\$2.59)	
<i>FY 2015 COPS Grant Match (FY 2016-17)</i> (\$163)			
<i>Immigrant Legal Representation Grant</i> (\$0.15)			
<i>Affordable Housing Initiative</i> (\$0.35)			
<i>Various Grant CSO Subsidies</i> (\$0.46)			
Mosswood Insurance Proceeds	(\$0.75)	(\$0.75)	
FY 2017-19 Proposed Policy Budget	\$0.00	(\$2.00)	
25% Excess RETT for Long Term Obligations	\$0.00	(\$1.61)	
25% Excess RETT for Vital Services Stabilization Fund	\$0.00	(\$1.61)	
Subtotal Use of Fund Balance	(\$69.69)	(\$74.91)	
Designated / Mandated Reserves:			
7.5% GPF Required Reserve (FY 2017-19 Proposed Policy Budget)	(\$41.25)	(\$42.79)	
OMERS Reversion of Assets (held with Trustee; Resolution 85098)	(\$2.36)	(\$2.36)	
Subtotal Reserves	(\$43.61)	(\$45.15)	
Estimated Ending Available Fund Balance	\$3.45	\$0.85	

III. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). The summary below provides the adjusted total set-asides, including any additional contributions based on the projected excess RETT in the FY 2016-17 Third Quarter results. It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups.

Table 5: FY 2016-17 Projected Year-End Reserve Balances

Description	FY 2014-15	FY 2015-16	FY 2016-17 Adopted	Q3 Projected FY 2016-17	Projected FYE 2016-17 Balances
7.5% GPF Required Reserve ¹	\$39.57	\$41.22	\$41.22	\$42.79	\$42.79
Accelerate Long Term Obligations (debt, pension, OPEB, etc.) ^{2,3}	\$0.00	\$14.34	\$6.21	\$1.61	\$3.35
Vital Services Stabilization Fund ^{2,4}	\$2.02	\$2.69	\$5.79	\$1.61	\$12.11
Total Reserves⁵	\$41.60	\$58.25	\$53.21	\$46.01	\$58.25

¹ The 7.5% GPF reserve is not a cumulative balance
² Required 25% allocation per Excess RETT policy
³ \$18.8 million deducted for PFRS obligation
⁴ FY 2015-16 is cumulative total from FY 2014-15
⁵ True-up appropriations occur in subsequent budget cycles

It is important to note that the total reserves and set-asides projected at \$58.25 million is equivalent to just over one month of GPF operating expenditures (8.33%). However, the Government Finance Officers Association (GFOA) recommends maintaining unrestricted budgetary fund balance in the general fund of no less than two months of operating expenditures (16.7%).

The City's Consolidated Fiscal Policy is available in its entirety on the City's website:

<https://oakland.legistar.com/LegislationDetail.aspx?ID=1942449&GUID=CCD3E972-1174-47A9-A2C5-615206063FD9&Options=ID%7cText%7c&Search=13279>

**GENERAL PURPOSE FUND
 (Attachments A-1 and A-2)**

REVENUE HIGHLIGHTS

The FY 2016-17 adjusted General Purpose Fund revenue budget is \$549.94 million. Third Quarter year-end projections total \$571.38 million, which represents a net increase of \$21.44 million over the FY 2016-17 Adjusted Budget.

Attachment A-1 provides details of Third Quarter revenue collection and year-end projections in comparison to the Adjusted Budget.

Property Tax: +\$11.37 million

Starting in FY 2011-12, the City began receiving a portion of the Residual Property Tax Trust Fund ("RPTTF") as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less wind-down funding obligations, that would have gone to redevelopment agencies if they had not been dissolved.

Table 6: Historical Property Tax Revenue: FY 2011-12 through FY 2016-17

Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Q3
Property Tax	\$125.77	\$129.27	\$133.12	\$141.03	\$148.03	\$161.35
Property Tax - RPTTF	\$13.03	\$24.88	\$9.71	\$18.33	\$6.69	\$9.13
Total Property Tax	\$138.80	\$154.15	\$142.83	\$159.36	\$154.72	\$170.48

During the depths of the Great Recession, the City lost \$2.59 billion in assessed valuation. For the past 4 years, Oakland's assessed valuation has experienced significant growth. Since FY 2011-12, the City's assessed valuation has grown \$13.86 billion.

Table 7: Assessed Valuation: FY 2009-2010 through FY 2016-17

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
-2.91%	-3.09%	1.67%	2.15%	5.15%	5.85%	7.56%	7.47%

The growth in assessed valuation is driving higher than anticipated property tax receipts.

Sales Tax: +\$0.79 million

Revenues derived from sales tax is projected to end the year at \$54.11 million. Based upon Third Quarter data, this is a 1.47% increase when compared to the FY 2016-17 Adjusted Budget. The City is experiencing marginal baseline sales tax growth due to low gasoline and jet fuel prices, as well as the closing of Walmart (General Consumer Goods). However, the City is experiencing a 4% growth in receipts from the County Pool, which is allowing for modest growth over all.

Table 8: Sales Tax Revenue: FY 2014-15 to FY 2016-17

Industry Group	FY 2015-16 YTD Q3	FY 2016-17 YTD Q3	Increase / (Decrease)
Auto & Transport	\$6.98	\$7.16	\$0.18
Building & Construction	\$3.61	\$3.83	\$0.22
Business & Industry	\$4.32	\$4.35	\$0.03
Food & Drugs	\$3.58	\$3.87	\$0.29
Fuel & Service Stations	\$4.22	\$4.13	(\$0.09)
General Consumer Goods	\$4.95	\$3.97	(\$0.98)
Restaurants & Hotels	\$6.96	\$7.48	\$0.52
Total	\$34.62	\$34.79	\$0.17

Real Estate Transfer Tax: +\$7.82 million

Revenue derived from real estate transfer tax (RETT) is projected to end the year at \$77.67 million, which is 11.20% above the FY 2016-17 Adjusted Budget. The revenue derived from baseline property sales increased 5.52% when compared to this time last fiscal year; while revenue derived from larger property transactions is down 94.95% through the end of the Third Quarter (*Table 9*). Real Estate Transfer Tax is highly volatile and revenues can increase and decrease rapidly with changing market conditions or as a result of the sale of high value properties. When certain high value commercial properties are sold they can result in anomalously high revenue. Furthermore, depending upon how the property is transferred and/or what type of entity is purchasing the property, the application of the City's RETT may not apply. Of the projected RETT increase, \$13.57 million is considered nonrecurring revenues derived from the success of the RETT border audit and the sale of large commercial properties listed in *Table 10* on the following page.

