

CITY OF OAKLAND
AGENDA REPORT

2010 MAR 11 PM 5:44

TO: President Brunner and Members of the City Council
FROM: Dan Lindheim, City Administrator
DATE: March 16, 2010
RE: SUPPLEMENTAL REPORT AND RESOLUTION PROPOSING ALTERNATIVE
GENERAL PURPOSE FUND REDUCTION TARGETS FOR ANTICIPATED
FISCAL YEAR 2009-10 AND 2010-11 SHORTFALLS FOR THE BUDGETS OF
ALL ELECTED OFFICERS, INCLUDING THE CITY COUNCIL, MAYOR, CITY
ATTORNEY AND CITY AUDITOR

SUMMARY

In their March 16th report, City Council President and Council member Ignacio De La Fuente recommend 15% reductions in the FY 2009-11 General Purpose Fund (GPF) appropriations of the Mayor's, City Council's, City Attorney's and City Auditor's Offices. Across the board reductions for all elected offices would be disproportionate and inequitable, given that each office has taken varying levels of GPF budget reductions since July 2008. In particular, some offices have already eliminated staff while others have not. FY 2009-10 and FY 2010-11 reduction targets should *account for prior GPF budget and FTE reductions taken since FY 2008-09*.

BACKGROUND

In the last year-and-a-half (since FY 2008-09), elected offices have made varying cuts to their GPF budgets and FTEs. The table (*Attachment A*) reflects the staffing and budget changes since the FY 2008-09 Adopted Budget.

In brief, since July 2008 in FTE terms, and netting out transfers to other offices or funds:

- (i) the Mayor's Office staffing has been reduced by 5 FTEs or 31.3%;
- (ii) the City Attorney's Office staffing has been reduced by 6.98 FTEs or 19.0%;
- (iii) the City Council office staffing has not been reduced at all;
- (iv) the City Auditor staffing has also not been reduced at all.

Similarly, since July 2008 in budget terms, and netting out transfers to other offices or funds:

- (i) the Mayor's Office budget has been reduced by \$.8 million or 30.7%;
- (ii) the City Attorney's Office budget has been reduced by \$1.8 million or 34.7%;
- (iii) the City Council office budget has been reduced by \$.29 million or 7.7%;
- (iv) the City Auditor budget has *increased* by \$.08 million or 5.6%;

KEY ISSUES AND IMPACTS

To now make a 15% reduction for all elected offices neglects the reality that both the Mayor's Office and the City Attorney's have already made major staffing as well as budget while neither the City Council nor the City Auditor have made any staffing cuts and the Council has made only minimal budget reductions.

For the Council make 15% cuts now would still leave them far below the cuts (less than half) already made by the City Attorney's office and by the Mayor's office.

As such, there are two equitable approaches: (i) have the 15% cuts proposed for all elected offices be limited to just the City Council and by some lesser amount for the City Auditor; or (ii) have the Council cuts match the level of cuts already made by the City Attorney and Mayor, which would necessitate doubling the 15% Council cuts to 30% and then make much lesser cuts to other elected offices

SUSTAINABLE OPPORTUNITIES

There are no sustainable opportunities associated with this proposed action.

DISABILITY AND SENIOR CITIZEN ACCESS

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

RECOMMENDATIONS

City Council should consider a more proportionate and equitable reduction target for elected offices' GPF budget reductions. There are at least two equitable approaches: (i) have the 15% cuts proposed for all elected offices be limited to just the City Council and by some lesser amount for the City Auditor; or (ii) have the Council cuts match the level of cuts already made by the City Attorney, and Mayor, which would necessitate doubling the 15% Council cuts to 30% and then make much lesser cuts to other elected offices

Respectfully submitted,



DAN LINDHEIM
City Administrator

**General Purpose Fund Budget Reductions in the Mayor's, City Council, City Attorney and City Auditor's Offices
FY 2008-09 through FY 2009-10 (\$s in millions)**

	FY 2008-09 Adopted Budget		Less value of org and fund transfers ¹		Normalized FY 2008-09 Adopted Budget		FY 2008-09 Midcycle Budget July 2008 ²		FY 2008-09 Budget Revise October 2008 ³		FY 2009-10 Amended Budget ⁴		Total Budget Reductions		% of Normalized FY 2008-09 Adopted Budget Reduced	
	\$s	FTEs	\$s	FTEs	\$s	FTEs	\$s	FTEs	\$s	FTEs	\$s	FTEs	\$s	FTEs	\$s	FTEs
Operating Appropriations																
Mayor	3.23	20.50	(0.62)	(4.50)	2.61	16.00	(0.21)	(1.00)	(0.20)	-	(0.39)	(4.00)	(0.80)	(5.00)	-30.7%	-31.3%
City Council	3.79	26.79	-	-	3.79	26.79	0.00	-	-	-	(0.29)	-	(0.29)	-	-7.7%	-
City Attorney	9.36	56.80	(4.10)	(20.07)	5.26	36.73	(0.22)	0.02	(0.45)	(4.00)	(1.16)	(3.00)	(1.82)	(6.98)	-34.7%	-19.0%
City Auditor	1.38	8.83	-	-	1.38	8.83	(0.00)	-	0.25	-	(0.17)	-	0.08	-	5.6%	-
TOTAL	\$17.76	112.92	\$(4.72)	(24.57)	\$13.04	88.35	\$(0.43)	(0.98)	\$ (0.40)	(4.00)	\$(2.02)	(7.00)	\$ (2.84)	(11.98)	-21.8%	-13.6%
Pay-Go Appropriations⁵																
Mayor	-	-	-	-	-	-	(0.15)	-	-	-	(0.04)	-	(0.19)	-	-100.0%	-
City Council	0.98	-	-	-	0.98	-	-	-	(0.95)	-	-	-	(0.95)	-	-97.2%	-

NOTES:

- Transfers include: Oaklanders' Assistance Center transfer from the Mayor's Office to the City Administrator's Office and the transfer of 20.07 FTE Deputy City Attorneys from the GPF to the Self-Insurance Liability Fund, which occurred in FY 2009-10.
- For detail, see Exhibit B-2 in resolution No. 81485 C.M.S., passed on July 15, 2008. Citywide personnel savings measures affecting all departments (e.g. business shutdown savings) were excluded.
- For detail, see Exhibit A-1 in resolution No. 81630 C.M.S., passed on October 21, 2008. The Mayor's Office was to have reduced staff by 3.0 FTEs, but achieved savings through vacancies. The City Auditor's Office increase is due to the addition of the Whistleblower Program, per resolution No. 81551 C.M.S. Citywide personnel savings measures affecting all departments (e.g. business shutdown savings) were excluded.
- For detail, see all exhibits related to resolution Nos. 82103 and 82235, respectively passed on June 30, 2009 and July 28, 2009. Note that reductions reflect the following balancing measures from the FY 2009-10 baseline budget: elected officials' 10% voluntary salary reduction, anticipated Golden Handshake savings, 20% citywide supplies reduction, 5% citywide contract reduction and other reductions specifically made for each office as delineated in the exhibits.
- FY 2008-09 Pay-Go represents new appropriations; officeholders have had existing GPF balances. In FY 2009-10, Council eliminated their new Capital Reserve Fund (5510) Pay-Go allocations totaling \$0.56 million; as a result, GPF-funded capital projects were shifted to this fund, thereby resulting in GPF savings.