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OFFICE OF THE CITY CLERK  
OAKLAND

2013 APR 18 AM 10:12

## ***AGENDA REPORT***

**TO:** Honorable City Council

**FROM:** Deanna J. Santana

**SUBJECT:** FY 2013-2015 Proposed Policy  
Budget Discussion

**DATE:** April 17, 2013

**COUNCIL DISTRICT:** City-Wide

### **RECOMMENDATION**

Presentation of the Proposed Policy Budget for FYs 2013-2015 from the Mayor and the City Administrator.

### **OUTCOME**

The outcome of this presentation is that it provides an opportunity for public discussion and deliberation on the FYs 2013-2015 Proposed Policy Budget.

### **BACKGROUND/LEGISLATIVE HISTORY**

The Administration published the FY 2013-2015 Proposed Policy Budget on April 17, 2013. Per City Charter Section 801, the City Council shall adopt a budget by June 30 to authorize expenditures for the following fiscal year, failing which the appropriations for current operations of the last fiscal year shall be deemed effective until the new budget and appropriation measures are adopted.

### **ANALYSIS**

Important elements of the proposed budget include:

- Graduating four police academies over the next two fiscal years, bringing the sworn staffing to an estimated 697 officers based on graduation and attrition estimates;
- Graduating two fire academies over the two year budget;
- Outlining policy tradeoffs that the community, employees and City Council will have to consider, including funding for additional police academies, housing services, litter and

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illegal dumping enforcement and clean-up, road repair, graffiti abatement, and Head Start services, which likely face federal cuts;

- Reducing ongoing expenditures by \$11.6 million in the first year and increasing that reduction to \$16.1 million in the second year;
- As part of those reductions, eliminating 79.5 full-time equivalent positions (PTEs) in the first year and an additional 7 FTEs in the second year;
- Investing in economic development, which includes job training, business assistance, cultural arts and marketing, business attraction and affordable housing;
- Reducing reliance on one-time revenue sources, which account for \$14.3 million in the current year FY2012-13 but just \$10.8 million over the next two years; and
- Calling on all Oakland stakeholders to help resolve long-term projected shortfalls caused by factors outside the City's control, including rising pension and health care costs, currently unknown state and federal cuts and the still-unfolding impacts of the elimination of the state Redevelopment program. We also begin planning ahead to address the significant backlog of deferred maintenance on City roads and buildings, as well as long-overdue technology upgrades.

For summary of the proposed FY 2013-15 Policy Budget, see attached Budget in Brief. For the entire proposed budget document, please visit the following link:

<http://www2.oaklandnet.com/oakcal/groups/cityadministrator/documents/report/oak040606.pdf>

### **PUBLIC OUTREACH/INTEREST**

There are a number of public information and engagement opportunities planned. The Administration and City Council will jointly hold town hall meetings and the City Council will hold a number of budget meetings to explain the FY 2013-2015 Proposed Policy Budget, receive public input, and deliberate over modifications. The City will maintain an up-to-date website of budget information at [oaklandnet.com](http://oaklandnet.com); the public can complete a survey on budget priorities through [EngageOakland.com](http://EngageOakland.com); and the public can access the proposed budget data file through the City's open data platform [data.oaklandnet.com](http://data.oaklandnet.com).

City Administration has planned several opportunities for residents to participate and provide input with respect to the City's budget-balancing efforts. The table below illustrates key milestones.

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April 17 FY2013-15 Proposed Budget published  
April 30 Mayor and City Administrator present the FY2013-15 Proposed Policy Budget to City Council  
Month of May Budget Town Hall Meetings held citywide; dates, times and locations to be announced  
May 23 City Council Budget Hearing #1  
June 6 City Council Budget Hearing #2  
June 27 Final City Council Budget Hearing/Adoption  
July 1 Begin implementation of FY 2013-15 Adopted Budget

### COORDINATION

The City Administrator's Budget Office coordinated with the Office of the Controller and the Office of the City Attorney in preparing this report.

### COST SUMMARY/IMPLICATIONS

See the Proposed Policy Budget.

### SUSTAINABLE OPPORTUNITIES

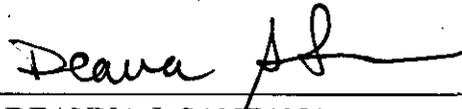
**Economic:** See the Proposed Policy Budget.

**Environmental:** See the Proposed Policy Budget.

**Social Equity:** See the Proposed Policy Budget.

For questions regarding this report, please contact Donna Hom, Budget Director, at 510-238-2038.

Respectfully submitted,



DEANNA J. SANTANA  
City Administrator

Prepared by:  
Andrew Murray, Assistant to the City Administrator

Reviewed by:  
Donna Hom, Budget Director

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City Council  
April 30, 2013



**CITY OF OAKLAND**  
CALIFORNIA

**Fiscal Year 2013-15**  
**Proposed Policy Budget**

# CITY OF OAKLAND

## FY 2013-15 PROPOSED POLICY BUDGET

**Mayor**

**Jean Quan**

### Members of the City Council

**Patricia Kernighan (District 2)**  
Council President

**Larry Reid (District 7)**  
Vice-Mayor

**Rebecca Kaplan (At-Large)**

**Dan Kalb (District 1)**

**Lynette Gibson McElhaney (District 3)**

**Libby Schaaf (District 4)**

**Noel Gallo (District 5)**

**Desley Brooks (District 6)**

### City Administrator

**Deanna J. Santana**

### Prepared by the Budget Office

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## **Elected Officers**

**Barbara Parker**, City Attorney

**Courtney Ruby**, City Auditor

## **Administration**

**Deanna J. Santana**, City Administrator

**Fred Blackwell**, Assistant City Administrator

**Scott P. Johnson**, Assistant City Administrator

**Arturo Sanchez**, Deputy City Administrator

## **Directors**

**LaTonda Simmons**

City Clerk

**Gerald Garzon (Interim)**

Library

### **Community Services**

Audree V. Jones-Taylor – Parks & Recreation

Sara Bedford – Human Services

**Rachel O'Dwyer Flynn**

Planning and Building

**Teresa Deloach Reed**

Fire Department

**Howard A. Jordan**

Police Department

**Michele Byrd**

Housing & Community Development

**Vitaly Troyan**

Public Works

## **Mission Statement**

The City of Oakland is committed to the delivery of effective, courteous and responsible service. Citizens and employees are treated with fairness, dignity and respect.

Civic and employee pride are accomplished through constant pursuit of excellence and a workforce that values and reflects the diversity of the Oakland community.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Oakland  
California**

For the Biennium Beginning

**July 1, 2011**

*Linda C. Danson Jeffrey R. Egan*

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Oakland for its biannual budget for the fiscal years 2011-12 and 2012-13.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one budget cycle only. We believe our current budget for fiscal years 2013-14 and 2014-15, continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Insert Tab



# CITY OF OAKLAND



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Office of the City Administrator  
Deanna J. Santana  
City Administrator

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April 17, 2013

## **HONORABLE CITY COUNCIL & OAKLAND RESIDENTS**

On behalf of the City Administration, we are pleased to present the City of Oakland's Proposed Policy Budgets for Fiscal Years 2013-14 and 2014-15 for the City Council's consideration.

This budget represents a crossroads for Oakland. Our economy is on the rise, and we see many opportunities ahead to realize our vision of success, safety and stability for our city. We have worked to balance the priorities and needs of everyone in the City, and we believe this is a "fair share" budget for all. We are investing strongly in public safety and economic development to restore our police force and build on the economic opportunities before us. Due to growing expenses beyond our control, we are still forced to propose some cuts and position eliminations, but we have worked hard to minimize them.

Significantly, employee contributions made over two years ago, at the height of the recession, will sunset starting in July 2013. For several years now, our employees have given contributions that were critical to stabilizing the City and creating an environment where we can now make thoughtful, though urgent, decisions about our future. We are grateful to all City employees, whose sacrifices have been essential to stabilizing the City's finances and resuming our economic growth. Looking ahead, we will have to make smart, tough decisions together about how we move forward to tackle our challenges and seize the great opportunities before us.

While we have weathered fiscal storms and made substantial progress, there are factors beyond our local control that pose big challenges for balancing this two-year budget in the short term and ensuring our financial stability in the long term. It is crucial that we prepare now to address anticipated increases in expenditures. Our recent economic gains have been offset and outpaced by the following factors:

- Unknown federal and state funding cuts;
- Rising health care costs;
- Rapidly growing costs of employee pensions as the CalPERS funding system undergoes necessary reform;
- Sunsetting of local tax measures; and
- Expiring public safety grants worth millions of dollars.

As a result, the Proposed Budget for FY 2013-15 proposes to reduce expenditures by \$11.6 million in the first year (FY 2013-14) and \$16.1 million in the second year (FY 2014-15). This will result in the proposed elimination of **79.5 full-time equivalent (FTE) employees** in FY 2013-14 and **86.5 FTEs** in FY 2014-15.

The purpose of this transmittal letter is to lay out the context in which this budget is proposed: the Administration's priorities and vision for the City; the collective contributions of our many stakeholders; the work we have done together to stabilize and build Oakland's fiscal health and retain public services; the outside forces we must reconcile with our fiscal operations; the important long-term factors which require sound planning; and our strategies and values in building this budget.

This budget proposal contains appropriations totaling about \$1 billion per year for the next two years across all funding sources, and budget proposals that both increase and decrease City services. It is a balanced budget, as required by City Charter.

In building the vision and direction proposed in this budget, we have weighed and tried to fairly balance the priorities of the Administration, Councilmembers, City employees and, most importantly, the community we serve. The specific proposed budget-balancing measures are presented in detail in the Service Impacts tab of this budget document. In brief, here are some of the most significant, concrete elements of this balanced budget:

- Net **increases in General Fund** appropriations. In the current fiscal year (FY 2012-13), those appropriations total \$409 million. For the proposed two-year budget, General Fund appropriations total \$430 million in FY13-14, and \$457 million in FY14-15.
- Investment in public safety by funding **more police academies**. Under this budget, four academies will graduate over the next two years. The projected sworn staffing level of the department would be an estimated 697 officers by the end of FY 2014-15, depending on graduation and attrition rates.
- Investment **in economic development**, including job training, business assistance, cultural arts and marketing, business attraction and affordable housing.
- **Policy trade-offs** will need to be considered. Among these include funding for additional police academies, housing services, litter and illegal dumping enforcement and clean-up, road repair, graffiti abatement and Head Start services, which likely face federal cuts.
- We have **reduced our reliance on one-time sources of revenue** for ongoing expenses (\$10.8 million over the next two years, compared to \$14.3 million for the current year).

### **Priorities and Vision**

Oakland is a diverse city that is home to a wide array of different communities and individuals. In many cases, that means our residents and businesses sometimes have differing and even conflicting priorities. The job of leadership is to serve all of Oakland, and to resolve those differences in a way that best serves our collective needs and goals. In that spirit, our top priorities for this budget are to:

- Invest in public safety;
- Create jobs and promote economic development;

- Bolster job-training services so that Oaklanders are a competitive and thriving workforce;
- Build and restore our infrastructure and the physical environment of Oakland;
- Achieve long-term fiscal stability for the City; and
- Foster Oakland youth and care for our most vulnerable populations.

All these priorities weave a cohesive whole, and by working together we will move Oakland forward. Our vision for Oakland is to dramatically bring down crime and strongly increase safety for our residents and businesses. This will encourage new businesses and investors, and bolster the businesses we already have, which in turn will produce new jobs, increase prosperity in our neighborhoods and create more revenue to support City services. With greater revenues, we can improve quality of life for everyone in our city, and better fund services for our most vulnerable residents, making stable, steady progress toward prosperity.

### **Collective Stakeholder Contributions**

The City could not have achieved its state of relative health without three crucial factors: employee contributions, service reductions, and growing revenues. The first two factors were the result of incredible dedication, hard work, negotiation and leadership on the part of every City stakeholder, including the employees themselves and the City Council.

Every City employee has faced the difficulty of losing approximately 9% of their compensation, a sacrifice that is never easy to make. Mayor Quan cut in her own salary by 25% upon taking office, and will continue to do so in the coming fiscal year. This was partly an effort to honor the hard work of all public servants and the sacrifices they were asked to make. In the current fiscal year alone, employee contributions equal approximately \$37 million. These contributions have saved jobs and allowed the City to sustain vital services for residents.

### **Weathering the Financial Storm**

In addition to employee contributions, we have made great strides over the past several years to stabilize the City's finances, which has required significant and in many cases unsustainable service reductions and/or eliminations:

- Reduced the workforce by 21% over the past 10 years, resulting in the elimination of about 720 positions;
- Closed \$318 million in cumulative budget shortfalls ;
- Instituted rolling brown-outs of two fire engine companies;
- Reduced sworn police staffing by 27% (from 837 to 611 officers) and civilian staff by 34% in the last 6 years (from 394 to 261 FTEs), with loss of services in patrol, level of investigations, delayed response to 911 calls for service, and elimination of the horse-mounted unit and traffic unit;
- Significantly reduced paving and street repairs;
- Reduced code enforcement, development, and planning staff;
- Reduced Cultural Arts programs and grants, and Film Office staffing;
- Significantly reduced various neighborhood improvement and beautification programs, such as: façade and tenant improvement grants, the Neighborhood Project Initiative Program, graffiti abatement (private property), blight removal, litter and illegal dumping response, tree trimming, sidewalk maintenance, and open space maintenance;
- Reduced affordable housing programs and funding for homeless programs;

- Reduced park, median and grounds and building maintenance and custodial services.

We have pursued various ways to maximize revenue by: (1) pursuing grants from federal and state governments as well as foundations and the private sector, (2) aggressively pursuing dollars owed the City through special revenue collection efforts, (3) developing more public/private partnerships, and (4) increasing fees to fully recover the costs related to providing services. The results of a growing economy and aggressive revenue development efforts have proven fruitful.

Over the past five years, the City has made significant strides in stabilizing its financial condition, and the City Council, residents, and employees have played a major role in getting the City to a stronger fiscal condition. The following fiscal actions that have strengthened our financial standing:

- Instituted strong fiscal controls and strengthened financial policies;
- Proactively collected revenues and implemented targeted efforts to collect past-due funds;
- Paid down negative fund balances, which have gone from \$138 million to about \$99 million at the close of FY 2012-2013 (this is internal debt that comes from inter-fund borrowing);
- Fully funded the General Fund reserve to meet the level mandated by City Council policy for the first time in five years;
- Reorganized to reduce costs and enhance efficiency; and,
- Planned for anticipated additional fiscal impacts from the dissolution of Redevelopment.

Two years ago this Administration walked in the door to more than \$40 million in existing budget shortfalls, a dramatically reduced police force, high debt, reduced revenues, and high unemployment. Together, since Mayor Quan took office, we have:

- Closed the budget shortfalls
- Minimized layoffs and service reductions
- Rehired all the laid-off police officers who wanted to return, and awarded a grant for 25 new officers
- Funded the first police academy in more than four years and proposed more
- Significantly paid down debt
- Maintained AA credit ratings through multiple reviews by raters/investors
- Supported modest, steady revenue increases
- Brought down unemployment from 16.6% to 13.1% in January 2013.

### **Ready for Growth**

The good news is that the economy is showing steady signs of modest recovery, the housing market is red hot, and key economic indicators are trending in a positive direction: unemployment is down and revenues are up in most categories (e.g., property tax, sales tax, business tax, real estate tax).

The financial markets are taking notice of Oakland's judicious approach to address both short-term and long-term financial challenges: just recently, the credit-rating agencies reaffirmed our AA credit rating and noted our stable fiscal outlook.

Looking forward, we must continue to grow our revenues to restore and enhance services to the community. We have actively supported long-dormant projects which have recently sprung to life, and are working to spur progress on other projects to draw investment to Oakland, creating more jobs and more economic development. Recent progress includes:

- Preparing to begin construction at the Oakland Army Base by December 2013, which includes constructing a new marine terminal and 1 million square feet of trade and logistics space that will generate approximately 2,000 jobs;
- Supporting efforts to break ground in spring 2014 at the Brooklyn Basin Project, which includes 3,100 units of housing, 30 acres of open space, and 200,000 square feet of commercial space, with an approximate job count of 8,000 over the 6 to 8 year build-out of the project;
- Completing the “10K” housing project started a decade ago and strategically positioning Oakland for “10K” 2.0, which would build housing across all of Oakland’s transit corridors;
- Continuing to negotiate exciting opportunities for our sports facilities and the world-class potential of the Coliseum City development project; and
- Aggressively pursuing retail projects. Since 2011, more than 1 million square feet of new or improved leasable retail space have been completed or are in the pipeline.