Table 9: RETT Growth Rate Q3

Category	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 Q3
RETT	7.97%	15.69%	20.16%	5.52%
RETT - Larger Commercial Properties	434.42%	-33.30%	172.52%	-94.45%

Table 10: FY 2016-17 YTD Large Property Sales

(\$ in millions)

Sale Quarter	Property	FY 2016-17 RETT
Quarter 1	1314 Franklin	\$0.56
Quarter 1	3001 Broadway	\$0.55
Quarter 1	1999 Harrison St.	\$3.37
Quarter 1	2201 Broadway	\$0.98
Quarter 2	Latham Building	\$0.71
Quarter 2	1500 Broadway	\$0.55
Quarter 2	7500 Edgewater	\$0.56
Total		\$7.28

Transient Occupancy Tax: +\$2.61 million

Transient Occupancy Tax (TOT) revenue is projected to end the fiscal year at \$21.99 million, which is 13.47% above the FY 2016-17 Adjusted Budget. The City is still experiencing growth in this revenue category with revenues up 13.93% during the third quarter. The increase in TOT is being felt across the Bay Area as the demand for hotel lodging increases due to the improved business climate and an influx of foreign travelers, which also increases room rates based upon simple supply and demand.

Parking Tax: -\$1.46

During the past three fiscal years, the City experienced an average 8.75% year-over-year growth. Revenue received through FY 2016-17 Q3 is reflective of flat growth. Furthermore, closure of the Clay Street garage impacted the FY 2016-17 forecast.

Fines and Penalties: -\$1.96

Revenue received from Fines and Penalties through the third quarter totaled \$13.95 million. Based upon third quarter data, this is an anticipated 8.16% decrease from the Adjusted Budget, but only an anticipated 2% increase over FY 2015-16 revenues.

Service Charges: +\$4.07 million

Revenues received from Service Charges through the third quarter totaled \$29.34 million. Based upon third quarter data, this is an anticipated 8.08% increase over the Adjusted Budget but only a 2.95% increase when compared to this period last year; and a revenue growth of 8.57% over FY 2014-15.

Miscellaneous Revenue: -\$1.85

The Adjusted Budget anticipates \$5.15 million, of that amount, \$4.40 million was anticipated from the closing of the land sale of the 12th Street remainder. It is now anticipated that the sale of the property will not close by the end of the fiscal year. Miscellaneous revenue is a category that includes, amongst other items, revenue derived from settlements, land sales, and bond sales. Generally, many items in this category are not budgeted unless staff is certain that the revenue will be received during the fiscal year. For example, if the City is issuing bonds, the anticipated revenue can be budgeted. However, revenues received from settlements are not normally budgeted due to the inconsistency of remittance.

EXPENDITURE HIGHLIGHTS

As outlined in **Attachment A-2**, the FY 2016-17 Q3 net Adjusted Budget is \$549.94 million. The fiscal year-end General Purpose Fund (GPF) projected expenditures are \$567.22 million, resulting in an over-spending of \$17.28 million primarily due to increases in Public Safety personnel and overtime costs. Additionally, this attachment also summarizes department-level spending. The breakdown of projected fiscal year-end overtime spending for the General Purpose Fund and All Funds is provided in **Attachment B**. Below is a discussion of each department's projected savings or overspending in the GPF at year-end as compared to the Adjusted Budget.

Mayor's Office

The Mayor's Office is projected to end the fiscal year within budget.

City Council

The City Council is projected to end the fiscal year within budget.

City Administrator

The City Administrator's Office has projected savings of \$0.76 million primarily associated with O&M savings in Administration, and salary savings from vacancies in CAO Budget and Employee Relations.

City Attorney

The City Attorney is projected to end the fiscal year within budget.

City Auditor

The City Auditor is projected to have a savings of \$0.16 million when compared to the Adjusted Budget as a result of vacancies.

City Clerk

The Office of the City Clerk is projected to end the fiscal year within budget.

Public Ethics Commission (PEC)

The PEC is projected to end the fiscal year slightly under budget.

Finance Department (OFD)

Finance's (Administration, Treasury, Controller, and Revenue Management) fiscal year-end expenditures are projected at \$26.16 million compared to the net Adjusted Budget of \$26.84 million. Projected savings in Administration and the Revenue Bureau is a result of vacancies.

Information Technology Department (ITD)

ITD is projected to spend \$13.27 million of their \$13.03 million net Adjusted Budget. The overspending of \$0.24 million is attributed to overtime costs associated with (1) unanticipated support of emergencies, such as outages to critical City systems as well as the recent warehouse fire; and (2) necessary implementation of ongoing critical projects, including Oracle R12 and PRIME.

Race & Equity

The Race & Equity Department is projected to have savings of \$0.17 million when compared to the Adjusted Budget due to salary savings.

Human Resources Department (HRD)

Human Resources is projected to spend \$5.15 million compared to the Adjusted Budget resulting in an estimated savings of \$0.52 million as a result of vacancies.

Oakland Police Department (OPD)

OPD is projected to spend \$259.57 million compared to its net Adjusted Budget of \$244.54 million. The estimated overspending of \$15.02 million is largely due to overtime related to backfill, extension of shift and unanticipated special enforcement, such as the election protests. OPD's projected overtime spending is \$27.24 million, compared to the annual overtime budget of \$14.67 million. In addition, the estimated overspending can be attributed to increased cost of repairing vehicles and a decrease in civilian vacancies (as shown in **Attachment B**).

