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OFFICE OF THE CITY CLERK  
OAKLAND

2015 FEB 10 PM 5:03

# AGENDA REPORT

**TO:** JOHN A. FLORES  
INTERIM CITY ADMINISTRATOR

**FROM:** Kiran Bawa

**SUBJECT:** Amendments to the FY 2014-15  
Midcycle Budget

**DATE:** February 3, 2015

City Administrator  
Approval

Date

2/5/15

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

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

Resolution Amending the City of Oakland's FY 2014-15 Midcycle Budget, which was Adopted Pursuant to Resolution No. 85085 C.M.S. on July 1, 2014, and further amended by Resolution No. 85281 C.M.S. on November 18, 2014 to appropriate FY 2014-15 GPF Expenditures in an Amount not to Exceed \$744,186 from Oakland Parks and Recreation (OPR) Reserve for Youth Program and increase General Purpose Fund Emergency Reserve in an amount of \$55,914

## OUTCOME

The FY 2014-15 Policy Budget will be amended with additional appropriations of \$744,186 from OPR Reserve for one-time expenditures for Youth Program and increase GPF Emergency Reserve (7.5%) in an amount of \$55,914.

## EXECUTIVE SUMMARY

On January 6, 2015, the City Council approved setting aside a reserve of \$800,000 for one-time costs resulting from the minimum wage and spring/summer youth programs in OPR (Resolution No. 85336 CMS). Staff is returning to request an appropriation to address the immediate need and better plan for the summer programs for an amount totaling \$744,186. In addition \$55,914 will be utilized to increase the GPF Emergency Reserve in accordance with the Consolidated Fiscal Policy (Ordinance 13279 CMS).

Item. \_\_\_\_\_  
Finance and Management Committee  
February 24, 2015

## **BACKGROUND/LEGISLATIVE HISTORY**

On January 6, 2016, the City Council set-aside a reserve to cover one-time costs associated with the minimum wage increase effective March 2, 2015 and to support summer youth programs in OPR.

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

Approval of this item will appropriate \$744,186 for one-time costs for Summer Youth Programs in OPR as follows.

1. **Implement the voter-approved local minimum wage law (Measure FF)** - Staff's analysis of the impact to City employees shows that the impact on the higher minimum wage is primarily on the part-time classifications - Recreation Aide, PT, Recreation Attendant I/II, PT and Recreation Leader I/II, PT. The anticipated cost for both the increased minimum wage and sick leave provision is approximately \$250,000 for the period of March through June 2015, but could be less if impacted part-time employees are hired after March. The funds are essential to cover the additional program cost without increasing fees. Minimum wage increases for positions beyond July 1, 2015 will be addressed in the FY 2015-17 budget development
2. **Summer Youth Program in Low-Income Areas** – The remaining \$494,186 will be utilized to support the summer program by hiring additional part-time positions to serve at 14 Recreation Centers primarily in the low income areas. Increased staff would support summer programs such as sports, fitness, visual and performing arts, and drama, to name a few activities. This will enable OPR to delay any projected increase in campership and program fees as these one-time source of funding will cover costs for part time staff over 10 weeks, not working more than 20 hours per week (no more than 200 hours for the summer) as Recreation Leaders I/II, Aides and Attendants and in the following recreation centers: Allendale, Arroyo Viejo, Bushrod, Carmen Flores, deFremery, Golden Gate, Ira Jenkins, Manzanita, Mosswood, Poplar/Willie Keys, Rainbow, San Antonio, Franklin and Tassafaronga. Because this is a one-time support for the summer programs, any future changes will be addressed as part of the FY 2015-17 budget development.

**PUBLIC OUTREACH/INTEREST**

Not applicable.

**COORDINATION**

This report was prepared in coordination with the Oakland Parks & Recreation.

**COST SUMMARY/IMPLICATIONS**

\$800,000 from OPR reserve set-aside by Council will be appropriated as follows: \$744,186 for Youth Program; and \$55,914 to the GPF Emergency reserve.

**SUSTAINABLE OPPORTUNITIES**

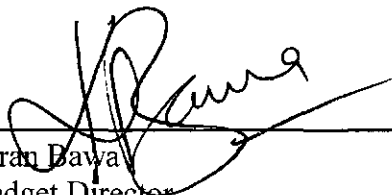
*Economic:* None.

*Environmental:* None.

*Social Equity:* These funds will bolster programs for Oakland's low income youth.

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

Respectfully submitted,

  
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Kiran Bawa  
Budget Director

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

***Attachments:***

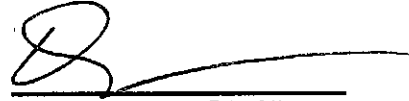
Resolution to Amend FY 2014-15 Midcycle Budget

Item: \_\_\_\_\_  
Finance and Management Committee  
February 24, 2015

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

Approved as to Form and Legality



City Attorney

2015 FEB 10 PM 5:03

RESOLUTION No. \_\_\_\_\_ C.M.S.

**RESOLUTION AMENDING THE CITY OF OAKLAND'S FY 2014-15 MIDCYCLE BUDGET, WHICH WAS ADOPTED PURSUANT TO RESOLUTION NO. 85085 C.M.S. ON JULY 1, 2014 AND AMENDED BY RESOLUTION 85281 C.M.S. ON NOVEMBER 18, 2014 TO APPROPRIATE FY 2014-15 GENERAL PURPOSE FUND EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$744,186 FROM OAKLAND PARKS AND RECREATION RESERVE FOR YOUTH PROGRAM; AND INCREASE GENERAL PURPOSE FUND RESERVE IN AN AMOUNT OF \$55,914**

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

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

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

**WHEREAS**, on January 6, 2015, the City Council set-aside a reserve of \$800,000 from General Purpose Fund undesignated fund balance for Oakland Parks & Recreation youth programs (Resolution 85336 C.M.S.); and

**WHEREAS**, the Oakland Parks and Recreation Reserve is comprised of one-time revenue; and

**WHEREAS**, the Administration has identified additional one-time expenditures that will require appropriations to continue to provide services and fulfill the policy directives established by the City Council; and

**WHEREAS**, the General Purpose Fund Emergency Reserve is required to be 7.5% of total General Purpose Fund appropriations; therefore be it

**RESOLVED:** That the Oakland City Council, hereby amends the Fiscal Year 2014-15 budget to appropriate one-time expenditures for Oakland Parks & Recreation youth program; and

**FURTHER RESOLVED:** That the Oakland City Council, hereby increases the General Purpose Fund Emergency Reserve by \$55,914.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN and REID

NOES -

ABSENT -

ABSTENTION -

ATTEST \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California