### **Factors Outside the City’s Control**

Despite the good work we’ve done putting our fiscal house in order, outside financial forces are creating new challenges going forward. We face some significant losses, and some expenses are rising even faster than our revenues, but three primary factors affect our fiscal status:

#### ***1. Ongoing Impacts of the Global Recession***

Oakland continues to be challenged by the lingering impacts of the global recession and the harsh service impacts which resulted from reducing \$318 million in expenditures and losing 720 FTEs in prior years, while simultaneously planning for additional reductions.

We have begun recovery, but have not yet fully restored our pre-recession revenues. A good example of these ongoing points of recovery is property tax, a central revenue source for California cities. Although Oakland property tax revenues are on the rise, they remain \$8.7 million short of pre-recession levels.

Although revenues are showing modest, upward trends, continuously rising costs and deferred expenditures are projected to outpace revenue growth, mostly due to steep increases in health care and pension costs and critical deferred maintenance to repair City buildings and roads, upgrade technology, and replace fleet and equipment.

#### ***2. Increased Cost of Benefits***

CalPERS’ newly adopted actuarial assumptions will have a significant impact on the City’s budget.

In the coming year, we face a 21% increase in CalPERS costs, or about \$18 million. Over the next five years, additional increases of about 50% are expected, and anticipated CalPERS reforms could drive costs even higher.

The City must also prepare to pay increased costs for medical benefits above the estimated \$41 million we now pay. These costs have increased by 39% per civilian employee since FY 06-07, and by 50% for sworn employees. While CalPERS has not published projected cost increases for 2014, the past increases are a reasonable indicator of anticipated increases in the coming years.

These rising costs are currently projected to outpace the City's economic growth and steadily rising revenues.

### ***3. Dissolution of Redevelopment***

Redevelopment was a major tool that Oakland—like other urban centers in California—could use to turn vacant and underutilized properties into productive, tax revenue-generating and job-producing use. It served as a catalyst for private investment to breathe life into areas burdened with deteriorated buildings, environmental contamination, and aging infrastructure that would otherwise lay vacant and nonproductive.

The elimination of Redevelopment in January 2012 created a \$28 million hole in the City's budget and eliminated a significant source of ongoing funding for affordable housing and blight abatement, including resource to combat graffiti and illegal dumping. Redevelopment had also been partly used to help fund police services in commercial areas slated for revitalization.

Over the past year, the work to wind down former redevelopment agencies has been an enormously complex process for cities across the state. The California Department of Finance is currently reviewing the transactions and land sales that took place during that process and has disallowed a number of actions in other cities. Oakland is preparing for that possibility, and while we have fiscally prepared for these events, funds set aside to address this fiscal impact are funds that the City could have used for investment in desperately needed, one-time expenses (e.g., critical deferred maintenance to repair City buildings and roads, technology upgrades, and replacement of fleet and equipment).

### **Strategies and Values**

We've worked to be **transparent and collaborative**. This is an open, community-focused process with the books open to anyone who wants to see the data. By letting everyone have unprecedented access to our budget data we know we can: (1) improve trust in the process, (2) create a budget that truly serves everyone, and (3) tap into the best ideas available by empowering everyone in Oakland to contribute their ideas and perspectives.

In recent years, we reorganized to increase efficiency, reduced middle management, and in many cases cut services to the bone. We now face choices moving forward about rebuilding and restoring a few key services. While all City service areas require our attention, we have given particular focus to the areas of **public safety and economic development**. By building a safer Oakland and growing our economy, we will create a better foundation on which to restore and grow the City as a whole.

**We're in this together.** We will build on union partnerships and collaborate with City Councilmembers and the community. A series of town hall meetings will be held throughout Oakland to discuss the City's fiscal condition and proposed Policy Budget, and the City Council will hold public hearings on the proposed budget.

**Balancing priorities.** Tough choices lie ahead. Everyone's priorities are important, and we have made every effort to respect and champion the collective expectations, needs and goals of the people and employees of Oakland.

### **Oakland at a Crossroads**

It is clear that the City is at a critical juncture. The decisions we make now are pivotal to our future and to realizing the full promise of Oakland. The city has won recent international recognition, and with our economy on the rise, we are well positioned for growth. Great opportunities are before us and we are within reach of a prosperous, bright future.

However, to get there, we must deal directly with our remaining challenges. The most urgent, immediate priority is to reduce crime and increase police staffing. This proposed budget will fund the graduation of four police academies over the next two fiscal years and bring police sworn staffing to 697 by the end of FY 2014-2015.

As we tackle police staffing shortages in the near term, we must also keep our eyes sharply focused on the horizon to ensure that our long-term financial issues are addressed without "kicking the can" further down the road.

For Oakland to truly flourish, we must begin to confront the imbalance between revenues and expenditures. This will take systematic planning, difficult trade-offs, patience, and will to create sustainable, long-term solutions that provide relief from the shortfalls predicted for the future, absent a permanent solution. Among our upcoming challenges are:

- Two major tax measures will sunset in the coming years: Measure Y, which largely funds police officers and community-based violence prevention service, amongst other services, as well as the Wildfire Prevention Assessment District, which provides for the ongoing safety needs necessary to preventing another firestorm such as the one Oakland endured in 1991. Renewal of these measures will require voter approval. As a result, we need to begin problem-solving over the next fiscal year to stabilize these services and funding should they not be renewed;
- Prepare for the reforms that CalPERS will put in place over the next six years that will have a significant fiscal impact;
- Prepare to implement the Affordable Care Act during the term of this proposed budget, with as-yet unknown fiscal impacts and many unresolved questions;
- Still absorbing the impact of the loss of Redevelopment;
- Five years of structural deficit is forecasted; and
- More than \$1 billion of unfunded liabilities and/or deferred capital projects projected.

With labor agreements expiring beginning in July 2013, the proposed Policy Budget does not assume these savings and, instead, provides a prioritized list of services that we recommend be restored, if additional contributions are received.

In general, the proposed budget-balancing measures seek to leverage City services by reducing hours rather than eliminating programs, ensuring that the fees we charge cover the cost of providing the service, generating additional revenue, and expanding the Oakland Police Department. Examples of proposed service eliminations, reductions, and reorganizations are presented in detail in the Service Impacts section of this document.

**HONORABLE CITY COUNCIL AND OAKLAND RESIDENTS**

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Going forward, we must recognize the vital contribution employees made and the major impacts those contributions had; while these budgets do not assume the renewal of those contributions, we know that by working with our employees to secure structural reform to the City's budget and finding long-term solutions together, we can prepare ourselves for the period of true growth Oakland needs and deserves.

It will also be critical to bolster our dialogue with the broader Oakland community. The dialogue will have to include the possibility of a modest parcel tax the voters could approve to accelerate the restoration of staffing our police department. While the City has been prudent and smart in setting its financial house in order, we do not have a clear path to reach adequate police staffing without voters playing a part in funding that restoration. We have begun to heal from the devastating effects of the Great Recession, but that growth is modest and arriving at a pace that does not allow the fast action many residents are demanding.

Oakland is like many other California cities and cities across the United States that have grappled with multi-year service reductions and budget shortfalls to a point where there are no longer any discretionary services left to eliminate. It's no longer about "doing more with less" or hoping for a full recovery. It is about acknowledging that we have weathered a very bad fiscal storm, put strong fiscal measures in place that have shown positive results, and now know what the future holds for our City and what we must plan for in the very near term.

We are not alone in these challenges; however, we must remember that the progress we have made over the past five years has been a direct result of this City's dogged determination to work together, with resolve and collective passion for the well-being and viability of our community. Through ongoing collaboration and problem-solving, we will find solutions to the challenges before us, and we are confident that these decisions will allow Oakland to emerge stronger than ever.

We look forward to formally presenting this Proposed Budget to the City Council on April 30, 2013.

Respectfully submitted,



Jean Quan  
Mayor



Deanna J. Santana  
City Administrator

**Attachment:**  
Budget Highlights

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## FY 2013-2015 BUDGET HIGHLIGHTS

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### I. BUDGET-BALANCING PRINCIPLES

The following budget-balancing principles were used to develop budget proposals and present the City Council with a proposed Policy Budget: essentially, they guide expenditure priorities and impacts. These budget-balancing principles are largely the same as presented in the past (January 2012) and have worked to stabilize our limited public funds and investment in essential services:

1. Develop a budget that balances the City's delivery of the most essential services to the community with the resources available.
2. Comply with Court rulings and orders, such as the dissolution of Redevelopment and Negotiated Settlement Agreement.
3. Resolve shortfalls with ongoing revenue to fund ongoing expenditures. Align one-time resources with one-time costs for programs or projects. To the greatest extent possible, one-time resources should not be used for ongoing costs.
4. Minimize the negative impact of service reductions/eliminations on Oakland residents, businesses, and employees.
5. General Purpose Fund revenues shall not be earmarked for any particular purpose, unless required by law or generally accepted accounting principles (GAAP).
6. All Enterprise Funds shall work to become fully self-supporting from revenues generated by rates, fees and charges.
7. Ensure that services address the diverse community and preserve efforts that the City Council has put in place to address social equity and access to quality of life services.
8. Rates, fees and charges should become fully cost recovering and the General Purpose Fund should not provide subsidies, unless authorized by the City Council and funds are appropriately allocated/appropriated.
9. Ensure that budget-balancing approaches have no negative impact, or minimal impact, on future budgets to ensure high standards of fiscal integrity and management, along with the goal and interest of preserving the City's credit ratings.
10. Focus on services for both the short- and long-term that are unique to what a full-service local government should offer. As a goal, analyze all existing services and target service consolidations, reductions, or eliminations in areas where service is less essential.
11. Explore personnel services cost savings, subject to the meet-and-confer process where applicable.
12. Make every effort, if operationally feasible, to eliminate vacant positions, rather than filled positions, to minimize the number of employee layoffs while at the same time being mindful of the services that the community demands and/or needs. As programs are consolidated, reduced or eliminated, ensure that management and administration are reduced as appropriate.
13. Defer any new program commitments and initiatives or program expansions, unless those programs reduce crime, stimulate the local economy, create jobs, are cost neutral, generate new revenues, are required by law, have a significant return on investment for the General Purpose Fund, and/or are funded through redeployment of existing resources.
14. Explore interdepartmental/interagency partnerships to leverage service delivery models.

## II. FINANCIAL/ECONOMIC MARKET CONSIDERATIONS

Consistent with national, state, and regional economic market trends, the City of Oakland economy is showing signs of stabilization and modest growth.

### *Key Oakland Economic Indicators at a Glance*

Recent economic indicators confirm modest economic recoveries for Oakland:

- **Vacancy rates** have decreased across all commercial sectors, with the industrial sector falling to its lowest ever of 4.7%. Commercial and retail vacancy rates are declining.<sup>1</sup>
- From calendar years 2009 to 2012, **retail sales** increased 23.1%. In calendar year 2012, the gain in taxable retail sales from 2011 alone increased by 7.6%.<sup>2</sup>
- In calendar year 2012, the City experienced a net increase of 5.3% (823 net new) **Residential and commercial businesses** in Oakland (non-rental businesses).<sup>3</sup>
- **Property transfers** continue on an upward trend. In 2012, there was an average of 749 transfers per month for all properties, compared with 712 per month in 2011.<sup>4</sup>
- **Employment** in Oakland in January 2012 was 175,100; in January 2013, employment grew to 181,500, for a net gain of 6,400 jobs.<sup>5</sup>

### *Housing Market Activity*

Oakland's housing market is complex. The rate of foreclosure activities has significantly decreased in Oakland. However, there are still many Oakland residents in or at risk for foreclosure and the number of underwater borrowers is also high. Notices of Default have decreased 64.1% since the prior year, and the rate of short sales has increased 35% from 2011 to 2012.<sup>6</sup> Like state and national trends, the number of short sales in Oakland has impacted the market. Additionally the significant number of foreclosed home purchases by investors has also contributed to higher home prices and a larger rental market.

Additionally, newly constructed condominium units that were converted to rental units are now returning to the sale market. Vacancy rates in rental markets are low, with rents rising. According to the data published by real estate trends site Realtor.com, the average U.S. home spent 84 days on the market last month. In 10 housing markets, homes spent 48 days or less on the market before being sold. In Oakland, homes spent just 24 days on the market.<sup>7</sup>

In terms of new housing, construction starts remain slow, but major housing developments proposed in Oakland are expected to come on line in the next several years. For example, Brooklyn Basin Development (Oak to Ninth development), along the Embarcadero adjacent to Jack London Square, where construction will begin in spring 2014, will contain 3,100 new units of housing, as well as 30 acres of open space and 200,000 square feet of commercial space. The City is positioned now for a "10k 2.0" initiative.

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<sup>1</sup> Colliers International 2012 4<sup>th</sup> Quarter Report

<sup>2</sup> HdL Companies

<sup>3</sup> City of Oakland Business License Office

<sup>4</sup> HdL Companies

<sup>5</sup> State of California EDD

<sup>6</sup> ForeclosureRadar <http://www.foreclosureradar.com/california/alameda-county/oakland-foreclosures>

<sup>7</sup> <http://www.foxbusiness.com/industries/2012/07/25/american-cities-where-homes-sell-fastest/>

### ***Labor Market Activity***

Over the past year, 6,400 jobs were created in Oakland compared to 5,000 jobs created in the previous year.<sup>8</sup>

The unemployment rate in the Oakland-Fremont-Hayward MD was 8.0% in February 2013, down from 8.6% in January 2013, and below the year-ago estimate of 9.5%. This compares with an unadjusted unemployment rate of 9.7% for California and 8.1% for the nation during the same period. The unemployment rate was 8.0% in Alameda County, and 8.1% in Contra Costa County.

Two major development projects are expected to add significantly to employment in the City over the next two years. The construction of a new marine terminal and one million square feet of trade and logistics space at the former Oakland Army Base, which will begin in December 2013, is expected to create approximately two thousand new jobs over the course of its build out. In addition, Brooklyn Basin Development referenced above will create approximately 8,000 jobs over the six to eight year build out of the project, which will begin in spring 2014. At the same time, the City currently has about 1 million sq. feet of retail development underway which will have a positive impact on jobs, as reported by the San Francisco Business Times.

### ***Taxable Sales Activity***

The country's major economic recession in 2008 has had a significant impact on retailing, and the sector is still recovering. In Oakland overall, retail sales had been relatively flat from 2001 to 2004, increased notably from 2004 to 2007, declined in 2008 and 2009, and have been increasing again in 2010 and 2011.

Retail sales activity in 2012 is continuing to show improvement and on an upward trend. Eating and drinking and convenience retailing have shown the largest increases and strongest recovery, while department and apparel sales have lagged and have not recovered as quickly. Retail sales are anticipated to continue growing over the next several years as the economy and consumer confidence continue to recover and grow. Per HdL Economist Jordan Levine, auto sales activity is a good economic indicator for consumer confidence – in Oakland, auto sales are strong – all Oakland auto dealerships are part of Oakland's top 30 sales tax producers.<sup>9</sup>

## **III. OAKLAND WEATHERING ITS FINANCIAL CHALLENGES: 2008-2013**

The City of Oakland is steadily emerging from the recession and collapse of the housing market in 2008. Since then, the City has addressed \$318 million in budget shortfalls caused by sharp revenue declines and eliminated 720 full-time equivalent positions.

### ***Workforce and Community Service Reductions***

Over the past 10 years, the City's workforce has shrunk by about 20% to an all-time low of 3,680 employees. Although the City has tried to sustain service levels despite diminishing staff and resources, the reality is that losing 20% of our staff has had a significant impact on service delivery. And yet, the demand for services has only increased as a result of growing community needs that are heightened during a recession. Adding to the challenge, we have preserved front-line services by dramatically cutting internal service departments such as information technology, finance, and human resources, which are critical to sustaining quality community services. We must seek a better balance moving forward between workload capacity and services delivered.