Oakland Fire Department (OFD)

The Fire Department is projected to end FY 2016-17 with overspending of approximately \$5.60 million primarily due to overtime resulting from (1) backfilling to achieve mandated fire suppression staffing levels; (2) backfilling for a cadre of 14 sworn members temporarily assigned to conduct two unbudgeted academies (7 members each) (3) conducting fire ground safety and other required trainings; and (4) backfilling for an unbudgeted staff assignment of

one Engineer to assist with recruitment efforts for the 2018 Fire Academy. The salary savings from an average of 71 vacant sworn positions partially offset backfill and Academy costs. Overtime spending in OFD is projected to end FY 2016-17 at approximately \$19.97 million, which is approximately \$18.49 million over the Adjusted Budget.

Oakland Public Library (OPL)

OPL is projected to end the fiscal year with a savings of \$0.67 million due to vacancies.

Oakland Parks & Recreation (OPR)

OPR is projected to end the fiscal year within budget.

Human Services Department (HSD)

Human Services is projected to end the fiscal year within budget.

Economic Workforce & Development (EWD)

EWD is projected to end the fiscal year with underspending of \$0.60 million from salary savings associated with vacancies.

Housing & Community Development (HCD)

Housing is projected to end the fiscal year within budget.

Planning & Building

Planning is projected to end the fiscal year within budget.

Oakland Public Works (OPW)

OPW is projected to end the fiscal year within budget.

Non-Departmental

Non-Departmental is projected to end the fiscal year within budget.

OTHER FUNDS
(Attachments C-1 through F-2)

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), projected year-end revenue and expenditure results show a savings of \$0.90 million (**Attachments C-1 & C2**). However, when accounting for obligated amounts carried forward to FY 2016-17 and the beginning deficit fund balance it is estimated that the balance will have a deficit of \$0.29 million. This projection is an improvement compared to the second quarter mainly due to vacancies. The LLAD had eliminated its roughly \$6.0 million negative fund balance by FYE 2014-15, however rapidly increasing costs and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining that positive fund balance. The assessment rate cannot be adjusted without voter approval; therefore Public Works will continue to carefully manage personnel and O&M expenses throughout FY 2016-17 in order to mitigate any further reductions in the fund balance.

Table A: FY 2016-17 LLAD Year-End Available Fund Balance

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.30)	(\$0.30)	
Revenue	\$20.44	\$20.53	\$0.09
Expenditures	\$20.44	\$19.64	\$0.80
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.90	\$0.90
Subtotal Fund Balance	(\$0.30)	\$0.60	
Use of Fund Balance in FY 2016-17:			
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$0.89)	(\$0.89)	
Estimated Ending Fund Balance	(\$1.19)	(\$0.29)	

State Gas Tax Fund

State Gas Tax Fund (2230) is revenue from a portion of a \$0.18 cent per gallon excise tax for gasoline (Sales & Use Tax Rate), which is returned to Cities based on a population formula. **This rate has remained flat since 1995.** These funds may be used for the "research, planning, construction, improvement, maintenance and operation" of public streets and roads, including sidewalks, bikeways and public transit facilities. A small amount (\$10,000 per year) must be spent on engineering costs and admin expenses related to city streets.

Revenues are projected to end the fiscal year fiscal year at \$7.41 million which is \$0.74 million lower than the Adjusted Budget. Projected expenditures of \$7.85 million are less (\$0.31 million) than the net Adjusted Budget of \$8.15 million (**Attachments D-1 & D-2**) which will mostly offset the reduction in revenue. Table B below shows the projected available fund balance at year-end to be an approximate deficit of \$0.72 million net of the FY 2016-17 budgeted use of fund balance and carry forward obligations. In April 2017 Governor Brown signed legislation that will increase the per gallon rate from \$0.18 cents to \$0.30 cents in November 2017, which is the first increase in the rate since 1995. The anticipated revenue increases have been incorporated into the FY 2017-19 Proposed Policy Budget.

Table B: FY 2016-17 State Gas Tax Fund Projected Year-End Available Fund Balance

STATE GAS TAX FUND (2230)	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$1.22	\$1.22	
Revenue	\$8.15	\$7.41	(\$0.74)
Expenditures	\$8.15	\$7.85	\$0.31
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.43)	(\$0.43)
Subtotal Fund Balance	\$1.22	\$0.79	
Use of Fund Balance in FY 2016-17:			
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$0.91)	(\$0.91)	
FY 2016-17 Midcycle Adjusted Budget	(\$0.60)	(\$0.60)	
Estimated Ending Fund Balance	(\$0.29)	(\$0.72)	

State Gas Tax - Prop 42 Replacement Fund

State Gas Tax Fund (2231) serves as a replacement of Prop 42 (sales tax on gasoline). The revenue is a portion of a variable excise tax on gasoline (Motor Vehicle Fuel Tax Rate) that is returned to Cities based on a population formula. **The FY 2016-17 rate is \$0.278 cents per gallon which is a decrease from the FY 2015-16 rate of \$0.300 cents per gallon.** A downward adjustment would have a negative fiscal impact on revenues the City receives. These funds may be used for the "research, planning, construction, improvement, maintenance and operation" of public streets and roads, including sidewalks, bikeways and public transit facilities.

Revenues are projected to end the fiscal year fiscal year at \$1.17 million which is \$0.18 million higher than the Adjusted Budget. Expenditures are projected to be less (\$0.23 million) than the net Adjusted Budget of \$0.99 million (**Attachments D-1 & D-2**). Table C below shows the projected available fund balance at year-end to be approximately \$0.30 million net of the FY 2016-17 budgeted use of fund balance and carry forward obligations.