<sup>8</sup> State of California, EDD

<sup>9</sup> HdL Sales Tax Report 2012

***Past Short-Term and Long-Term Cost-Cutting Measures***

The City’s sworn and civilian employees have made significant contributions to help bridge multi-million shortfalls. Pursuant to the collective bargaining agreements, City employee’s wages were reduced and all employees are now contributing the full employee share of pension costs. Current labor agreements that include these cost-cutting concessions are set to begin expiring in June 2013. Examples of austerity and cost-cutting measures to address the \$318 million in cumulative shortfalls since July 2008 include the following:

**Table 1: Past Short-term and Long-term Cost-Cutting Measures Taken**

Short-Term Measures	Long-Term Measures
<ul style="list-style-type: none"> <li>• Employees temporarily contributed 10% of compensation</li> <li>• Initiated hiring freeze</li> <li>• Closed City offices 12 days per year and added floating furlough days</li> <li>• Deferred maintenance of facilities and streets</li> <li>• Eliminated two fire engine companies and implemented rolling brown outs</li> <li>• Closed branch libraries one day per week</li> <li>• Reduced hours at recreation centers, branch libraries, and senior centers</li> <li>• Eliminated more than 239 vehicles in the fleet</li> <li>• Significantly reduced tree trimming</li> <li>• Restricted travel , training, and discretionary spending</li> <li>• Reduced grants and subsidies to community organizations</li> <li>• Sold surplus property and land</li> </ul>	<ul style="list-style-type: none"> <li>• Eliminated 720 full-time equivalent positions</li> <li>• Increased employee’s retirement contribution</li> <li>• Implemented new two-tier retirement system</li> <li>• Reorganized and combined several City departments to achieve operational efficiencies</li> <li>• Eliminated façade improvement grants, graffiti abatement and illegal dumping programs</li> <li>• Transferred eligible expenditures to restricted funds, freeing up General Fund dollars</li> <li>• Increased fees</li> <li>• Invested in economic development strategies</li> </ul>

***Maximizing Revenue***

The City has pursued ways to maximize revenue. State law limits the City’s ability to levee new taxes, so the only means of increasing revenues without voter approval is to raise fees associated with certain City services. By law, these fees can only cover the City’s actual cost to provide the service (e.g., the City cannot make a profit from basic service fees). To maximize revenue, the City has employed a variety of strategies, which have significantly yielded results, such as:

- Pursued grants from federal and state governments as well as foundations and the private sector;
- Aggressively pursued dollars owed the City through special revenue collection efforts;
- Developed more public/private partnerships; and,
- Increased fees to fully recover the costs related to providing services.

### ***Measures Taken During Last Five Years***

Over the past five years, the City has made significant strides in stabilizing our finances. We have:

- Instituted strong fiscal controls and strengthened financial policies;
- Maintained solid credit ratings which reflect strong financial management practices, a deep and diversified economic base, positive cash flows and liquidity levels, and healthy general fund reserves;
- Fully funded the General Fund reserve to meet the level mandated by City Council policy for the first time in five years;
- Paid down 28% of our negative fund balances, which have gone from \$138 million to \$99 million over a three-year period (this is internal debt that comes from borrowing between funds); and,
- Planned for anticipated additional fiscal impacts from the dissolution of Redevelopment and compliance costs associated with the Negotiated Settlement Agreement.

## **IV. BUDGET OVERVIEW**

### ***Total City Budget***

This FY 2013-15 Budget Proposal contains appropriations totaling about \$1 billion per year for the next two years across all funding sources. The General Purpose Fund accounts for approximately 41% of the City's total budget. It pays for essential programs and services such as police and fire protection, libraries, senior centers, recreational programs, elected offices and municipal business functions. It also includes some restricted funds such as ballot measure earmarks. For FY 2013-14, the proposed General Fund budget is about \$430.16 million (Table 2).

The remainder of the City's budget is comprised of funds that are restricted for special purposes such as grant programs, sewer services, bond-funded projects, capital projects and debt payments. Restricted funds come from grants, fees, bonds, or revenues that are collected for a specific purpose.

<b>Table 2: Proposed Budget: Revenues and Expenditures Summary (in Millions)</b>				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>Revenues</b>	<b>Expenditures</b>	<b>Revenue</b>	<b>Expenditures</b>
GPF	\$ 430.16	\$ 430.16	\$ 457.40	\$ 457.40
All-Funds*	\$ 1,052.69	\$ 1,039.01	\$ 1,071.70	\$ 1,060.58
* The revenues in All-Funds exceed the All-Funds expenditures due to Council's policy to amortize the repayment to negative funds created in prior years.				

## ***General Purpose Fund (GPF)***

Despite having addressed budget shortfalls totaling \$318 million over the past six years, significant conditions continue to impact our fiscal condition, such as: rising costs, police staffing shortages, modest revenue growth, and ongoing recovery from the dissolution of Redevelopment.

In addition, this Proposed Budget takes into account that two special assessments—Measure Y (the Violence Prevention Act and Public Safety Act of 2004) and the Wildfire Prevention Assessment District—are nearing the end of their 10-year lifespan; and that employee contributions, which are estimated to save the City \$37 million per year across all funds in FY 2012-13, are set to expire and are subject to meet-and-confer bargaining to continue at any level after the expiration date. The next year must be used to prepare for the renewal of these initiatives to further stabilize the City’s fiscal condition in the next years: otherwise, there will be greater adverse impacts than already anticipated.

### ***Summary of Former Baseline Estimates***

Shortly after publishing the FY 2013-18 Five Year Forecast in the fall of 2012, staff developed the FY 2013-15 baseline revenue and expenditure estimates. These former estimates from the FY 2013-15 baseline indicated that despite modest revenue growth, continuation of the current FY 2012-13 levels of service plus Council approved augmentations (baseline) would result in a shortfall of \$15.64 million in FY 2013-14 and \$24.86 million in FY 2014-15, as reflected in the table below:

**Table 3: FYs 2013-2015 GPF Revenue & Expenditures Former BASELINE Summary**

	<b><u>FY 2013-14</u></b>	<b><u>FY 2014-15</u></b>
Former Baseline GPF Revenues	\$417.99 million	\$430.07 million
Former Baseline GPF Expenditures	<u>\$433.63 million</u>	<u>\$457.93 million</u>
<b><i>Former Baseline GPF Shortfall</i></b>	<b><i>(\$15.64 million)</i></b>	<b><i>(\$24.86 million)</i></b>

*Note: Figures modified based on recent data, see Table 4 below.*

The baseline shortfall is generally caused by increased costs of providing City services which are outpacing moderate revenue increases, prior reliance on the use of one-time funds to fund ongoing expenditures, and the expiration of employee contributions over the past five years (these contributions, for example, saved \$37 million in FY 2012-13 across all funds and \$23.6 million in the General Purpose Fund). A primary cost driver the city has been experiencing has been the growth in employee health and retirement benefits. For example, the City’s pension costs are projected to grow from \$67.3 million in the current year (FY 2012-13) to \$85.3 million in FY 2014-15, representing an increase of 26.7% over the two year period; and the employee benefit costs (other than retirement) are projected to grow from \$91.3 million in the current year to \$107.3 million in FY 2014-15, representing a 17.5% increase over the two year period. Another driver of the baseline expenditure growth is ongoing funding for new police officers from the last three police academies (166, 167 and 168), as approved by the City Council in FY 2011-13 Policy Budget. In addition, when the City’s Redevelopment Agency was dissolved due to the State’s action, some of the positions were maintained to complete approved projects. As those projects are being completed, less funding is available for administrative positions proportionally.

Revised Revenue Estimates Based on Actual Trend Data through the 2<sup>nd</sup> Quarter of FY 2012-13

Since the development of the baseline budget, new information is available that has been factored into the proposed policy budget. Table 4 below provides a reconciliation of the projected GPF revenues based on new trend data and actual results of revenue the City has been experiencing through December 2012 (2<sup>nd</sup> qtr. FY 2012-13 Revenue and Expense Report) information available since the Five Year Forecast was developed that has better informed and updated our previous baseline revenue projections.

The FY 2013-15 Proposed Policy Budget assumes to use a net of \$10.81 million in General Purpose Fund balance as a balancing proposal to fund on-going operating costs, representing 1.2% of the total two year policy budget. It also assumes \$13.33 million new revenue (above the baseline) in FY 2013-14, of which \$0.5 million or .12% is one-time revenue. For FY 2014-15, \$15.37 million in new revenue is assumed (above the baseline). In addition for FY 2014-15, the budget assumes \$6 million or 1.31% from one-time revenue and the use of \$11.97 million of undesignated general fund balance; both of which are proposed to be used to balance the budget for on-going operations.

**Table 4: Summary of Revised GPF Revenue Projections**

<b>Reconciliation of Projected GPF Revenue Reconciliation</b>		
	<b><u>FY 2013-14</u></b>	<b><u>FY 2014-15</u></b>
Baseline GPF Revenues	\$417.99M	\$430.07M
Additional Revenue – Revised Estimates *	11.51M	8.05M
One-time Balancing Revenue (see Table 5)	.50M	6.00M
New Fees and Revenues (see below)	1.32M	1.32M
Use of Undesignated General Fund Balance	(1.16M)	11.97M
<b>Total Revenue Estimates:</b>	<b>\$430.16M</b>	<b>\$457.41M</b>

*\*The projected GPF baseline revenue in October 2012 was revised in March 2013 based on latest data available in property tax, sales tax, business license tax, etc. FY 2013-14 projected GPF revenue increased by \$11.51 million and \$8.05 million increased for FY 2014-15.*

**Table 5: One-Time New Revenues Summary**

<b>One-Time Revenue</b>		
<b>Description</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Billboard	\$ 500,000	\$ -
Property Sale		\$ 4,000,000
Parking Ticket Backlog		\$ 2,000,000
Total One-Time New Revenue	\$ 500,000	\$ 6,000,000
Total Revenue	\$ 430,155,612	\$ 457,401,684
Percentage of One-Time Revenue	.12%	1.31%

Revenue Adjustments

In addition to the revised revenue estimates in March 2013, the proposed General Purpose Fund budget includes additional revenue increases as follows:

- \$445,124 increases in service charges and fees each year
- Billboard revenue; \$500,000 one-time for the first year plus \$475,000 each year on-going
- \$400,000 revenue from former Redevelopment Agency per year due to debt refinancing plan
- For FY 2014-15, \$2 million one-time revenue from parking ticket backlog by implementing booting vehicles that have multiple unpaid parking tickets
- \$4 million property sales - implementation of asset management plan in the second year
- Use of \$10.81 million (net) from the General Purpose Fund to balance the two-year budget for on-going operating expenditures

Use of One-Time vs. Ongoing Revenue Sources

While recurring, one-time revenue sources are variable by nature, and to the greatest extent possible should not be relied upon to meet predictable ongoing expenses. As stated before, as a best practice, our goal is to use one-time resources or revenues to meet one-time costs for programs or projects. However, as a policy objective, it is reasonable to assume that each year about 3% of revenues will come from variable, one-time sources, which should be used to meet one-time expenses (such as large purchases of equipment or technology upgrades).

The charts below summarize revenues and expenditures for the two-year budget, showing the amounts and percentages of one-time revenues and expenditures vs. ongoing revenues and expenditures. This proposed Policy Budget reduces the City's reliance on the use of one-time dollars for on-going expenditures. For example, for FY 2012-2013, the City used approximately \$14.3 million of one-time dollars for on-going expenditures; however, for FYs 2013-2014 and 2014-2015, it is proposed that the City use approximately \$10.83 million over both years for on-going expenditures. To the extent that on-going revenues are generated to cover these costs during the year, they will be replaced accordingly to further advance this fiscal priority.

On the expenditure side, in FY 2013-14, \$5.4 million or 1.26% of the \$430.16 million in expenditures are one-time reductions. In FY 2014-15, \$5.9 million or 1.29% of the \$457.40 million are one-time reductions (see summary below).

**Table 6: Comparison of Ongoing vs. One Time Revenues and Expenditures**

<b>FY 2013-14</b>	
<b>\$430.16 million Total Revenue:</b>	<b>\$430.16 million Total Expenditures:</b>
<i>\$.5 million one-time revenue (.12% of total)</i>	<i>\$5.4 million one-time exp. reduction (1.26% of total)</i>
<i>\$429.66 million ongoing revenue (99.88% of total)</i>	<i>\$424.76 million ongoing exp. (98.74% of total)</i>
[Net of \$1.16 million of fund balance to be programed For balancing 2014-15)	
<b>FY 2014-15</b>	
<b>\$457.40 million Total Revenue:</b>	<b>\$457.40 million Total Expenditures:</b>
<i>\$6.0 million one-time revenue (1.31% of total)</i>	<i>\$5.9 million one-time exp. reduction (1.29% of total)</i>
<i>\$11.97 million fund balance (2.62% of total)</i>	
<i>\$439.44 million ongoing revenue (96.07% of total)</i>	<i>\$451.50 million ongoing exp. (98.71% of total)</i>

**Table 7: One-Time Expenditure Summary**

<b>One-Time Expenditure Reductions</b>		
<b>Descriptions</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
SAFER Grant	\$ 3,900,000	\$ 3,900,000
IT Equip & Maintenance	\$ 1,500,000	\$ 2,000,000
Total One-Time Exp. Reductions	\$ 5,400,000	\$ 5,900,000
Total Exp. Reductions	\$ 430,155,612	\$ 457,401,684
Percentage of One-Time Exp. Reductions	1.26%	1.29%

## V. BALANCING THE FY 2013-15 BUDGET

The Administration used the budget principles to guide its decision-making during the development of this budget and Table 11 summarizes the proposed budget.

The proposed FY 2013-15 GPF budget contains service level augmentation in some areas and reduction in other areas, which will be discussed in the later section. The General Purpose Fund shortfall is further increased due to reductions of other funds. Table 8 below shows the gaps between revenue and expenditure in the proposed FY 2013-15 budget and the related balancing measures proposed for the General Purpose Fund.

**Table 8: Summary of Balancing Measures**

<b>Balancing Measures</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Revised Projected GPF Revenues	\$429.50M *	\$438.12M*
Revised Baseline GPF Expenditures	\$433.63M	\$454.93M
<b>Baseline GPF Shortfall</b>	<b>(\$ 4.13M)</b>	<b>(\$ 16.81M)</b>
Non-Recovery of OH due to other funds cut	(\$ 1.13M)	(\$ 1.26M)
Increase in Expenditures	(\$ 7.02M)	(\$17.35M)
<b>Total Shortfall:</b>	<b>(\$12.27M)</b>	<b>(\$35.42M)</b>
Expenditure Reductions	\$11.63M	\$16.13M
Increase in Revenues	\$ 1.80M	\$ 7.32M
Utilized Fund Balance:	(\$ 1.16M)	\$11.97M
<b>Net balance:</b>	<b>\$ -0-</b>	<b>\$-0-</b>

*\*The projected GPF revenue in October 2012 was revised in March 2013 based on latest data available in property tax, sales tax, business license tax, etc. FY 2013-14 projected GPF revenue increased by \$11.51 million and \$8.05 million increased for FY 2014-15.*

### **Organizational Changes & Service Impacts**

This budget makes the following organizational changes to reduce expenditures and administrative layers, and in an effort to improve the effectiveness of individual programs and services by aligning them closely with other related functions. In the Service Impacts section of the Proposed Policy Budget, you will find a summary of all of the proposed changes and related service impacts associated with this proposal.

***Other Budget Challenges - Fiscal Uncertainties***

Oakland faces uncertainties when it comes to financial planning; these include:

- Changes in federal spending (e.g., sequestration);
- Changes in state spending;
- Measure Y and Wildfire Prevention Assessment District renewal and the impact FYs 2015-17;
- Slower than expected economic recovery;
- Redevelopment “clawback”;
- CalPERS reforms that it will put in place over the next six years;
- Affordable Care Act during the term of this proposed budget, with fiscal impacts not yet settled and an abundance of questions yet to be resolved;
- Five years of structural deficit forecasted;
- \$1B+ of unfunded liabilities and/or deferred capital projects;
- Implementation of the Negotiated Settlement Agreement (NSA) and police staffing; and,
- Potential liabilities.

***General Purpose Fund (Fund Balance as of March 2013)***

City Council policy mandates that the City set aside 7.5% of the General Purpose Fund budgeted expenditures into a General Fund Reserve. Last year, FY 2011-12, was the first time in five years that the reserve fund had been fully funded at \$30.2 million.

As of March 2013, the General Fund Reserve balance was \$84.6 million. When accounting for City Council appropriations and other expenditures made from the fund balance, as detailed below, the net available “undesigned” fund balance is \$32.5 million.

**Table 9: General Purpose Fund Reserve/Undesignated Fund Balance**

<b>Gross Ending Fund Balance:</b>	<b>\$84.6 million</b>
Costs related to Redevelopment dissolution, one-time funds to balance	
FY 2012-13 budget, carry-forwards and encumbrances	<u>- \$18 million</u>
<b>Net Fund Balance</b>	<b>\$66.6 million</b>
7.5% GPF reserve per City Council policy	<u>- \$30.2 million</u>
<b>Net Available Ending Fund Balance</b>	<b>\$36.4 million</b>
City Council-approved or recognized revenues/expenditures Dec 2012 – June 2013	<u>- \$3.9 million</u>
<b>General Purpose Fund Undesignated Fund Balance</b>	<b>\$32.5 million</b>

*Note: Does not account for anticipated expenditures in FYs 2012-2013 or 2013-2015 (see next section).*

### ***Other Anticipated Costs in Excess of Reserve Balance***

There are number of anticipated costs, currently estimated at least more than \$40.3 million, which would eliminate the surplus fund balance of \$32.5 million. These costs are primarily related to the State Department of Finance and Controller's Office's ongoing review of actions related to Redevelopment dissolution, litigation, and police overtime for FY 2012-13. Below is some detail related to these anticipated expenditures:

• Potential State reversal of third-party contracts and City Funding Agreement	\$ TBD
• State/ROPS Review	\$TBD
• Land sale reversals following State review of Redevelopment dissolution	\$31-35 million
• Pending litigation settlement agreements (minimum)	\$4.3 million
• Negotiated Settlement Agreement compliance costs	\$TBD
• Police overtime for FY 2012-13 (net after accounting revenue growth)	\$1 million
<b>Total</b>	<b>\$40.3+ million</b>

### ***Budget Concerns in Other Funds***

The City has also implemented a number of corrective action plans on non-GPF funds financial challenges. Some result from historical overspending and/or under collection. Others stem from more recent operational shortfalls. Currently, approximately \$99 million remains in negative fund balances which have been paid down by about \$40 million over the past three years. Negative fund balances are a result of overspending or under-recovery of costs. Historically the City has borrowed from available positive funds to cover shortfalls in negative funds. Most of the positive funds are restricted, and therefore the City must repay what it has borrowed. The FY 2013-15 Proposed Budget contains the Council's policy repayment plan for the City to repay itself, and staff is monitoring this closely. Continued commitment to repayment, especially while interest rates are low, is needed to ensure the necessary financial progress.

**Table 10: Status of Negative Fund Balance Repayments**

<b>Negative Fund Balance Summary for FY 2010 thru 2013</b>				
Negative Fund Category	Ending Fund Balance FY 2009-10	Ending Fund Balance FY 2010-11	Ending Fund Balance FY 2011-12	Estimated Fund Balance FY 2012-13
1 Negative Funds with Repayment Plan	(98,175,474)	(94,379,909)	(78,766,947)	(69,755,454)
2 Reimbursable Negative Funds	(22,448,746)	(13,525,732)	(18,692,300)	(14,629,751)
3 Non-Reimbursable Negative Funds without Repayment Plan	(17,542,656)	(13,441,408)	(14,031,629)	(14,531,629)
<b>Total Negative Funds</b>	<b>\$ (138,166,876)</b>	<b>\$ (121,347,049)</b>	<b>\$ (111,490,876)</b>	<b>\$ (98,916,834)</b>
<b>FY 2010-10 to FY 2012-13 repayment amount</b>	<b>\$ (39,250,042)</b>			

## VI. CAPITAL IMPROVEMENT PROJECTS

A Capital Improvement Program (CIP) represents a major investment in a city's infrastructure and assets. It must balance repair and replacement of existing assets with delivering new assets where they may be needed. It must reflect the overall priorities of the City. It has a huge impact on the health and vibrancy of the community.

Capital projects are defined as a long-term investment that builds, replaces or improves an asset (buildings, roads, parks, sewer and drainage lines, technology systems, etc.) and that has a useful design life of at least ten years and a minimum cost of \$50,000. Oakland's Capital Improvement Program (CIP) is formally reviewed and approved every two years, as part of the biennial policy budget.

There are limited sources of internal funding available for capital improvements, typically with restrictions on their use within broad categories, described below. Grants are another source of funding for capital projects. While often a major source of capital funding, they are even more limited, typically competitive and cyclical in nature.

*Internal Sources: The following are the major sources of funding for capital investment in Oakland:*

- Sewer Service Fund (Fund 3100). Limited to funding maintenance and capital improvements to the sanitary sewer collection system.
- Measure B - Transportation (Fund 2211). Limited to funding transportation and traffic safety improvements within the public right-of-way.
- Measure B - Bicycle and Pedestrian (Fund 2212). Limited to funding bicycle and pedestrian safety and accessibility improvements within the public right-of-way.
- Vehicle Registration Fee (Fund 2215). Limited to funding transportation and traffic safety improvements within the public right-of-way.

*Grant Sources:* Additionally, Oakland aggressively pursues grant opportunities for various capital improvements. While by their nature these grants are only available for specific projects and purposes, they do represent a significant addition to local funds. They represent the most viable source to fund new improvements and allow internal funds to be kept available for existing assets.

In the period including the last two fiscal years to date, staff successfully applied for and received a total of \$36 million in grants for 29 capital projects. Staff will continue to seek grants when projects are competitive and meet the City's need to address unfunded priorities.

A total of \$87.8 million is recommended for investment in 27 projects, summarized here:

- Buildings and Facilities — 7 projects, \$1.4 million
- Sewers — 12 projects, \$29.1 million
- Streets, Sidewalks — 10 projects, \$19.6 million
- Traffic Improvements — 5 projects, 4.5 million
- Garage Improvements — 3 projects, \$33.2 million (subject to State Approval of Redevelopment disposition)

Like many older cities, Oakland has an aging infrastructure and a significant backlog of deferred maintenance. The proposed CIP includes funding for only a small portion of this backlog or need, reflecting the limits of existing fund sources. Because of this, a strategic approach to prioritizing the remaining unmet needs is needed. Such an approach will necessarily require an assessment of core City programs, the assets needed to deliver those programs, a condition assessment of those City's assets, and a long-term funding approach to addressing those assets considered critical to core functions and future growth.

### Equipment/Vehicles

The City of Oakland fleet has a current replacement value of \$105 million with an average annual capital funding requirement of \$10.2 million in current dollars. Due to the high number of vehicles currently overdue for replacement, immediate funding needs are high with normal cyclical patterns afterward. In FY 2013-15, the City will purchase \$11.8M in new vehicles.

### Information Technology

A Capital Improvement Program (CIP) represents a major investment in a City's Information Technology infrastructure and services. It must maintain, operate and support existing Information Technology architecture in order to provide the necessary services for internal and external City customers. It must reflect the overall priorities of the City. It has a huge impact on public safety, economic development and day to day efficiencies of City government.

Capital projects are defined as a long-term investment that builds and replaces critical technical infrastructure (911 systems, public safety, telecommunications, payroll, etc.) and has a useful design life of three to five years. Staff identified 29 critical projects in an amount of \$85.23 million in the next five years that are in need of upgrade, purchase, and maintenance, but they are not funded. Examples are:

- Infrastructure Improvements – Includes Citywide email replacement, Document and Records Management system, Network Security, and End-User computer devices (replacements laptops and desktops).
- Enterprise Application Services – (Oracle Release 12 upgrade) Payroll, Advanced Benefits, Advanced Collections and Universal Content Management system.
- Public Safety Radio System – provides for additional sites which will enhance coverage in the field and within buildings.
- Data Center Improvements – continuity of operations in a major disaster scenario, which requires having a redundant data center site for preservation of data.
- Accela Fire Prevention – Fire plan checks and inspections are currently handled on a separate system from Accela (CEDA). Implementation of the Accela Fire module will allow for one platform to handle inspections and permits and provide more transparency by allowing citizens to schedule inspections, apply for a permit and print out permits from a centralized point online.

### ***Budget Constraints***

During the budget development process, consideration was given to the restrictions placed on the use of the City's General Purpose Fund. Outside of public safety and mandated services, only a small portion of the expenditures are discretionary. Nearly three-quarters of the GPF goes to pay for police, fire, voter-approved ballot measure earmarks, and debt service. Much of the remainder is dedicated to several ballot measures such as Measure Q (libraries) and Measure K/OO/D (Kids First!). These measures require baseline spending levels, so the funds cannot be cut without jeopardizing either the revenue they generate or other charter requirements. About 5% of the GPF pays for revenue-generating staff and charter-mandated positions, such as elected officials.

## VII. FIVE-YEAR PLAN TO FISCAL SUSTAINABILITY

The City has demonstrated its resolve in addressing economic challenges; now is the time to strategically plan for the future in order to preserve essential City services over the long term and increase investment in top community priorities, while maintaining long-term fiscal stability.

Under current conditions, our expenditures and long-term financial liabilities are expected to outpace our modest revenue growth. Last fall, the City presented a five-year forecast to establish a clear roadmap of the financial obligations and challenges ahead. Based on historic trends and conservative assumptions, the forecast includes estimates on future revenues and long-term obligations, including retiree medical costs, pension costs and about \$100 million annually in critical deferred maintenance for City building and road repairs, technology upgrades and critical fleet and equipment replacement. Table 11 below illustrates the unfunded and long-term liabilities the City faces over time.

**Table 11: Unfunded and Long-Term Liabilities**

<b>Unfunded</b>		
<b>Amount</b>	<b>Description</b>	
\$743M	CalPERS	California Public Employees Retirement System. 75% funded.
\$520M	OPEB	Other Post-Employment Benefits. Retiree medical benefits.
\$216M	PFRS	Police and Fire Retirement System. Closed system. City issued bonds to reduce the liability and made advance payments for five years. No new payments until 2017-18, then GPF payment of \$28.5 million/yr. until 2026.
\$743K	OMERS	Oakland Municipal Employees Retirement System. Closed retirement system.
\$ 99M	Negative	Projected by June 30, 2013, 54 out of 173 funds have negative balance; \$70 million of total on repayment plan after \$39 million paid over past 3 years.
\$29.5M	Accrued	Estimated amount owed to employees for accrued vacation and leaves.
<b>\$1.6 Billion</b>	<b>TOTAL</b>	

### *Deferred Capital Expenses*

Additionally, the City has deferred various capital expenses over time because funds have not been available to invest in these critical needs. Below are three categories that illustrated needed levels of investment to keep pace with the City's capital needs.

- \$7.5 million/year      Technology upgrades and replacements.
- \$10.2 million/year      Equipment and vehicles.
- \$100 million/year      Deferred maintenance and replacement.

### *Legislative Activities*

In Sacramento, a number of legislative proposals are being developed that pertain to economic development and local government. These bills seek to fill the void left by the elimination of redevelopment agencies and provide tools used by local governments to remedy blight, provide affordable housing, and spur local economic development. Several bills are also being proposed that would change the State Constitution to lower the vote threshold for ballot measures from 2/3 to 55%. Additionally, the State Department of Housing and Community Development has proposed major changes to the Enterprise Zone program which would have a negative impact on Oakland.

The legislative process has just begun. Bills would have to go through the legislative process and reach to the Governor's desk to be vetoed or signed into law by October 13.

## VIII. BUDGET DEVELOPMENT SCHEDULE, ENGAGEMENT

City Administration has planned several opportunities for residents to participate and provide input with respect to the City's budget-balancing efforts. Table 12 below illustrates key milestones.

**Table 12: Budget Development Schedule and Planned Milestones**

Date	Planned Milestone
April 2	Council budget workshop held and City Employee Feedback Due
April 15-19	Public Release of Proposed Budget
April 30	Presentation of Proposed Budget to City Council
May	Budget Town Hall Meetings Citywide
May 23	Proposed City Council Budget Hearing #1*
June 13	Proposed City Council Budget Hearing #2*
June 27	Proposed Final City Council Budget Hearing/Adoption*
July 1	Implementation of FY 13-15 Adopted Budget

\*Note: Subject to Rules Committee approval.

### *Engagement Opportunities for Residents and Employees*

City staff has been working hard to open our government to wider public view and increase transparency. This year, for the first time, we will upload the budget to the newly launched open data platform which will allow visualization of budget data and community data "hacking." In addition, there are a number of public information tools and community engagement opportunities underway that will educate and inform the community about the budget and budget-balancing options. These include:

- Fact sheets in English, Spanish and Chinese;
- A survey and community engagement opportunities on [EngageOakland.com](http://EngageOakland.com); and,
- Updated budget web page with all relevant budget documents and resource materials.

## NOTES

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# POLICY TRADEOFFS & SERVICE BUYBACKS

## Restoration of Expenditures Cuts & Policy Decisions on Possible Expanded Funding of Priority Services

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### RESTORATION OF EXPENDITURE CUTS

The FY 2013-15 Proposed Policy Budget includes a number of service and position reductions relative to FY 2012-13, which were required as baseline expenditures are growing faster than baseline revenues. To the extent that the City Council eliminates expenditures included in the FY 2013-15 Proposed Policy Budget or identifies additional revenues, the City Council can use those expenditures or new revenues to restore proposed service reductions in order to maintain existing service levels. Below is a list of key City services and positions that were reduced or excluded in the proposed budget due to fiscal constraints that we would recommend restoring if additional revenue or expenditure reductions is recognized.

Labor contracts for miscellaneous bargaining groups, and the significant temporary compensation reductions they include, expire at the end of FY 2012-13. After considering the restoration of these employee compensation contributions in FY 2013-14, a 5% reduction in compensation for the next two fiscal years would equate to cost savings to the City of approximately \$5M annually for the General Purpose Fund and \$13M annually for all funds.

Note that in some cases, the ongoing costs discussed below, which are based on FY 2012-13 or FY 2013-14 values, do not include cost escalation that the City is likely to experience.

### CUTS FOR POSSIBLE RESTORATION

#### Fire Prevention Inspector

The civilian Fire Prevention Bureau Inspector position was frozen in prior fiscal years and remains frozen in the proposed budget. The annual cost of salary and benefits to restore the position is \$104,024. This position is recommended for restoration to augment services provided from the current level.

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<b>TOTAL COST</b>	<b>\$104,024</b>
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#### Restore all Hours at Recreation Centers

The proposed budget includes the reduction of 3.25 FTE recreation staff, which will result in decreased hours at recreation centers. Fully restoring these positions will require \$106,653.

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<b>TOTAL COST</b>	<b>\$106,653</b>
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#### Fully Restore Funding to Cultural and Recreational Organizations

The City provides funding above what is legally required to a number of cultural and recreational organizations. The proposed budget reduces funding beyond the required minimum by approximately 10% to the Chabot Space and Science Center, Oakland Zoo, Hacienda Peralta, Asian Cultural Center, Vietnamese American Community Center, and others. Restoring this 10% reduction would total approximately \$100,000.

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<b>TOTAL COST</b>	<b>\$100,000</b>
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# POLICY TRADEOFFS & SERVICE BUYBACKS

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## Unfreeze or Restore Department Director or Other Administrative Positions

The proposed budget includes freezing or eliminating a number of managerial and general administrative positions, including freezing the Administrative Services Director (\$230,000), freezing the Community Services Director (\$230,000), and eliminating the Executive Assistant to the Administrative Services Director (\$112,000). Unfreezing and filling the director positions would result in improved performance of these functions including increased efficiency and effectiveness and, more importantly, increased capacity of our existing staff. This would also put in place the organizational structure which the City Council, on two occasions has approved and provided the associated funding.

---

<b>TOTAL COST</b>	<b>\$572,000</b>
-------------------	------------------

## Unfreeze or Restore Finance and Technology Positions

The proposed budget includes freezing or eliminating a number of General Purpose Fund positions that are vacant, e.g., finance positions, and one technology position. Within Treasury, a vacant manager position overseeing retirement functions was eliminated at a savings of approximately \$200,000. This workload will be distributed among busy existing staff and its restoration would greatly assist capacity within this critical function. Two vacant Account Clerk II positions were frozen in the Police Department at a savings of approximately \$150,000, which will result in delays in billing and collections. A vacant accounting supervisor position in the Controller's Office was also frozen saving approximately \$150,000, which will require distributing this workload among busy existing staff. A vacant Management Intern position in the City Administrator's Budget Office was eliminated at a savings of approximately \$15,000. Finally, a vacant Telecommunications System Engineer position was eliminated for a savings of approximately \$140,000, one of the only reductions in that function. Internal service departments have been severely cut over past years and any restoration of these positions would greatly assist with managing workload, preserve service levels help mitigate capacity issues.