Table C: FY 2016-17 State Gas Tax – Prop 42 Fund Projected Year-End Available Fund Balance

STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$2.07	\$2.07	
Revenue	\$0.99	\$1.17	\$0.18
Expenditures	\$0.99	\$0.76	\$0.23
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.41	\$0.41
Subtotal Fund Balance	\$2.07	\$2.47	
Use of Fund Balance in FY 2016-17:			
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$2.15)	(\$2.15)	
FY 2016-17 Midcycle Adjusted Budget	(\$0.02)	(\$0.02)	
Estimated Ending Fund Balance	(\$0.11)	\$0.30	

Facilities Fund

This fund is reported on a cash basis. Projected results for the Facilities Fund (4400) shown in Table D indicate that revenues will be higher than expenditures by approximately \$2.36 million (**Attachments E-1 & E-2**). The estimated ending cash balance will improve by roughly \$2.03 million. Based on FY 2016-17 projected results, the ten-year plan scheduled repayment of \$2.07 million is effectively reduced due in part to budgeted amounts carried forward to FY 2016-17 of \$2.40 million. The projected ending cash balance is a negative \$9.34 million. The Facilities Fund, on a repayment plan through 2019, has steadily improved its fund balance by approximately \$18 million since FY 2008-09. The FY 2017-19 Proposed Policy Budget allocates additional one-time funding to effectively eliminate the remaining negative cash balance in order to achieve on-going operational savings in the GPF as well as several other City funds.

Table D: FY 2016-17 Facilities Fund Year-End Available Cash Balance

FACILITIES FUND (4400)	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 Projected FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$11.37)	(\$11.37)	
Revenue	\$31.10	\$31.39	\$0.29
Expenditures	\$31.10	\$29.03	\$2.07
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$2.36	\$2.36
Subtotal Fund Balance	(\$11.37)	(\$9.01)	
Use of Fund Balance in FY 2016-17:			
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$2.40)	(\$2.40)	
Budgeted Fund Balance Repayment	\$2.07	\$2.07	
Estimated Ending Cash Balance	(\$11.70)	(\$9.34)	

Multipurpose Reserve Fund

The Multipurpose Reserve Fund (1750) serves as the City's off-street parking and traffic control fund. Fund 1750 is used to budget and record the gross revenue and operating expenses of the City's off-street parking facilities. Revenues are used for staff support, parking operations and maintenance, and authorized contract management services and fees.

Expenditures are projected to be slightly more (\$0.02 million) than the net Adjusted Budget of \$8.62 million. Revenues are projected to end the fiscal year at \$9.48 million, which is \$0.86 million higher than the Adjusted Budget (**Attachments F-1 & F-2**). Table E below shows the projected available fund balance improving by fiscal year-end to a negative \$2.09 million.

Table E: FY 2016-17 Multipurpose Reserve Fund Projected Year-End Available Fund Balance

MULTIPURPOSE RESERVE FUND (1750)	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$2.63)	(\$2.63)	
Revenue	\$8.62	\$9.48	\$0.86
Expenditures	\$8.62	\$8.64	(\$0.02)
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.84	\$0.84
Subtotal Fund Balance	(\$2.63)	(\$1.80)	
Use of Fund Balance in FY 2016-17:			
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$0.51)	(\$0.51)	
Budgeted Fund Balance Repayment	\$0.21	\$0.21	
Estimated Ending Fund Balance	(\$2.93)	(\$2.09)	

FUND BALANCE

It is important to note that the City continued to make progress in FY 2015-16 on its funds that have negative fund balances. The City ended FY 2015-16 with negative balances totaling an estimated \$73.40 million, which is a \$15.10 million reduction over FY 2014-15.

Over the past decade, many Non-GPF funds have been depleted creating financial pressures on the GPF. They are largely attributable to historical overspending and/or under-recovery and transfers to the GPF for budget balancing measures. It is important that the City continues to plan for this contingency and cautiously approach the FY 2017-19 biennial budget development in light of large unfunded liabilities, negative fund balances, unanticipated expenditures, economic downturn, and other risks that may impact the fund balance in future years.

The last three Adopted Policy Budgets (FY 2009-2017) included repayment plans for the City to repay itself for the use of pooled cash for both Program Funds and Internal Service Funds (ISFs). The Repayment Plan has been monitored closely by staff, and staff has also instituted more frequent draw-downs of grant funds, as well as increased oversight and management of expenditures for funds with negative balances. Since FY 2009-10, **over \$64.0 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest (Table 11). The FY 2015-17 Adopted Policy Budget allocated additional one-time repayments to the Facilities Fund negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduced the on-going repayments from the GPF while still meeting the scheduled elimination of the negative balances. Additionally, FY 2017-19 Proposed Policy Budget allocates additional one-time funding to eliminate the remaining repayments in the Facilities Fund (4400) to achieve on-going savings across several City funds including the GPF. Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. Continued commitment to repayment is strongly encouraged to ensure the necessary financial progress as a commitment to external auditors.

Table 11: Negative Fund Balance Summary FY 2012-13 through FY 2015-16

Negative Fund Category		Fund Balance FY 2012-13	Fund Balance FY 2013-14	Fund Balance FY 2014-15	Fund Balance FY 2015-16
1	Negative Funds with Repayment Plan	(67,926,367)	(62,278,619)	(50,498,495)	(34,503,852)
2	Reimbursable Negative Funds ¹	(30,450,879)	(22,871,116)	(24,084,884)	(24,915,683)
3	Non-Reimbursable Negative Funds without Repayment Plan	(13,447,067)	(13,519,597)	(13,918,886)	(13,980,707)
Total Negative Funds		(111,824,313)	(98,669,332)	(88,502,265)	(73,400,242)
FY 2009-10 through FY 2015-16 Repayment Amount²		64,766,634			

¹ As of June 30, 2013, the City has spend approximately \$4.1 million of former Redevelopment 3rd Party Contracts that the State Department of Finance (DOF) has disallowed. On July 29, 2013 the Oversight Board approved the Bond Expenditure Agreement between the City and Oakland Redevelopment Successor Agency (ORSA) to reimburse these funds. These amounts are excluded from the above totals in FY 2012-13, and included the totals in FY 2013-14.

² Cumulative amount; FY 2009-2012 not shown in table.

PUBLIC OUTREACH / INTEREST

Not applicable.

COORDINATION

This report was prepared in coordination between the Controller's Bureau, the Revenue Management Bureau, the Budget Bureau, the City Attorney's Office and various departments.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

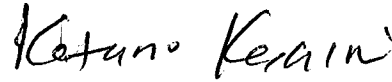
Social Equity: No social equity opportunities have been identified.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that City Council accept this informational report on the projected Fiscal Year (FY) 2016-17 Third Quarter Revenue and Expenditure results and year-end summaries for six selected funds – General Purpose Fund (GPF, 1010), Multipurpose Reserve Fund (1750), State Gas Tax Fund (2230), State Gas Tax Proposition 42 Replacement Fund (2231), Landscape & Lighting Assessment District Fund (LLAD, 2310), and Facilities Fund (4400); and overtime analysis for the General Purpose Fund (1010) and All Funds.

For questions regarding this report, please contact Kirsten LaCasse, Controller, at 238-6776.

Respectfully submitted,



KATANO KASAINÉ
Finance Director, Finance Department

Prepared by:

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Controller
Controller's Bureau

Margaret O'Brien
Revenue & Tax Administrator
Revenue Management Bureau

Attachments (11):

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Overtime Analysis*
- C-1: *Landscape and Lighting Assessment District Fund Revenues*
- C-2: *Landscape and Lighting Assessment District Fund Expenditures*
- D-1: *State Gas Tax & Prop 42 Replacement Fund Revenues*
- D-2: *State Gas Tax & Prop 42 Replacement Fund Expenditures*
- E-1: *Facilities Fund Revenues*
- E-2: *Facilities Fund Expenditures*
- F-1: *Multipurpose Reserve Fund Revenues*
- F-2: *Multipurpose Reserve Fund Expenditures*

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2016 - March 31, 2017)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Audited Actuals	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ Over / (Under) Adi. Bud.	Explanation of Over / (Under) Collection
PROPERTY TAX	158.69	159.11	104.52	170.48	11.37	Revenues above adjusted budget are largely due to additional growth in RPTTF and assessed valuation as noted at the FY17 Q2.
SALES TAX	55.23	53.32	32.11	54.11	0.79	Minor increase is due to sales tax revenues derived from fuel and building supplies.
VEHICLE LICENSE FEES	0.17	0.00	0.19	0.00	0.00	
BUSINESS LICENSE TAX	75.50	72.24	64.79	72.24	0.00	
UTILITY CONSUMPTION TAX	50.97	50.50	35.76	50.70	0.20	
REAL ESTATE TRANSFER TAX	89.59	69.85	51.56	77.67	7.82	Additional revenues from audit, large commercial sales and increase in property sales prices.
TRANSIENT OCCUPANCY TAX	19.81	19.38	15.14	21.99	2.61	As noted at FY17 Q2, increased occupancy rates and lodging costs.
PARKING TAX	10.26	12.14	7.17	10.68	(1.46)	As noted at FY17 Q2, year-over-year growth is steady at 4% over FY16.
LOCAL TAX	0.00	0.00	0.04	0.00	0.00	
LICENSES & PERMITS	1.59	2.34	1.29	1.89	(0.44)	
FINES & PENALTIES	21.74	24.05	13.95	22.09	(1.96)	Based upon third quarter data, this is an anticipated 2% increase over FY16 revenues.
INTEREST INCOME	0.92	0.74	0.26	0.74	0.00	
SERVICE CHARGES	52.94	50.36	29.34	54.43	4.07	Increased revenue from parking meters, fire plan check reviews and cost recovery for services provided to the Port.
GRANTS & SUBSIDIES	1.52	0.12	0.42	0.42	0.30	
MISCELLANEOUS	5.40	5.15	3.19	3.30	(1.85)	Sale of the 12th street remainder parcel will likely be realized in the next budget cycle.
INTER-FUND TRANSFERS	14.92	2.55	1.70	2.55	0.00	
Sub-Total Revenue	\$559.27	\$521.85	\$361.44	\$543.29	\$21.44	
TRANSFERS FROM FUND BALANCE	0.00	28.09	0.00	28.09	0.00	
Total Revenue	\$559.27	\$549.94	\$361.44	\$571.38	\$21.44	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2016 - March 31, 2017)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent To Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ (Over) / Under Adjusted Budget	FY 2016-17 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Overspending / Savings
MAYOR	2.80	1.11	39.5%	2.80	0.00	0.0%	Projected to stay within budget.
CITY COUNCIL	4.94	1.68	34.0%	4.94	0.00	0.0%	Projected to stay within budget.
CITY ADMINISTRATOR	18.35	6.88	37.5%	17.59	0.76	4.1%	Salary savings in CPRB, Employee Relations, and Budget due to vacancies
CITY ATTORNEY	7.56	3.43	45.3%	7.56	0.00	0.0%	Projected to stay within budget.
CITY AUDITOR	1.95	0.64	33.0%	1.79	0.16	8.4%	Salary savings due to vacancies.
CITY CLERK	3.53	0.72	20.5%	3.53	0.00	0.1%	Projected to stay within budget.
PUBLIC ETHICS COMMISSION	0.94	0.28	29.9%	0.92	0.02	1.8%	Slight salary savings
FINANCE DEPARTMENT	26.84	9.49	35.4%	26.16	0.68	2.5%	Salary savings in Administration and Revenue Bureau attributed to vacancies
INFORMATION TECHNOLOGY	13.03	4.49	34.4%	13.27	(0.24)	(1.8%)	Primarily attributed to overtime costs associated with (1) unanticipated support of emergencies, such as outages to critical City systems as well as the recent warehouse fire; and (2) necessary implementation of ongoing critical projects, including Oracle R12 and PRIME.
RACE & EQUITY	0.40	0.26	65.7%	0.23	0.17	42.7%	Salary savings due to vacancies.
HUMAN RESOURCES	5.67	2.50	44.0%	5.15	0.52	9.2%	Salary savings due to vacancies.
POLICE DEPARTMENT	244.54	62.03	25.4%	259.57	(15.02)	(6.1%)	Overspending largely due to overtime related to backfill, extension of shift and unanticipated special enforcement, such as the election protests. In addition, the estimated overspending can be attributed to increased cost of repairing vehicles and a decrease in civilian vacancies.
FIRE DEPARTMENT	128.37	29.82	23.2%	133.97	(5.60)	(4.4%)	Overspending primarily due to overtime resulting from (1) backfilling to achieve mandated fire suppression staffing levels; (2) backfilling for a cadre of 14 sworn members temporarily assigned to conduct two unbudgeted academies (7 members each) (3) conducting fire ground safety and other required trainings; and (4) backfilling for an unbudgeted staff assignment of one Engineer to assist with recruitment efforts for the 2018 Fire Academy. The salary savings from an average of 71 vacant sworn positions partially offset backfill and Academy costs.
OAKLAND PUBLIC LIBRARY	12.51	4.11	32.8%	11.84	0.67	5.3%	Salary savings due to vacancies.
PARKS & RECREATION	16.73	5.81	34.7%	16.73	0.00	0.0%	Projected to stay within budget.
HUMAN SERVICES	10.02	4.01	40.0%	10.02	0.00	0.0%	Projected to stay within budget.
ECONOMIC WORKFORCE & DEVELOPMENT	6.48	2.91	44.9%	5.88	0.60	9.2%	Salary savings due to vacancies.
HOUSING & COMMUNITY DEVELOPMENT	1.59	0.33	20.7%	1.59	0.00	0.0%	Projected to stay within budget.
PLANNING & BUILDING	0.28	0.19	68.6%	0.28	0.00	0.0%	Projected to stay within budget.
OAKLAND PUBLIC WORKS	6.51	4.07	62.5%	6.51	0.00	0.0%	Projected to stay within budget.
NON-DEPARTMENTAL	70.37	30.89	43.9%	70.37	0.00	0.0%	Projected to stay within budget.
SUBTOTAL	583.44	175.65	30.1%	600.71	(17.28)	0.0%	
CAPITAL IMPROVEMENT PROGRAM	4.77	3.60	75.6%	4.77	0.00	0.0%	Projected to stay within budget.
Subtotal Expenditures	\$588.20	\$179.25	30.5%	\$605.48	(\$17.28)		
Amounts Carried Forward From FY 2015-16 (Project & Encumbrances)	(38.26)			(38.26)	0.00		
Total Expenditures	\$549.94	\$179.25	30.5%	\$567.22	(\$17.28)		