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<b>TOTAL COST</b>	<b>\$655,000</b>
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## Restore Expenditure Reductions in Elected Offices

The proposed budget includes 5% reductions in baseline General Purpose Fund expenditures in FY 2013-14 and 10% total reductions in General Purpose Fund expenditures in FY 2014-15 to all elected offices, including the Mayor, City Council, City Attorney, and City Auditor. These are the same reduction levels requested of all departments in the budget instructions. Restoring these reductions would require approximately \$600,000 in FY 2013-14 and \$1.2M in FY 2014-15.

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<b>TOTAL COST</b>	<b>Y1: \$600,000/Y2: \$1,200,000<sup>1</sup></b>
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<sup>1</sup> Y1 = 2013-2014 and Y2 = 2014-2015

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# POLICY TRADEOFFS & SERVICE BUYBACKS

## Illegal Dumping Mitigation

In February 2012, Public Works had a reduction in staff of five full-time positions formerly funded by the former Oakland Redevelopment Agency. These staff responded to community complaints regarding illegal dumping retrieval requests in East and West Oakland. In January 2013, the department experienced a further reduction in service, ending removal of 12 cubic yards of debris daily and the four annual amnesty dumping days, due to the settlement with Waste Management of Alameda County.

With current staffing levels, Public Works crews are not able to respond to the demand for service and this continues to be one of the highest areas of resident complaints. Restoring one crew at a cost of approximately \$500,000 annually (one Street Maintenance Leader, one Public Works Maintenance Worker, supplies, and equipment) will restore the response times to service requests to around 78% within 3 days. Restoring two crews at a cost of approximately \$1,000,000 annually will restore response times to 85% within 3 days. The City Council might also consider expanding public education and outreach around illegal dumping to change behavior.

---

<b>TOTAL COST</b>	<b>\$1,000,000</b>
-------------------	--------------------

## Litter Mitigation

Since FY 2008-09, Public Works has eliminated all staff that performed regular “hand” cleaning services, which includes removal of small blown litter from medians and major gateways. Currently, the service is only provided on a complaint basis by crews that normally handle illegal dumping. The reductions in force included a full-time supervisor, 10 FTEs serving downtown and West Oakland, and 8 permanent part time (PPT) staff handling other parts of the City. Restoring three crews (6 FTEs total) would cost approximately \$600,000 annually, plus a one-time investment of \$120,000 for three vehicles. The crews would target major gateways to the City (e.g. 880 and 980 corridors, Coliseum and Oakland Airport access roads, downtown areas under 880, and other major gateways and medians). The City would have less litter on its streets and there would be a direct impact to the aesthetic appearance of the streets that receive this service.

---

<b>TOTAL COST</b>	<b>OT: \$120,000/OG: \$600,000<sup>2</sup></b>
	<b>Y1: \$720,000/Y2: \$600,000</b>

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<sup>2</sup> OT=one time funds and OG= on going funds

# POLICY TRADEOFFS & SERVICE BUYBACKS

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## POLICY TRADEOFFS--FUNDING OF PRIORITY SERVICES

Similar to restoring some of the expenditure cuts in the FY 2013-15 Proposed Policy Budget discussed above, the City Council might wish to consider expanding funding for certain key services beyond the levels included in the proposed budget. Since there are no revenues associated with these proposals, they are policy tradeoffs for the City Council to consider against the policies funded in the Proposed Policy Budget. Some prominent service areas for consideration include the following:

1. Head Start Early Childhood Development
2. Graffiti Enforcement and Abatement
3. Street Patching
4. Rainbow Teen Center/Digital Arts and Culinary Academy (DACA) and West Oakland Teen Center Staffing
5. Taxicab Vehicle Permit
6. Affordable Housing
7. Additional Police Sworn Staffing
8. Additional Police Civilian Staff
9. Maintenance of Former Redevelopment Parcels
10. City Attorney Positions
11. Repair and Replacement of City Facilities
12. Additional City Vehicles
13. Additional Information Technology

### 1) Head Start Early Childhood Development

In FY 2012-13, the City of Oakland's Head Start and Early Head Start programs will serve 1,778 children ages 0 to 5 with high quality early childhood education and comprehensive family support. Research on child development and academic achievement clearly shows the long-term benefits of these services. Due to federal sequestration cuts and rising operational costs staff anticipates reduced funding of \$1.7M for FY 2013-14. This will require reducing staff positions, the number of days of service at Head Start and Early Head Start sites, and eliminating 102 half day classroom slots for new families (closing the San Antonio CDC site that serves 68 families and reducing Eastmont Town Center by 34 families, when there are already 396 families on the waiting list for these slots). The FY 2013-2015 budget proposal includes backfilling with the General Purpose Fund \$184,000 of lost federal funding, which could sustain one part day classroom at Eastmont Town Center for 34 families (\$114,000) and restore one Family Advocate (\$70,000) to support the parents and siblings of Head Start children. The City Council could chose to make the following additional restorations: Family Advocate (\$70,000); 15 days for Head Start full day sites (\$153,000); restore San Antonio CDC site (\$421,446); 15 days for Early Head Start services (\$58,020); Head Start/Early Head Start mental health and support services contracts (\$77,884); Head Start service area coordinator (\$105,159); food service worker (\$60,000); Early Head Start administrative assistant (\$92,000); and miscellaneous other O&M restorations (\$480,000).

---

**TOTAL COST**

**\$1,516,000**

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# POLICY TRADEOFFS & SERVICE BUYBACKS

## 2) Graffiti Enforcement and Abatement

In January 2013, the City Council adopted an ordinance amending the City's graffiti enforcement and abatement policies. The proposed FY 2103-15 budget contains two new FTE painters to respond more quickly to graffiti on public property, bringing the total number of painters to abate graffiti on public right-of-ways to 6 FTEs. This will provide adequate abatement for public property. However, graffiti on private property continues to be a significant quality of life issue. Public Works estimates that to fully support the private property enforcement and mitigation policies contained in the recent ordinance, the City would need additional code enforcement and police intervention at an annual cost ranging from a minimum of approximately \$165,000 to full funding at \$1.0M. (Although the staff report that accompanied the ordinance briefly discussed the potential revenues that may be generated from this program, Public Works believes that the revenues will not cover the full program cost.) Minimum staffing would entail adding a Specialty Combination Inspector to administer code enforcement. Full funding would entail an additional Graffiti Program lead; two police officers to do special operations to identify suspects in violation of the ordinance (which could also be piloted through an Overtime funding allocation); support from the City Attorney's Office to pursue civil penalties as outlined in the ordinance; two FTEs to administer code enforcement; and public education, murals; and rewards.

---

**TOTAL COST**

**Y1: \$1,000,000**

## 3) Street Patching

The City of Oakland has 806 miles of City-maintained streets varying from two-lane to six-lane arterial streets. Due to stagnant gas tax revenues and increased usage, the City's streets continue to deteriorate and are now on an 85 year repaving cycle. In FY 2013-14 there is only \$4.1M available to pave City streets. Without reconstruction of streets, motorists will experience more potholes. A new four-person patch crew could increase the number of block rehabilitated to improve the riding surface, and repair minor and medium defects before major repairs are needed. Patching areas where potholes recur frequently could reduce recurring potholes by several hundred per year. Paving would occur May through November, when hot asphalt mix is available, and base repair, crack sealing, and training would be performed the remaining months. The annual cost for one crew would be approximately \$800,000 for one street maintenance leader, three maintenance workers, and asphalt and related supplies. There would also be one-time costs of approximately \$725,000 for an asphalt patch truck and a grinder.

---

**TOTAL COST**

**OT: \$725,000/OG \$800,000  
Y1: \$1,525,000/Y2: \$1,525,000**

## 4) Rainbow Teen Center/Digital Arts and Culinary Academy (DACA) and West Oakland Teen Center Staffing

The capital funds to renovate the Rainbow Teen Center/Digital Arts and Culinary Academy (DACA) and the West Oakland Teen Center were not accompanied by operating funds for City staff to run the facilities. The City Council did approve one-time funding in spring 2012 to support DACA operating expenses, along with some absorbed expenditures. Parks and Recreation estimates that it will cost approximately \$150,000 to staff the Rainbow Teen Center/Digital Arts and Culinary Academy (DACA) and \$190,000 to staff the West Oakland Teen Center. The Department does not believe it can absorb these costs in its proposed budget, given the additional reductions/eliminations proposed. Alternatively, the City could explore partnerships.

---

**TOTAL COST**

**\$340,000**

# POLICY TRADEOFFS & SERVICE BUYBACKS

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## 5) Taxicab Vehicle Permit

The City's FY 2011-12 Master Fee Schedule and budget increased the Taxi Vehicle Permit Fee from \$25 annually to \$1,019 per permit. The City Council currently has before it an ordinance proposing to reduce the fee by half, to \$510. According to staff, a fee of \$510 will not cover the City's current taxi program costs. The bulk of the City's cost is for compliance with the state-mandated taxi administration process, which includes the City Administrator's Office daily handling of inquiries, requests, complaints and allegations of violations from citizens, drivers, City staff, the news media, and taxi companies. If the program is maintained in its current form, it will require a General Purpose Fund subsidy of \$143,602 per year.

---

**TOTAL COST**

**\$143,602**

## 6) Affordable Housing

Until a permanent funding stream of affordable housing funding is identified to replace the 25% Redevelopment Agency Housing set-Aside, Housing's annual Notice of Funding Availability (NOFA) will focus on preserving the fiscal and structural integrity of the City's affordable housing portfolio. Oakland's affordable housing inventory includes 83 developments comprising more than 4,000 housing units, with an additional 2,000 affordable housing units in the pipeline. Approximate 85% reduced funding for new construction of affordable housing programs, from roughly \$13 million to \$2 million, due to: dissolution of Redevelopment Agency, operating cost increases, and potential sequestration (impact currently unknown; not yet included in the proposed budget; additional service impacts likely). To maintain the current level of housing program staffing, it is proposed that any one-time dollars received from the City's claim to the County regarding the extra fee for administering the "triple flip" –a tax transfer resulting in less revenue from vehicle license tax, but more from property taxes—be appropriated for Y1 (2013-14) for supporting affordable housing programs and other quality of life services (e.g., homeless services, graffiti, etc.) and close funding gaps should the Department of Finance deny project management staffing that is currently being disputed through the Recognized Obligation Payment Schedule. The City's claim for "triple flip" funds paid to the County is about \$2.6 million, generally equal to the policy goal of establishing a 20% set aside for affordable housing programs generated through new tax revenue distributed from the dissolution of redevelopment. This policy alternative establishes a funding bridge for the City's affordable housing needs and allows for more time to establish an on-going program, absent any approved state legislation that may provide funding for this critical need. Alternatively, the City Council could desire to provide an on-going funding stream for affordable housing by designating 20% of future annual tax revenues the City will receive from the distribution of former redevelopment property tax dollars for affordable housing programs. The FY 2013-14 amount is approximately \$2.6 million.

---

**TOTAL COST**

**Y1: \$2,600,000/Y2: \$3,400,000**

## 7) Additional Police Sworn Staffing

The proposed budget includes two graduating academies per FY, with the funding for one police academy in FY 2013-14 (168<sup>th</sup>) and two in FY 2014-15 (169<sup>th</sup> and 170<sup>th</sup>). The cost to add a fourth academy to the two-year period would require additional expenditures of approximately \$4M for the academy itself and \$8M in on-going funding for the officers per year (depending on the timing). Alternatively, the cost of if a lateral academy to add 20 new officers would be approximately \$2.5M for pre-academy and some Oakland-specific academy training, as well as approximately \$4M on-going funding (not including cost escalation) for the officers per year.

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**TOTAL COST**

**\$TBD/Various Scenarios**

## POLICY TRADEOFFS & SERVICE BUYBACKS

### 8) Additional Police Civilian Staffing

The OPD recently reported that it needs approximately 56 FTE civilian positions to support critical operating needs to fully utilize the effectiveness and efficiency of our sworn officers and OPD's service delivery models. The OPD has identified the following positions/classifications needed to implement improved service delivery and achieve better utilization of sworn staff. The Proposed Policy Budget includes 5 Police Communications Dispatcher FTEs and there are various scenarios that the Council could select based on policy tradeoffs. For Y1, the Administration would prioritize the hiring of 5 Police Evidence Technicians and 5 Criminalists. In Y2, additional Dispatchers and Police Records Management staff would greatly improve operations. Any combination of added staff will significantly address the 34% reduction in civilian staff and contribute to efforts to reduce crime, make OPD more efficient, and improve customer services.

Professional Staff (Civilian)	FY 2013- 14 Authorized	2012-13 Needs Assessment	Gap to Fill Need
<b>Field Operations</b>			
Police Services Technician II	59	59	0
Police Evidence Technician	14	29	15
<b>Records Management</b>			
Police Records Specialist	54	59	5
Police Records Supervisor	3	4	1
<b>Crime Lab</b>			
Criminalist II	13	15	2
Criminalist III	3	5	2
Latent Fingerprint Examiner II	4	5	1
<b>Communications (911)</b>			
Police Communications Dispatcher	70	87	17
Police Communications Supervisor	4	7	3
<b>Business Intelligence &amp; Crime Analysis</b>			
Admin Analyst II	20	30	10
<b>Total</b>	<b>244</b>	<b>300</b>	<b>56</b>

**TOTAL COST**

**\$TBD/Various Scenarios**

# POLICY TRADEOFFS & SERVICE BUYBACKS

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## 9) Maintenance of Former Redevelopment Parcels

When the former Oakland Redevelopment Agency was dissolved, it transferred a number of vacant parcels to the City. No funding was transferred from the Agency to the City for the ongoing maintenance of the sites, which need continual weed, litter, and graffiti abatement, fencing and lighting maintenance, etc.; nor can these costs be recovered as recognizable obligations of the Agency. The cost for this ongoing maintenance, estimated at approximately \$516,464 annually, is not included in the proposed budget. Note that the City's responsibilities and costs associated with these properties might change depending on State action. In addition, the City will create a comprehensive asset management plan that might impact the City's ownership and maintenance of these properties.

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<b>TOTAL COST</b>	<b>\$516,464</b>
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## 10) City Attorney Positions

The proposed budget funds three new attorney positions in the City Attorney's Office. The intention is to have the City conduct more work in house rather than contracting the work out to private law firms that likely have higher costs. The argument is that using private law firms restricts flexibility, capacity, and is a more costly method of obtaining legal services. The City Attorney's Office has requested an additional eight positions for similar purposes, at a cost of approximately \$1,361,972.

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<b>TOTAL COST</b>	<b>\$1,361,972</b>
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## 11) Additional Repair and Replacement of City Facilities

The Proposed Capital Improvement Program identifies specific funding for a limited number of facility and infrastructure projects as well as some critical projects that are deferred for lack of funding. The proposed budget includes an investment of \$2.0M annually for critical City facility repairs. The City Council might wish to consider investment in repair and replacement to reduce the total lifecycle cost of ownership of facilities and infrastructure, such as City buildings and roads.

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<b>TOTAL COST</b>	<b>\$TBD/Various Scenarios</b>
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## 12) Additional City Vehicles

The City is in the process of purchasing the replacement of a number of vehicles and other equipment recently approved by City Council. Although this is a step in the right direction as the City has deferred these expenditures in the recent past, it should be noted that subsequent to this purchase the City's fleet will still have a number of vehicles overdue for replacement, as reported in Public Works' recent Infrastructure Report: Vehicle and Equipment Fleet. The City Council might wish to consider investment in new vehicles and equipment to reduce the total lifecycle cost of ownership of these items.

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<b>TOTAL COST</b>	<b>\$TBD/Various Scenarios</b>
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## 13) Additional Information Technology

Although the proposed budget funds a number of critical information technology systems and necessary ongoing ITD operating costs to begin to address many years of under investment, the updated Capital Improvement Program report indicates that there is still a substantial number of critical projects that are unfunded and that will require investment in the very near term.

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<b>TOTAL COST</b>	<b>\$TBD/Various Scenarios</b>
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## Budget Overview

At its core, a local government budget is officially approved revenue and spending plan that authorizes a municipality to use public dollars to provide services. Local governments use their budgets for a variety of additional purposes, including communication, planning, accountability, and evaluation.



The City of Oakland has a two fiscal-year (biennial) budget cycle. For the City of Oakland, the fiscal year begins on July 1 and ends on June 30. The current budget is being proposed for fiscal years (FY) 2013-14 and 2014-15. This same fiscal year calendar is used by the State of California, and most cities, counties, and school districts. The City policy of adopting a two-year budget is intended to improve the City's long-term planning, enhance funding stability, and to create greater efficiency in the budget development process. While the City's budget is adopted for a 24-month period, appropriations are divided into two one-year spending plans. During the second year of the two-year cycle, the Mayor and Council conduct a midcycle budget review to address variances in estimated revenues, estimated expenditures, and other changes to the City's financial condition.