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2016 - March 31, 2017)

OVERTIME ANALYSIS (in Dollars)

GENERAL PURPOSE FUND

Agency / Department	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Overtime Actuals	FY 2016-17 Percent To Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ (Over) / Under Adjusted Budget	FY 2016-17 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,960	1,692	18.9%	2,316	6,644	74.2%	Projected to stay within budget
CITY COUNCIL	0	0	0.0%	0	0	0.0%	
CITY ADMINISTRATOR	1,157	246,784	21321.6%	337,705	(336,548)	(29076.9%)	OT costs off-set by salary savings
CITY ATTORNEY	0	321	0.0%	440	(440)	0.0%	OT costs off-set by salary savings
CITY AUDITOR	0	3,618	0.0%	4,951	(4,951)	0.0%	OT costs off-set by salary savings
CITY CLERK	11,570	19,435	168.0%	26,596	(15,026)	(129.9%)	Overspending attributed to unanticipated overtime necessary to staff Council meetings and agenda preparation outside of standard timeframes (e.g., extended meetings, etc.).
PUBLIC ETHICS	0	382	0.0%	523	(523)	0.0%	OT costs off-set by salary savings
FINANCE DEPARTMENT	50,259	127,964	254.6%	175,108	(124,849)	(248.4%)	OT costs off-set by salary savings
INFORMATION TECHNOLOGY	2,040	87,606	4294.4%	119,882	(117,842)	(5776.6%)	Overspending is attributed to overtime costs associated with (1) unanticipated support of emergencies, such as outages to critical City systems as well as the recent warehouse fire; and (2) necessary implementation of ongoing critical projects, including Oracle R12 and PRIME.
RACE & EQUITY	0	0	0.0%	0	0	0.0%	
HUMAN RESOURCES	26,390	12,009	45.5%	16,434	9,956	37.7%	Projected to stay within budget
POLICE DEPARTMENT	14,673,479	19,020,401	129.6%	27,243,226	(12,569,748)	(85.7%)	OT costs partially off-set by salary savings
FIRE DEPARTMENT	1,485,951	15,058,261	1013.4%	19,974,462	(18,488,511)	(1244.2%)	OT costs partially off-set by salary savings
LIBRARY	6,260	3,518	56.2%	4,814	1,446	23.1%	OT costs off-set by salary savings
PARKS & RECREATION	0	23,790	0.0%	32,555	(32,555)	0.0%	OT costs off-set by salary savings
HUMAN SERVICES	(210)	2,761	(1314.9%)	3,778	(3,988)	1899.3%	OT costs off-set by salary savings
ECONOMIC WORKFORCE & DEVELOPMENT	(139)	17,369	(12532.8%)	23,768	(23,907)	17250.2%	OT costs off-set by salary savings
HOUSING & COMMUNITY DEVELOPMENT	0	0	0.0%	0	0	0.0%	
PLANNING & BUILDING	0	929	0.0%	1,272	(1,272)	0.0%	OT costs off-set by salary savings
PUBLIC WORKS	34,057	62,087	182.3%	84,961	(50,904)	(149.5%)	OT costs off-set by salary savings
NON-DEPARTMENTAL	0	0	0.0%	0	0	0.0%	
CAPITAL IMPROVEMENT PROGRAM	0	0	0.0%	0	0	0.0%	
TOTAL	\$16,299,775	\$34,688,930	212.8%	\$48,052,792	(\$31,753,017)	(194.8%)	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2016 - March 31, 2017)
OVERTIME ANALYSIS (in Dollars)
ALL FUNDS