The City of Oakland's budget presents two principal types of data: projected revenues and planned expenditures. Expenditures can be divided by type (e.g. salaries, retirement contributions, debt service, supplies, capital projects, etc.), and by the department that spends them (e.g. Police, Fire, Library, Public Works, etc.). Revenues are monetary resources that the City anticipates will become available during the fiscal year. City revenues can be categorized by type (e.g. property tax, sales tax, permit fees, etc.). City revenues may also be divided into those that can be expended on general or restricted purposes. For instance, the City's Measure Q parcel tax revenues can only be used for libraries, whereas the City's business tax revenues can be used for all governmental purposes.

To ensure that restricted revenues are used only for appropriate expenditures, the City accounts for its financial resources in different "funds." For instance grants from the federal Department of Transportation for road construction are held in a different fund than are revenues from the City's Wildfire Prevention Assessment District. The largest City fund is the General Purpose Fund which can be used for all public purposes over which the City has jurisdiction. General Purpose Fund revenues are generally unrestricted and include most taxes. The budget document will present data related to the General Purpose Fund only and to "all funds" (including the General Purpose Fund).

## The Budget Process

The budget process is the procedure through which the City formally develops, deliberates and adopts its budget. Through the budget the City Council approves revenue estimates and authorizes expenditures. A budget is a reflection of a city's priorities and policies. The budget process consists of several important stages: 1) Budget Development, 2) Budget Adoption, and 3) Budget Amendment

### Budget Development

#### Oct 2012:

##### Five Year Forecast Report

Planning for the FY 2013-15 Budget began with the production and publication of the City's Five-Year Financial Forecast in fall 2012, a planning level estimate of revenues and expenditures that surfaces all major budget issues and contextualizes the long-term financial environment.

#### Nov-Dec 2012:

##### Baseline Budget Development

In fall 2012, the Controller's Office created a "baseline budget," which is a draft two-year budget that estimates revenues and expenditures if the City maintains its current staffing, programs, and policies. The baseline budget is the foundation upon which the proposed budget is developed. The Controller's Office worked in conjunction with departments to create the baseline budget, taking into account the latest economic projections and information on likely expenditures increases,

# BUDGET GUIDE

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such as fringe benefit rates for retirement and health care. The comparison of expected revenues and expenditures in the baseline budget is what defines whether the City will have a surplus or shortfall to address in the proposed budget.

## **Jan-Mar 2013: Internal Analysis**

After the development of the baseline budget, the City Administrator's Office directs, through "budget instructions," the departments to submit requests for changes to the baseline budget. Departmental requests can include changes such as new programs, increased appropriations, reduced expenditures, reorganizations, or shifting appropriations from one program or service to another. The Controller's Office conducts in-depth analysis of each budget request to assess the value and confirm the fiscal feasibility. Based on the analysis, the Controller's Office provides recommendations to the City Administrator. The City Administrator and key staff hold internal budget hearings with department directors and their staff to discuss proposals. The City Administrator makes preliminary budget decisions based on the internal hearings, additional analysis, and the Mayor's priorities.

## **Mar -Apr 2013: Proposed Budget Finalized**

The City Administrator provides a preliminary budget proposal to the Mayor. The Mayor weighs options, conducts additional analysis, considers Council, community, and other stakeholder input, and issues a final Proposed Policy Budget in April.

## **Budget Adoption**

### **Apr-May 2013: Community Input**

City Council members hold community meetings to obtain input from constituents on FY 2013-15 budget priorities and to understand questions and concerns pertaining to the Administration's proposed budget.

### **May-June 2013: Council Deliberations**

Upon presentation of the proposed budget, the Mayor and City Council conduct a series of public hearings to review the FY 2013-15 proposed budget.

### **June 2013: Council Budget Adoption**

As required by the City Charter, the City Council will adopt a balanced budget by June 30, preceding the start of the fiscal year commencing July 1. The adopted budget provides two-year appropriation authority for all funds, and first- and second-year appropriations for the Capital Improvement Program (CIP). The CIP appropriations are outlined in two annual spending plans for FY 2013-15.

## **Budget Amendment**

### **Apr-June 2014: Midcycle Budget Amendment**

Toward the end of the first year of the two-year cycle, the Mayor and Council conduct a mid-cycle budget review to address variances in estimated revenues, estimated expenditures, and other changes to the City's financial condition. For the FY 2013-15 budget cycle, the mid-cycle review will take place in March-June 2014, and will pertain to revenues and expenditures for FY 2014-15 (i.e. the second year of the biennial budget).

## **Year-Round Budget Amendments**

The Council can make amendments to the budget throughout the two-year period. Appropriation of new money, or changes to the allocation of appropriations between funds or departments require Council approval. Transfers between divisions within a department, between spending accounts, or between projects may be made at the administrative level. These transfers can be authorized by the City Administrator, Controller's Office, or department directors, depending on the nature of the transfer.

**NOTES**

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**GENERAL INFORMATION**

The City of Oakland (“City”) is located on the east side of the San Francisco Bay in the County of Alameda. Oakland is bordered by 19 miles of coastline to the west and rolling hills to the east, which provide unparalleled vistas of the Bay and the Pacific Ocean. In between are traditional, well-kept neighborhoods, a progressive downtown, and superior cultural and recreational amenities. Oakland serves as the administrative hub of the County of Alameda, the regional seat for the federal government, the district location of primary state offices, and the center of commerce and international trade for the Bay Area.

Oakland is the eighth largest city in the State of California, with an estimated population of 395,817, and a wealth of resources and opportunities. It is home to the Port of Oakland, which is the fifth busiest maritime port in the U.S. and among the top 25 in the world. Oakland International Airport has undergone a \$300 million Terminal Improvement program including construction of a new concourse with seven boarding gates/waiting areas, centralized food/beverage and retail shopping areas, as well as expanded ticketing, security, and baggage claim facilities. The former Oakland Army Base is engaged in a \$400 million revitalization and redevelopment process; and \$115 million of new construction and improvements have recently been completed in Oakland City Center.

In concert with ongoing economic development efforts, the City strives to maintain a balance between old and new. Historic structures continue to be preserved and revitalized while new buildings are constructed. The City has completed its part in a \$350 million revitalization effort to create a multifaceted government center that links major historical landmarks with new developments. Major corporate headquarters include Clorox and Kaiser Permanente, which are in close proximity to many new businesses and various small retail shops that have sprung up in the downtown area.

Oakland is a mature city that has been able to preserve its abundant natural beauty and resources. The City has over 100 parks (totaling over 2,500 acres) within its borders, as well as several recreational areas along its perimeter. Lake Merritt, the largest saltwater lake within a U.S. city, borders the downtown area. Its shoreline is a favorite retreat for joggers, office workers and picnickers. At dusk, the area sparkles as the Lake is lit with the “Necklace of Lights.” Lake Merritt is the oldest officially declared wildlife sanctuary in the United States, dating back to 1870.

Statistical Profile	
Date of Incorporation	May 4, 1852
Form of Government	Mayor-Council
Population (2011)*	395,817
Land Area	53.8 square miles
Lake Area	3.5 square miles
Miles of Streets	835.8 miles

\*US Census 2011 estimate

# CITY FACTS

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## CITY GOVERNMENT

The City of Oakland has a Mayor-Council form of government. The Mayor is elected at-large for a four-year term, and can be re-elected only once. The Mayor is not a member of the City Council; however, he or she has the right to vote as one if the Council members are evenly divided.

The City Council is the legislative body of the City and is comprised of eight Council members. One Council member is elected “at large,” while the other seven Council members represent specific districts. All Council members are elected to serve four-year terms. Each year the Council members elect one member as President of the Council and one member to serve as Vice Mayor.

The City Administrator is appointed by the Mayor and is subject to confirmation by the City Council. The City Administrator is responsible for the day-to-day administrative and fiscal operations of the City.

## OAKLAND'S ECONOMIC BASE

Oakland has diversified its economic base significantly in the past few decades. The economy offers a healthy mix of trade, government, financial, medical, information technology, publishing and service-oriented occupations. Industries with the largest growth in jobs in the last two years are professional and business services, education and healthcare, government, leisure and hospitality, traditional and specialty food production, and construction.

Oakland offers abundant resources to its businesses and residents: state-of-the-art transportation, a vibrant dining and entertainment scene, and utility facilities keep the City running smoothly. Several new office and mixed-use buildings, public facilities, hotels, convention facilities, park enhancements and outdoor art have created a cosmopolitan environment in the downtown area. Waterfront restaurants and shops at Jack London Square, as well as the burgeoning Old Oakland and Uptown districts provide lively nighttime attractions. The City's neighborhood retail areas continue to grow, as evidenced by Oakland's nine Business Improvement Districts. While manufacturing remains an important segment of the City's economy, some industrial land has been converted to residential and work/live use.

A variety of incentives are available to companies located in the City's Enterprise, Foreign Trade, and Recycling Market Development Zones. The Economic Development staff links businesses with the many services available to them throughout the area and serves as an ombudsman for companies dealing with the City. Neighborhood Commercial Specialists work with merchants in each commercial district to promote the district, obtain loans, expedite permits and arrange for City services.

Oakland plays a pivotal role in the East Bay Trade Area; it is a city of rich history, impressive growth and a promising future. Located within one of the nation's largest metropolitan areas, California's eighth most populous city is the economic heart of the East Bay. Oakland has the infrastructure and economic base to support and attract a diverse mix of advanced industries and value-oriented retail.

Downtown Oakland offers competitive office space, a fiber-optic infrastructure and the amenities for both traditional and emerging enterprises. The well-maintained freeways, the mass transit systems and the ferry service make getting to and from downtown Oakland a relatively quick and easy process—travel times to San Francisco, San Jose and other Bay Area cities are surprisingly short.

The Oakland Metropolitan Area (Alameda and Contra-Costa counties) is one of the highest spending markets in the nation, with a mean household income of \$95,495. In the City of Oakland itself, some 156,790 households earn, on average, \$73,975 per year, resulting in over \$3.0 billion in annual taxable sales.

City departments take a proactive approach and use streamlined processes to best serve the needs of the business community.

## A BRIEF HISTORY

- 1200 B.C.** Ohlone Indians settle in the area that would become Oakland.
- 1772** Spanish explorers are the first Europeans to visit the East Bay.
- 1797** Established in Fremont, Mission de San José extends Spanish jurisdiction over the area that would become Oakland.
- 1849** During the California Gold Rush, Oakland becomes the mainland staging point for passengers and cargo traveling between the Bay and the Sierra foothills.
- 1852** Oakland was chartered as a city and almost immediately thereafter, construction of shipping wharves began. Building the large wharves and dredging a shipping channel positioned Oakland as an independent point of destination.
- 1869** The Central Pacific Railroad selected Oakland as the terminus of the new transcontinental railroad, providing a vital link to the East.
- 1910** Oakland's population more than doubles in ten years from 66,960 to over 150,000 as people and businesses relocate from earthquake-ravaged San Francisco. Oakland regains control of the long-lost waterfront by final settlement of litigation, which had lasted over half a century and cost several millions of dollars.
- 1936** The Oakland-San Francisco Bay Bridge, one of the engineering wonders of the world, opens months before the Golden Gate Bridge.
- 1942** The Permanente Foundation Hospital is dedicated in Oakland, the first in the chain of Henry J. Kaiser's health plan hospitals.
- 1950** Children's Fairyland opens in Lakeside Park. Swelled by huge numbers of workers who flocked to the city for WWII jobs, the U.S. Census puts Oakland's population at 384,575. Oakland's African American population soars from 8,462 in 1940 to 47,562 in 1950. The military makes substantial improvement to the Port's facilities.
- World War II brought tremendous changes to Oakland. Huge numbers of workers moved to the Bay Area to work in local shipyards, and many of these people, as well as large numbers of military personnel who mustered out at Treasure Island and the Oakland Army Base, chose to remain in the Bay Area. As a result, the City's population increased by nearly one third between 1940 and 1950.
- Late 1950s – 1970s** Under the Urban Indian Relocation Program, Oakland saw large numbers of Native Americans move to the city.
- 1970s** Following the end of the Vietnam War, Oakland welcomed Cambodians, Vietnamese and Muong from war-torn Southeast Asia.
- 2010** The U.S. Census ranked Oakland as the eighth largest city in California, with a population of 390,724. According to a University of Wisconsin study, Oakland is the most ethnically diverse city in the United States. There are at least 100 different languages and dialects spoken here.
- A new generation of restaurateurs and specialty food producers has fueled an epicurean renaissance. Oakland's sizzling arts and dining scene is no longer a local secret as national media outlets spread the word on our vibrant city.
- Oakland has a rich literary and cultural heritage. Such historical notables as writers Bret Harte, Jack London, Joaquin Miller, Ina Donna Coolbrith, Jessica Mitford, Narman Jayo, Ishmael Reed and Gertrude Stein; architect Julia Morgan; and dancer Isadora Duncan are just a few who have left their cultural mark on the City. It is also the birthplace of the West Coast Blues.

# CITY FACTS

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## TRANSPORTATION

Located in the geographic center of the Bay Area, Oakland has been recognized as a vital transportation hub for more than 100 years. Oakland is also the headquarters of the Alameda-Contra Costa Transit District (AC Transit), the Bay Area Rapid Transit (BART) system, and the Metropolitan Transportation Commission that oversees transit and transportation for the Bay Area.

The combination of train, bus, marine, aviation, freeway and the Bay Area Rapid Transit (BART) system guarantees ease of travel for local residents and efficient channels of commerce for businesses relying on the City's easy access. Oakland's Port is a primary sea terminal for transporting cargo between the western United States and the Pacific Rim, Latin America and Europe. Access to air cargo services is minutes away at the Oakland International Airport.

**AC Transit.** Local and transbay bus service is offered by Alameda-Contra Costa (AC) Transit, the third largest public bus system in California serving the East Bay since 1960:

- ◆ Serves all 13 cities and adjacent unincorporated communities in 364 square miles along the east shore of San Francisco Bay. Annually, AC Transit buses drive 19.2 million service miles.
- ◆ Serves approximately 200,000 daily riders with a fleet of 689 buses and a network of more than 105 bus lines with approximately 5,600 bus stops. The bus lines connect with nine other public and private bus systems, 21 BART stations, six Amtrak stations, and three ferry terminals.
- ◆ Bus routes serve the Oakland International Airport, the Amtrak Station and ferry terminal located at Jack London Square, downtown San Francisco and other major Bay Area attractions. All buses are accessible to people with disabilities.
- ◆ All buses are equipped with bicycle racks.

**BART.** The Bay Area Rapid Transit (BART) is a 104-mile, computer-automated rapid transit system:

- ◆ Serving more than 3 million people in the three BART counties of Alameda, Contra Costa, and San Francisco, as well as northern San Mateo County.
- ◆ Electric-powered trains traveling up to 80 mph connect 44 stations, including 8 stations in Oakland. Travel time between downtown Oakland and downtown San Francisco averages only 11 minutes on BART.
- ◆ BART carries an average of 366,000 passengers each weekday and recorded more than 110,000,000 station exits in FY 2011-12.
- ◆ In Oakland, four BART stations – West Oakland, MacArthur, Fruitvale and Coliseum — are catalysts for transit oriented development projects that are in design or construction.
- ◆ The Oakland Airport Connector (OAC) is a 3.2-mile extension of BART from the Coliseum/Oakland Airport BART Station to Oakland International Airport. OAC will provide a seamless connection with driverless trains that travel the alignment in eight minutes and depart every four minutes. Construction is underway and is scheduled to be complete in late 2013. After several months of systems testing, OAC will open for service in late 2014.

**OAK.** The Oakland International Airport (OAK) is the second largest San Francisco Bay Area airport offering over 300 daily passenger and cargo flights.