Agency / Department	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Overtime Actuals	FY 2016-17 Percent To Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ (Over) / Under Adjusted Budget	FY 2016-17 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,960	1,743	19.5%	2,385	6,575	73.4%	Projected to stay within budget
CITY COUNCIL	0	0	0.0%	0	0	0.0%	
CITY ADMINISTRATOR	1,157	246,784	21321.6%	337,705	(336,548)	(29076.9%)	OT costs off-set by salary savings
CITY ATTORNEY	0	1,563	0.0%	2,139	(2,139)	0.0%	OT costs off-set by salary savings
CITY AUDITOR	0	3,618	0.0%	4,951	(4,951)	0.0%	OT costs off-set by salary savings
CITY CLERK	11,570	43,823	378.8%	59,968	(48,398)	(418.3%)	Overspending attributed to unanticipated overtime necessary to staff Council meetings and agenda preparation outside of standard timeframes (e.g., extended meetings, etc.).
PUBLIC ETHICS	0	382	0.0%	523	(523)	0.0%	OT costs off-set by salary savings
FINANCE DEPARTMENT	53,429	159,728	299.0%	218,575	(165,146)	(309.1%)	OT costs off-set by salary savings
INFORMATION TECHNOLOGY	10,405	111,377	1070.4%	152,411	(142,006)	(1364.8%)	Overspending is attributed to overtime costs associated with (1) unanticipated support of emergencies, such as outages to critical City systems as well as the recent warehouse fire; and (2) necessary implementation of ongoing critical projects, including Oracle R12 and PRIME.
RACE & EQUITY	0	0	0.0%	0	0	0.0%	
HUMAN RESOURCES	26,390	12,369	46.9%	16,925	9,465	35.9%	Projected to stay within budget
POLICE DEPARTMENT	15,083,656	19,611,281	130.0%	27,154,079	(12,070,423)	(80.0%)	OT costs partially off-set by salary savings
FIRE DEPARTMENT	3,814,556	16,309,848	427.6%	21,687,160	(17,872,604)	(468.5%)	OT costs partially off-set by salary savings
LIBRARY	6,260	5,708	91.2%	7,811	(1,551)	(24.8%)	OT costs off-set by salary savings
PARKS & RECREATION	0	53,245	0.0%	72,861	(72,861)	0.0%	OT costs off-set by salary savings in the GPF
HUMAN SERVICES	(11,117)	37,050	(333.3%)	50,699	(61,817)	556.0%	OT costs off-set by salary savings in the GPF
ECONOMIC WORKFORCE & DEVELOPMENT	(552)	18,654	(3377.2%)	25,526	(26,078)	4721.4%	OT costs off-set by salary savings
HOUSING & COMMUNITY DEVELOPMENT	(17,715)	50,295	(283.9%)	68,824	(86,540)	488.5%	
PLANNING & BUILDING	253,350	694,783	274.2%	950,756	(697,406)	(275.3%)	OT costs off-set by salary savings
PUBLIC WORKS	1,608,403	2,380,104	148.0%	3,256,985	(1,648,581)	(102.5%)	OT costs off-set by salary savings
NON-DEPARTMENTAL	0	0	0.0%	0	0	0.0%	
CAPITAL IMPROVEMENT PROGRAM	2,286	0	0.0%	0	2,286	100.0%	
TOTAL	\$20,851,038	\$39,742,354	190.6%	\$54,070,284	(\$33,219,246)	-159.3%	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS

Through Third Quarter (July 1, 2016 - March 31, 2017)

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND REVENUES (\$ in millions)

Revenue Category	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent To Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
TAX LEVY	19.30	11.63	60.3%	19.30	0.00	
LICENSES & PERMITS	0.05	0.08	144.5%	0.10	0.05	
INTEREST INCOME	0.00	(0.01)	0.0%	(0.01)	(0.01)	
SERVICE CHARGES	0.17	0.16	90.7%	0.21	0.04	
GRANTS & SUBSIDIES	0.01	0.01	100.0%	0.01	0.00	
MISCELLANEOUS	0.00	0.02	0.0%	0.02	0.02	
INTERFUND TRANSFERS	0.91	0.77	84.7%	0.91	0.00	
Sub-Total Revenue	\$20.44	\$12.65	61.9%	\$20.53	\$0.09	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS

Through Third Quarter (July 1, 2016 - March 31, 2017)

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent To Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ (Over) / Under Adjusted Budget	FY 2016-17 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.03	0.02	68.5%	0.03	0.00	0.00%	
FINANCE DEPARTMENT	0.03	0.02	80.1%	0.03			
PARKS & RECREATION	2.63	1.76	67.1%	2.64	(0.01)	(0.35%)	
ECONOMIC & WORKFORCE DEVELOPMENT	0.00	0.00	66.7%	0.00	0.00	0.00%	
PUBLIC WORKS	16.78	11.55	68.8%	15.97	0.81	4.82%	
NON-DEPARTMENTAL	1.70	0.00	0.0%	1.70	0.00	0.00%	
SUBTOTAL	21.17	13.35	63.1%	20.37	0.80	3.76%	
CAPITAL IMPROVEMENT	0.17	0.06	36.4%	0.17	0.00	0.00%	
Subtotal Expenditures	\$21.33	\$13.41	99.5%	\$20.54	\$0.80	3.76%	
Amounts Carried Forward From FY 2015-16	(0.89)	0.00	0.0%	(0.89)	0.00		
Total Expenditures	\$20.44	\$13.41	99.5%	\$19.64	\$0.80	3.76%	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS

Through Third Quarter (July 1, 2016 - March 31, 2017)

GAS TAX FUND REVENUES (\$ in millions)