- ◆ Hosted more than 10 million passengers in 2012.
- ◆ Handled more than 1.1 billion pounds of air freight.
- ◆ Served by 11 domestic and international air carriers.
- ◆ Features 29 board gates in two terminals. All buses are equipped with

## Roadways, Bicycles, Car Sharing

- ◆ The Alameda/Oakland Ferry Service that links Oakland with San Francisco, Angel Island and South San Francisco.
- ◆ Nine major U.S. and California highways pass through Oakland.
- ◆ Daily service to rail destinations throughout the U.S. is offered at the Oakland Amtrak Station in Jack London Square and service along the Capitol Corridor also stops at the Coliseum Amtrak Station..
- ◆ Greyhound Bus Lines also offers daily bus service to cities throughout the United States. MegaBus.com offers service between Oakland and Los Angeles.
- ◆ Car-sharing is offered by City CarShare and Zipcar.
- ◆ Oakland was one of the first cities to pilot the “sharrow” lane – shared-lane pavement markings to indicate road lanes shared by cyclists and motorists.

## INFRASTRUCTURE

The Public Works Agency plans, builds and maintains Oakland’s physical and environmental infrastructure for residents, businesses and visitors, making Oakland a sustainable and desirable place to live, work, invest and visit.

### Local Streets & Roads

- ◆ 806 miles
- ◆ 90 miles of bike lanes & routes

### Sidewalks, Curb Ramps, Stairs & Paths

- ◆ 1,100 miles of sidewalks
- ◆ 17,800 curb ramp locations
- ◆ 232 developed stairs & pathways

### Bridges

- ◆ 38 bridges

### Traffic Signals & Signs

- ◆ 677 traffic signal intersections
- ◆ 200,000 street signs

### Street Lighting

- ◆ 37,000 streetlights (LED Light Conversion program to begin Spring 2013 on 30,000)

### Stormwater

- ◆ 400 miles of storm drains
- ◆ 15,000 structures
- ◆ 80+ miles of open creek

### Wastewater Collection

- ◆ 919 miles of sewer pipes
- ◆ 7 pump stations
- ◆ 27,000 structures

### Public Buildings

- ◆ 300+ public buildings

# CITY FACTS

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## Trees

- ◆ 42,600 official street trees
- ◆ Plus all open space & park trees

## Fleet & Equipment

- ◆ 1,489 vehicles & pieces of equipment including fire trucks & police cars

## HUMAN SERVICES

DHS offers various services to assist Oakland residents including seniors, youth, families and the homeless.

- ◆ Serves 1,778 low-income children and their families at 25 sites throughout Oakland with comprehensive early childhood education and family support services through the Oakland Head Start & Early Head Start programs.
- ◆ Over 8,000 seniors enjoy a broad range of classes and special events as well as free or low-cost meals at 4 senior centers operated by the City and 4 contracted centers for monolingual seniors.
- ◆ Provides over 26,000 trips annually for frail seniors and disabled persons through its Oakland Paratransit for the Elderly and Disabled Program (OPED).
- ◆ Serves over 390 frail and disabled seniors through its Multipurpose Senior Services Program (MSSP) by helping them live independently in their homes through in-home case management and health services.
- ◆ Trains and prepares over 240 low income seniors for the workforce today through subsidized training and job placement via the ASSETS Sr. Employment Program.
- ◆ Provides approximately 68 low-income seniors, who accompany their clients in running daily errands or mentor young children, volunteer stipends through the Senior Companion/Foster Grandparent Program.
- ◆ Provides 3,500 bags of groceries low-income families and seniors nine times a year at multiple sites citywide through the Community Housing Services which also provides shelter, transitional and supportive housing to many who would otherwise be homeless.
- ◆ Serves over 100,000 lunches and 80,000 snacks to children and youth through the Summer Food Service Program.
- ◆ Assists 2,500 children to walk to and from school safely thanks to the Safe Walk to School Program.
- ◆ Serves more than 28,700 youth through the locally mandated Oakland Children's Fund (Kids First! Oakland Fund for Children and Youth) and the federally funded grant programs that address the educational, youth development and safety needs of children in Oakland.
- ◆ Administers approximately \$5.2 million in Oakland Unite Measure Y grant funding to 23 community-based organizations and public agencies whose programs are evidence-based and work with youth and young adults who are most affected by violence in the areas of Oakland that are the most violent.
- ◆ More than 10,000 low-income residents in Oakland and Alameda County are served by the Alameda County-Oakland Community Action Partnership through programs that fight poverty by helping low-income residents become self sufficient and through partnerships that offer free income tax assistance and Individual Development Accounts.

## EDUCATION

### Elementary, Middle, Special, and Secondary Education

- ◆ More than 87 public, 40 charter and 43 private schools in Oakland.

### Colleges

- ◆ Holy Names University – an undergraduate and graduate inter-disciplinary study college.
- ◆ Mills College – a private women’s liberal arts college founded in 1852, also offering co-ed graduate programs.
- ◆ Patten University – a private, co-educational Christian college dedicated to providing a liberal arts education with a strong biblical studies emphasis. Also offers some graduate programs.
- ◆ Samuel Merritt University - offers degrees in nursing, occupational therapy, physical therapy, physician assistant, and podiatric medicine and is the largest source of new registered nurses in California.
- ◆ California College of the Arts - known for its broad, interdisciplinary programs in art, design, architecture, and writing, it offers studies in 21 undergraduate and 11 graduate.
- ◆ Merritt College, and Laney College – part of the Peralta Community College District, these colleges offer arts, liberal arts, college preparatory and vocational trade programs.

### LIBRARY SYSTEM

- ◆ 1 main library and 16 library branches
- ◆ Second Start Adult Literacy Program
- ◆ Tool lending library
- ◆ African-American Museum and Library
- ◆ 281,553 Registered Borrowers
- ◆ 1,051,933 Books Held
- ◆ 1,268,857 Total Records in Catalog (books etc)
- ◆ 2,535,896 Library Visits
- ◆ 2,670,928 Circulation
- ◆ 291,269 Uses of Public Internet Computers
- ◆ 158,975 Program Attendance of which 130,753 were at Children’s Programs

### MEDICAL FACILITIES

Oakland’s medical facilities are among the best in the nation. The medical community provides the latest and most sophisticated medical technology for the diagnosis and treatment of disease. There are now four hospitals providing full service in Oakland. Together, these hospitals are investing more than \$2 billion in new construction and seismic upgrades.

Children’s Hospital Oakland Research Institute delivers high quality pediatric care for all children through regional primary and subspecialty networks, strong education and teaching program, a diverse workforce, state-of-the-art research programs and facilities and nationally recognized child advocacy efforts.

Alta Bates Summit Medical Center offers comprehensive services designed to meet the health care needs of the diverse communities of the greater East Bay.

Alameda County Medical Center’s Highland Hospital provides comprehensive, high-quality medical treatment, health promotion, and health maintenance through an integrated system of hospitals, clinics, and health services staffed by individuals who are responsive to the diverse cultural needs of our community.

Kaiser Permanente organizes and provides or coordinates members’ care, including preventive care such as well-baby and prenatal care, immunizations, and screening diagnostics; hospital and medical services; and pharmacy services. Kaiser Hospital is the flagship of the national system of hospitals headquartered here along with the nation’s first health maintenance organization (HMO), founded by Henry Kaiser.

# CITY FACTS

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## PUBLIC SAFETY

Oakland's public safety providers actively engage all segments of the City's diverse residential and business communities in efforts to increase public safety and quality of life. Current police initiatives partner law enforcement agencies with local community-based social service organizations to create / enhance programs that offer ex-offenders services (training and education) and support (substance abuse recovery and mental health counseling), while maintaining strict accountability and supervision of parolees and those on probation.

Oakland's first responders, committed to proactive emergency preparedness, response, and mitigation, continue to develop and enhance their skills, assess local risks, and prepare strategies to ensure the safety and security of the City's residential and commercial sectors in the event of a natural disaster or terrorist attack.

### Police

- ◆ 665 authorized sworn officers (649 filled as of March 2013)
- ◆ 338 non-sworn employees
- ◆ Assignments range within comprehensive 24/7 public safety service and response
  - Patrol
  - Crime analysis
  - Administration
  - Criminal Investigations
  - K-9 Unit
  - Communications
  - Tactical Operations Teams (S.W.A.T. and Negotiations)
  - Traffic Enforcement & Investigations
  - Narcotics Enforcement
  - Youth or Community Services
  - Criminal Intelligence
  - Vice
- ◆ Receives and processes over 600,000 calls for service annually
- ◆ Handled over 288,000 law enforcement incidents in 2012

### Fire

- ◆ 507 authorized uniformed personnel to fill three complete shifts of response personnel
- ◆ 25 Fire Stations which includes equipment and resources such as:
  - 24 engine apparatus
  - 7 aerial apparatus
  - hazardous materials response team
  - technical rescue team
  - airport rescue company
  - water rescue team
  - specialized wild land response apparatus
- ◆ Over 60,000 response calls annually, 80% are calls that include medical service

## RECREATION

The Office of Parks and Recreation (OPR) offers critical quality of life programming in areas of enrichment, cultural arts, prevention and intervention, sports and physical activities, health and wellness, youth violence abatement, and other leisure activities for adults, youth, and children. Programs and Camps at recreation centers, pools and parks are part of the efforts to promote health, stem obesity, and encourage civic participation, personal development, and empowerment. We preserve the best of Oakland and connect communities.

OPR also operates:

- ◆ 30 recreation/cultural arts/boating/science & nature/teen centers
- ◆ 140 parks and playgrounds
- ◆ 66 ball fields
- ◆ 6 swimming pools
- ◆ 44 tennis courts
- ◆ 15 community gardens
- ◆ 10 rental facilities
- ◆ 5 dog play areas
- ◆ 3 public golf courses
- ◆ 2 skate parks
- ◆ 1 Sport Complex and Indoor Water Park; and a host of other public facilities

Oakland is at the heart of the East Bay Regional Park District, a splendid system of 65 parks and 29 regional hiking trails covering more than 100,000 acres in Alameda and Contra Costa Counties.

## OTHER ATTRACTIONS

Oakland is home to many world-class and unique attractions for local residents and visitors.

**Chabot Space & Science Center** – The City of Oakland is home to Chabot Space & Science Center (CSSC), an 86,000 square foot, award-winning facility featuring hands-on science and astronomy exhibits, a state-of-the-art planetarium, a large-format domed screen theater, a simulated space mission experience, and the largest telescopes available for public use in California.

**Fox Theater** – The newly renovated Fox Theater in downtown Oakland reopened its doors in February 2009 with a run of performances from entertainment’s top acts. The theater’s wrap-around building will also be the permanent home for the Oakland School for the Arts, a tuition-free charter school dedicated to artistic and academic excellence.

**Grand Lake Theater** - A mainstay of the community since its construction in 1926, this first-run movie theater is graced with a colorful, lighted marquee and a sweeping staircase in the main hall. Look for the ornately decorated walls, brass chandeliers, and faux opera boxes. Prior to curtain on Friday and Saturday nights, an organist serenades the audience on a Wurlitzer.

**Lake Merritt** – The Lake is the largest lake located within an urban area and is set in Lakeside Park, which is home to the Garden Center, Sailboat House, Rotary Nature Center, Junior Science Center, and a Bonsai Garden. Bordered by a 3.4 mile trail, Lake Merritt is a favorite location for joggers, walkers, and strollers.

**Children’s Fairyland** - Young children will enjoy this enchanting, three-dimensional fantasy world where popular nursery rhymes come to life, set in picturesque Lakeside Park.

**Jack London Square** – Located along Oakland’s waterfront, Jack London Square is home to Yoshi’s Jazz Club, a Cineplex, numerous restaurants, and other local attractions. Local arts venues extend their evening hours on Third Thursdays Oakland Art Nights, to host exhibitions, artists’ lectures and demonstrations, receptions and other cultural events.

## CITY FACTS

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**USS Potomac** – Affectionately dubbed the Floating White House by the press, Franklin Delano Roosevelt's presidential yacht is one of the few floating museums in the country. The restored 165-foot vessel, a national historic landmark, is a memorial to FDR and his accomplishments.

**Chinatown** – Oakland Chinatown dates back to the arrival of Chinese immigrants in the 1850s, making it one of the oldest Chinatowns in North America. Oakland's Chinatown is bustling with activity. The Asian Branch Library is one of many of Oakland Public Library's branches and is located in Chinatown's Pacific Renaissance Plaza.

**George P. Scotlan Convention Center** - Offering 64,000 square feet of exhibition and meeting space and adjoining the Oakland Marriott City Center, this convention center has an additional 25,000 square feet of flexible meeting space and 483 deluxe guest rooms.

**Old Oakland** – An historic district with beautiful buildings and a thriving commercial strip. A Farmers' Market takes place every Friday.

**Oakland Museum of California** – This is the state's only museum devoted to the arts, history and natural sciences of California. The Museum provides unique collections, rotating exhibitions and educational opportunities designed to generate a broader and deeper understanding of and interest in California's environment, history, art and people.

**Oakland Zoo** – Founded in 1922 by naturalist Henry A. Snow, the Oakland Zoo is an 85 year-old regional treasure. Many of its animals are kept in relatively "natural" habitats, and expanded natural habitats are planned. The Zoo is nationally known for its excellent elephant exhibit and has been praised for allowing its elephants to roam freely.

**Paramount Theater** -This beautiful Art Deco theater opened in 1931 and was authentically restored in 1973. The theater hosts an impressive variety of popular attractions, including the Oakland East Bay Symphony, Broadway shows, R&B concerts, gospel performers, comedy, and special engagements.

**Oakland's Western Aerospace Museum** - Located at the Airport's North Field, showcases aviation history through special exhibits, multimedia presentations, hands-on displays incorporating 13 vintage airplanes, photographs, replicas and other artifacts, and classes for students of all ages.

**Malonga Casquelourd Center for the Arts** - This restored 1920s building is a popular multicultural, multidisciplinary performing-arts complex sponsored by the city. The 400-seat theater and five rehearsal and class spaces showcase drama, ballet, and African and contemporary dance. Several long-standing arts organizations-Axis Dance Company, Bay Area Blues Society, CitiCentre Dance Theater, Dimensions Dance Theater, and Oakland Youth Orchestra-call the center home.

**The Crucible** – Located in West Oakland, this non-profit educational facility fosters a collaboration of Arts, Industry and Community. Through training in the fine and industrial arts, The Crucible promotes creative expression, reuse of materials and innovative design while serving as an accessible arts venue for the general public.

**Professional/Amateur Sports** - Oakland is a magnet for sports fans of all types. Whatever the season, Oakland pro and amateur games frequently garner large crowds and broad national media coverage. In the last three decades, Oakland's professional sports teams have won six world championships in three major sports.

- ◆ **Golden State Warriors** – The Warriors continue to showcase exciting basket-ball. The most recent season was a season of change with new ownership, coaching and players. The Warriors were one of only seven teams to improve their record from the prior year, making the prospects for a playoff berth highly anticipated for the coming seasons.
- ◆ **Oakland Athletics** – The Oakland Athletics have won six American League Championships and four baseball World Series titles.
- ◆ **Oakland Raiders** – From dominance in three Super Bowl victories to improbable come-from-behind victories, the Raiders have been involved in some of professional football's most incredible moments.

**Key Facts/Accolades: Oakland, California**

Oakland Among Top 5 Places to Visit in the World

Source: New York Times, January 8, 2012

Ten Best Cities To Have a Dog

Source: NerdWallet, March 25, 2013

Oakland Among 5 best markets to sell a home

Source: CNN/Money, March 14, 2013

Oakland Among 15 Top Cities for Tech Startups

Source: National Venture Capital Association, February 13, 2013

#10 Most Walkable City in America

Source: America Walks, February 2013

Oakland Ranked Among Top 12 ArtPlaces in the Nation

Source: ArtPlace, January 7, 2013

Gayest Cities in America, 2013

Source: The Advocate, January 2013

Oakland Rises to 7th in Nation in Bicycling Rate with 7,000 Biking Commuters

Source: U.S. Census Data, November 5, 2012

Oakland Named Among America's 50 Best Cities

Source: Bloomberg Businessweek, September 26, 2012

Uptown named among the Best Hipster Neighborhoods

Source: Forbes, September 20, 2012

Oakland named among America's Best Cities on the Rise

Source: SmarterTravel.com, August 31, 2012,

Oakland Tied as Most Honest City in the U.S.