Revenue Category	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent to Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
STATE GAS TAX (FUND 2230)						
GAS TAX	7.39	5.00	67.7%	6.67	(0.72)	Anticipated under-recovery based on State's revenue projections
INTEREST INCOME	0.00	0.00	0.0%	0.00	0.00	
SERVICES CHARGES	0.02	0.00	6.3%	0.00	(0.02)	
GRANTS & SUBSIDIES	0.14	0.14	97.7%	0.14	0.00	
MISCELLANEOUS	0.00	(0.00)	0.0%	(0.00)	(0.00)	
TRANSFERS FROM FUND BALANCE	0.60	0.00	0.0%	0.60	0.00	
Total Revenue	\$8.15	\$5.14	171.7%	\$7.41	(0.74)	

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q3 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)						
INTEREST INCOME	0.00	0.00	0.0%	0.01	0.01	
SERVICES CHARGES	0.00	0.01	0.0%	0.01	0.01	
MISCELLANEOUS	0.97	0.87	89.4%	1.15	0.19	
TRANSFERS FROM FUND BALANCE	0.02	0.00	0.0%	0.00	(0.02)	
Total Revenue	\$0.99	\$0.88	89.4%	\$1.17	\$0.18	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS

Through Third Quarter (July 1, 2016 - March 31, 2017)

GAS TAX FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent to Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
STATE GAS TAX (FUND 2230)						
PUBLIC WORKS	8.17	5.42	66.3%	7.87	0.30	
CAPITAL IMPROVEMENT PROGRAM	0.78	0.03	4.3%	0.77	0.01	
Subtotal Expenditures	\$8.95	\$5.45	60.9%	\$8.64	\$0.31	
Amounts Carried Forward From FY 2014-15	(0.79)	0.00	0.0%	(0.79)	0.00	
Total Expenditures	\$8.15	\$5.45	60.9%	\$7.85	\$0.31	

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q3 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)						
PUBLIC WORKS	1.16	0.68	58.3%	0.93	0.23	Salary savings due to vacancies
CAPITAL IMPROVEMENT PROGRAM	1.98	0.14	7.1%	1.98	0.00	
Subtotal Expenditures	\$3.14	\$0.82	26.1%	\$2.91	\$0.23	
Amounts Carried Forward From FY 2015-16	(2.15)	0.00	0.0%	(2.15)	0.00	
Total Expenditures	\$0.99	\$0.82	26.1%	\$0.76	\$0.23	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2016 - March 31, 2017)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent to Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	(0.00)	(0.03)	3269.6%	(0.04)	(0.04)	
SERVICE CHARGES	0.11	0.49	439.9%	0.66	0.55	
INTERNAL SERVICE	30.31	20.16	66.5%	30.31	0.00	
GRANTS & SUBSIDIES	0.12	0.00	0.0%	0.12	0.00	
MISCELLANEOUS	0.56	0.26	46.6%	0.35	(0.21)	
INTERFUND TRANSFERS	0.00	0.00	0.0%	0.00	0.00	
Total Revenue	\$31.10	\$20.89	67.2%	\$31.39	\$0.29	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2016 - March 31, 2017)
FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent to Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ (Over) / Under Adjusted Budget	FY 2016-17 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
MAYOR	0.00	0.01	0.0%	0.00	0.00	0.00%	
HUMAN RESOURCES	0.02	0.01	57.0%	0.02	0.00	0.00%	
PUBLIC WORKS	30.66	18.62	60.7%	28.59	2.07	6.76%	Savings attributed to vacancies
NON-DEPARTMENTAL	2.07	2.03	97.9%	2.07	0.00	0.00%	
CAPITAL IMPROVEMENT PROGRAM	0.76	0.07	9.2%	0.76	(0.01)	(0.79%)	
Subtotal Expenditures	\$33.50	\$20.74	61.9%	\$31.43	\$2.07	6.17%	
Amounts Carried Forward From FY 2015-16	(2.40)	0.00	0.0%	(2.40)	0.00		
Total Expenditures	\$31.10	\$20.74	61.9%	\$29.03	\$2.07	6.17%	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS
Through Third Quarter (July 1, 2016 - March 31, 2017)
MULTIPURPOSE RESERVE FUND REVENUES (\$ in millions)

Revenue Category	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent to Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
FINES & PENALTIES	0.00	0.00	0.0%	0.00	0.00	
INTEREST INCOME	(0.03)	(0.00)	11.5%	(0.00)	0.02	
SERVICES CHARGES	8.57	7.05	82.3%	9.40	0.83	
MISCELLANEOUS	0.08	0.06	75.6%	0.08	0.00	
INTER-FUND TRANSFERS	0.00	0.00	0.0%	0.00	0.00	
Total Revenue	\$8.62	\$7.11	169.4%	\$9.48	\$0.86	

FY 2016-17 REVENUE AND EXPENDITURE ANALYSIS

Through Third Quarter (July 1, 2016 - March 31, 2017)

MULTIPURPOSE RESERVE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2016-17 Adjusted Budget	FY 2016-17 Q3 YTD Actuals	FY 2016-17 Percent to Date	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.06	0.05	85.7%	0.07	(0.01)	
FINANCE DEPARTMENT	2.92	1.31	44.8%	2.93	(0.01)	
ECONOMIC WORKFORCE & DEVELOPMENT	0.40	0.32	80.0%	0.40	0.00	
PUBLIC WORKS	3.69	1.94	52.5%	3.68	0.02	Savings attributed to vacancies
NON-DEPARTMENTAL	2.00	1.50	75.0%	2.00	0.00	
CAPITAL IMPROVEMENT PROGRAM	0.06	0.08	122.8%	0.08	(0.02)	
Subtotal Expenditures	\$9.13	\$5.20	56.9%	\$9.15	(\$0.02)	
Amounts Carried Forward From FY 2015-16	(0.51)	0.00	0.0%	(0.51)	0.00	
Total Expenditures	\$8.62	\$5.20	56.9%	\$8.64	(\$0.02)	