Source: National Honesty Index, August 20, 2012

Oakland top city for fastest selling homes in the nation

Source: Realtor.com, August 8, 2012

6th among the 51 largest US cities for percentage of residents that bicycle to work

Source: Alliance for Biking & Walking 2012 Benchmarking Report

Where the Creative Class Earns the Most

Source: The Atlantic Cities, July 2012

#2 US City in Per-Capita Availability of Eco-Friendly Services

Source: Thumbtack, July 2012

4th Greenest US City

Source: Mother Nature Network, July 2012

## CITY FACTS

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5th Greenest City in America

Source: Corporate Knights Magazine, June 2012

The Gardens at Lake Merritt Named Among Top 5 in California

Source: Via Magazine, March 2012

Men's Fitness Ranks Oakland the 4th Most Fit City in America

Source: Men's Fitness, March 2012

CNN includes Oakland in its 5 must-see film sites

Source: CNN, February 23, 2012

California's 2nd Most Literate City and 15th in the Nation

Source: America's Most Literate Cities, 2011

10th Greenest Real Estate Market in U.S.

Source: Cushman & Wakefield Green Building Opportunity Index, November 2011

#2 "Can-Do" City

Source: Newsweek, September 2011

10th Most Walkable City in the Nation

Source: Walk Score, July 2011

9th Most Sustainable City in the U.S.

Source: Sustainlane, 2008

4th largest "Nano Metro" Area in the nation

Source: Project on Emerging Nanotechnologies, 2007

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## INTRODUCTION TO FINANCIAL SUMMARIES

This section contains tables summarizing revenue and expenditure data for the entire City. Summaries are presented by fund. Tables are also presented on fund balances and fund descriptions.

### CITY REVENUE AND EXPENDITURE FORECAST METHODOLOGY

The City prepares revenue and expenditure forecasts for its biennial budget. The forecasts are based on agency input, historical budgetary performance, prevailing general economic conditions and department input. A detailed forecast is prepared for the General Purpose Fund (GPF), and for other funds.

To prepare the forecast, a comprehensive analysis of the components of the City's revenues and expenditures is performed. These major components are projected into the two-to-five-year period on the basis of various relevant assumptions. For example, projections for property tax, the single largest source of revenues for the City's General Purpose Fund (GPF), are done based on the projected growth in the net assessed value of locally assessed property and projected changes to the tax delinquency rate. Similarly, forecast of the expenditures is performed by separately analyzing individual expenditure categories (e.g. salaries, retirement, benefits, utility expenses) based on forecast cost increases (e.g. pay-step increases, PERS retirement rates, benefit cost inflation, energy prices).

#### Forecasting Techniques

Citywide revenues and expenditures are projected using two forecasting techniques: qualitative analysis, and quantitative analysis.

Qualitative analysis projects future revenues and/or expenditures using non-statistical techniques. These techniques rely on human judgment rather than statistical analysis to arrive at revenue projections. Qualitative forecasting is essential for projecting revenue or expenditure components that are unstable, volatile, or for which there is limited historical information. To facilitate sound qualitative analysis, the City of Oakland seeks input from outside experts in economic forecasting, municipal finance, and other relevant fields. Just two examples of this is the City's reliance on the League of Cities' analysis and recommendations relating to legislative issues impacting cities, and the Legislative Analyst Office for their expertise and analysis of the State of California budgetary issues that may potentially affect the City of Oakland.

Quantitative analysis involves looking at data to understand historical trends and causal relationships. One kind of quantitative analysis is *time series analysis*; it is based on data which have been collected over time and can be shown chronologically on graphs. When using time series techniques, the forecaster is especially interested in the nature of seasonal fluctuations which occur within a year, the nature of multiyear cycles, and the nature of any possible long-run trends. *Causal analysis* is another type of quantitative analysis; it deals with the historical interrelationships between two or more variables. One or more predictors influence, directly or indirectly, the future revenue or expenditure. The causal forecasting techniques are predicated upon selecting the correct independent variables, correctly defining their interrelationship to the dependent variable, i.e. the projected revenue or expenditure item, and, finally, collecting accurate data.

# FINANCIAL SUMMARIES

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## Revenue Forecast

Citywide revenues are projected using dynamic forecasting which anticipates changes in revenues triggered by new economic development, economic growth, changes in the levels of service of departments and agencies, (as approved in the case of Master Fee Schedule changes by the City Council), changes in governmental policies at the state or federal level, and various economic and demographic changes. The purpose of this dynamic forecast is to demonstrate the potential impact of various events and actions on the selected revenue sources. Under this scenario:

- *Tax Revenues* are projected to grow at rates that are responsive to dynamic forces in the economy. Generally, the assumption is the local economy will be affected by national and state trends, with some deviation expected due to specific characteristics of regional business and labor markets.
- *Fee increases* will likely follow the projected inflation and changes in the local population due to increased service costs and changes in demand.
- Any known or anticipated changes in revenues as a result of potential changes in state revenue streams and/or legislation are reflected in the analysis.

The revenue forecast takes into consideration a number of *economic factors and trends*, including changes in economic growth, income, sales and Consumer Price Index (CPI), among other factors. Additionally, anticipated changes in *State or local policy* are also considered.

## Expenditure Forecast

Forecasting the City's expenditures involves analyzing, at the Agency level, and by category

The expenditure forecast begins with the *baseline budget*, which represents the cost of maintaining the current level of services, while taking into account all unavoidable costs necessary to continue at that current level. Examples of unavoidable costs are pre-negotiated MOU salary levels, as well as health care and retirement costs that the City pays on behalf of its employees.

The baseline budget is then modified to reflect changes to programs and services that the Mayor and the City Administrator decide to include as part of the Proposed Budget. These modifications could include additions or subtractions in any of categories (1) through (3) above. Changes to debt service are less discretionary, and are made based on changes in the Treasury Division's debt payment schedules.

The expenditure forecast follows the guidance of the Government Finance Officers Association (GFOA), which recommends that expenditures be grouped into units of analysis that are meaningful to the organization, such as departments and standard budget categories of expenditures. As such, staff grouped baseline (FY 2013-15) proposed budget expenditures by department and by expenditure category, consistent with the City's chart of accounts. Future expenditures were forecasted from the FY 2013-15 proposed budget. This forecast generally assumes that expenditures will only grow due to inflationary cost escalation. Though In a small number of cases, costs are also expected to change due to new operating expenditures, which are changes in service or staffing levels, as described below.

- The Police Department will run one police academy per year in FY 2015-16, FY 2016-17, and FY 2017-18 to roughly maintain the number of sworn staff achieved by the FY 2013-15 budget proposal, 697;
- The City will lose Successor Agency project staff as their projects and funding wind down;
- Note that this forecast assumes the same funding level when Measure Y expires on December 31, 2014 and the Wildfire Prevention Assessment District expires on June 30, 2014. The parking revenue for Measure Y will not be collected by January 1, 2015 if the Measure is not renewed while the parcel tax covers until June 30, 2015;
- The City will appropriate \$10M in FY 2015-16 and an additional \$10M in FY 2016-17 to a reserve for unfunded pension and OPEB liabilities, as directed by City Council.

## **BASIS OF BUDGETING**

The City of Oakland's basis of budgeting for its major fund groups (General Funds, Special Revenue Funds, Enterprise Funds, Internal Service Funds and Capital Project Funds) are the Generally Accepted Accounting Principals (GAAP), and the modified accrual basis of accounting.

Revenues are budgeted according to when they are both measurable and available. Revenues are considered to be available when they are collected within the current year, or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available for the year levied if they are collected within 60 days of the end of the current fiscal year. All other revenues are considered to be available if they are collected within 120 days of the end of the current fiscal year.

Expenditures are budgeted according to when the liability is incurred, regardless of the timing of related cash flows. The exceptions are debt service, compensated absences, claims and judgments, which are budgeted as expenditures according to when the payments are due.

The City's basis of budgeting is the same as the basis of accounting used in the City's audited financial statement, the Comprehensive Annual Financial Report (CAFR).

## **PLANNING FOR THE CITY OF OAKLAND'S TWO-YEAR BUDGET**

### **Planning for the Two-Year Budget**

The City's budget development process begins over a year in advance of the actual adoption of the two-year budget. During this advance planning process, the City identifies factors (known or anticipated) that may have a significant effect on future revenues, expenditures, or staffing levels. The staff's two-year budget projections are also aided by p. The analysis is based on actual City revenue and expenditure trends, general and relevant economic trends and outlooks, input from the City Departments who oversee those specific expenditure and revenue streams, and input from outside economists and revenue experts.

Staff's budget forecast was presented to the City Council at a budget workshop (held for the FY 2013-15 Budget on April 2<sup>nd</sup> 2013). At the workshop, the Council was provided with information regarding the City's financial situation, including the five year financial forecast and FY 2012-13 second quarter Revenue & Expenditure report

**FINANCIAL SUMMARIES**

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**NOTES**

**SUMMARY TABLES**

**FINANCIAL SUMMARIES**

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**NOTES**

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS FY 2013-15

GENERAL PURPOSE FUND (GPF)	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Revenue Changes</b>			
One-time parking citation revenues from proposed booting inter-governmental partnership		\$ .00	\$ 2.00
Credit card convenience fee		\$ .25	\$ .25
RD Pass through		\$ .40	\$ .40
Increase in Billboard Revenues		\$ .95	\$ .48
<b>Significant Expenditure Changes</b>			
<b>MAYOR</b>			
GPF reduction of 5% in FY2013-14 and 10% in FY2014-15	-	(\$ .10)	(\$ .21)
Add 1.00 FTE Special Assistant to the Mayor	1.00	\$ .12	\$ .12
<b>CITY COUNCIL</b>			
GPF reduction of 5% in FY2013-14 and 10% in FY2014-15	-	(\$ .19)	(\$ .38)
<b>CITY ADMINISTRATOR</b>			
Add an Assistant to the City Administrator in CAO Administration and a Program Analyst I in Public Ethics	2.00	\$ .22	\$ .22
Downgrade an Administrative Services Manager I in Contracting and Compliance to an Account Clerk III	-	(\$ .09)	(\$ .09)
Eliminate 0.50 FTE Management Intern, PT in the Budget Office	(0.50)	(\$ .01)	(\$ .01)
Transfer 1.00 FTE Compliance Officer in Contracts and Compliance to fund 5671	(1.00)	(\$ .14)	(\$ .14)
Transfer 1.00 Contract Compliance Office Assistant from Dept of Energy ARRA Fund (2609)	1.00	\$ .11	\$ .11
Transfer 1.00 FTE Urban Economic Analyst II to fund 1610.	(1.50)	(\$ .18)	(\$ .18)
Eliminate 0.50 FTE Graphic Design Specialist from the Office of Neighborhood Investment			
<b>CITY ATTORNEY</b>			
GPF reduction of 5% in FY2013-14 and 10% in FY2014-15	-	(\$ .23)	(\$ .48)

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS

**FY 2013-15**

(continued)

GENERAL PURPOSE FUND (GPF)	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Expenditure Changes</b> (continued)			
CITY AUDITOR			
GPF reduction of 5% in FY2013-14 and 10% in FY2014-15	-	(\$.08)	(\$.17)
CITY CLERK			
Reduction in O&M	-	(\$.08)	(\$.17)
POLICE SERVICES			
Add 169th and 170th Academy in FY2014-15. Pre Academy costs of the 169th Academy budgeted in FY2013-14	80.00	\$1.12	\$10.77
Transfer 1.00 FTE Police Officer and 1.00 FTE Police Communications Dispatcher to the False Alarm Fund (2411)	(2.00)	(\$.29)	(\$.30)
Transfer 1.00 FTE Public Information Officer to Telecommunications Reserve Fund (1760)	(1.00)	(\$.14)	(\$.15)
Freeze 2.00 FTE Account Clerk II's and 1.00 FTE Animal Control Officer	(3.00)	(\$.22)	(\$.23)
Eliminate 1.00 FTE Accountant II and 1.00 FTE Administrative Analyst I	(2.00)	(\$.22)	(\$.23)
Add 1.00 FTE Payroll Personnel Clerk III and 1.00 FTE Accountant III	2.00	\$ .20	\$ .21
Add 5.00 FTE Police Communications Dispatchers	5.00	\$ .55	\$ .57
Realign Internal Service Fund charges to other funds	-	(\$.33)	(\$.33)
Move 25.00 FTE to 1010 from the Department of Justice COPS Fund upon expiration of grant funding (6 months in FY 2014-15)	25.00	\$ .00	\$1.83
FIRE SERVICES			
Charge 24 Firefighters to the SAFER Grant	-	(\$3.90)	(\$3.90)
Freeze 1.00 FTE Fire Prevent Bureau Inspect, Civil	(1.00)	(\$.13)	(\$.13)

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS

**FY 2013-15**

(continued)

GENERAL PURPOSE FUND (GPF)	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
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### Significant Expenditure Changes (continued)

#### ADMINISTRATIVE SERVICES

##### *Administration*

Eliminate 1.00 FTE Administrative Services Manager II and 1.00 FTE Executive Assistant to the Agency Director	(2.00)	(\$31)	(\$32)
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##### *Controller's Office*

Add 1.00 FTE City Administrator Analyst	1.00	\$12	\$12
Eliminate 1.00 Accountant III	(1.00)	(\$14)	(\$14)
Transfer 1.00 FTE Office Assistant II in fund 4550 to fund 1010	1.00	\$06	\$06
Freeze 1.00 Accounting Supervisor	(1.00)	(\$14)	(\$14)

##### *Revenue*

Add O&M for BT Online System, HDL Contract and Hearing Officers	-	\$35	\$19
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##### *Treasury*

Eliminate 1.00 FTE Human Resources Manager	(1.00)	(\$20)	(\$21)
Reallocate Treasury Manager split funding - net transfer 0.15 FTE to various funds	(0.15)	(\$04)	(\$04)
Reduce O&M	-	(\$04)	(\$04)

##### *Human Resources*

Transfer 0.30 FTE Director of Personnel Resource Management to the worker's compensation fund 1150 and the deferred comp fund 7130.	(0.30)	(\$08)	(\$08)
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##### *Information Technology*

Eliminate 1.0 FTE Telecommunications Systems Engineer	(1.00)	(\$14)	(\$14)
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#### COMMUNITY SERVICES

##### *Parks & Recreation*

Transfer 5.54 FTE to OPRCA Self-Sustaining Fund	(5.54)	(\$39)	(\$39)
Add 1.00 Student Trainee, PT	1.00	\$02	\$02

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS

**FY 2013-15**

(continued)

GENERAL PURPOSE FUND (GPF)	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Expenditure Changes</b> (continued)			
COMMUNITY SERVICES			
<i>Parks &amp; Recreation (continued)</i>			
Reduce 1.62 FTE each of a Recreation Leader I, PT and Recreation Leader II, PT	(3.24)	(\$.11)	(\$.11)
Reduction in 10% of subsidy to Oakland zoo, Chabot Space Center, Hacienda Peralta and Asian Cultural Center	-	(\$.09)	(\$.09)
<i>Human Services</i>			
Freeze 1.00 FTE Community Services Director	(1.00)	(\$.23)	(\$.24)
Eliminate 1.00 FTE Program Analyst I (Youth Commission)	(1.00)	(\$.09)	(\$.10)
Eliminate 0.59 FTE Senior Services Supervisor in FY 2014-15	(0.59)	\$0.00	(\$.08)
Reduce & Transfer 0.91 FTE Accountant II	(0.91)	(\$.11)	(\$.11)
Transfer 0.68 FTE Accountant II from various funds	0.68	\$0.08	\$0.08
Transfer 1.00 FTE Family Advocate from the Head Start Fund	1.00	\$0.06	\$0.07
Reduce O&M in Senior Centers	-	(\$.01)	(\$.01)
Reduction of 10% subsidy to OUSD Academies and Vietnamese Centers	-	(\$.01)	(\$.01)
LIBRARY SERVICES			
Transfer 3.00 FTE Librarian II's to fund 2241	(3.00)	(\$.36)	(\$.37)
Transfer 1.00 FTE Senior Librarian to fund 2241 in FY2014-15	(1.00)	\$0.00	(\$.14)
Transfer 1.00 FTE Librarian Assistant, Senior to fund 2241 in FY2014-15	(1.00)	\$0.00	(\$.11)
Transfer 3.00 FTE Librarian Supervisors to fund 2241	(3.00)	(\$.45)	(\$.46)
Transfer 3.00 FTE Library Assistant and 1.0 FTE Office Assistant I to fund 2241	(4.00)	(\$.34)	(\$.35)
PUBLIC WORKS			
No GPF changes	-	\$0.00	\$0.00

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS

**FY 2013-15**

(continued)

GENERAL PURPOSE FUND (GPF)	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Expenditure Changes</b> (continued)			
HOUSING & COMMUNITY DEVELOPMENT			
No GPF Changes	-	\$ .00	\$ .00
PLANNING & BUILDING			
No GPF Changes	-	\$ .00	\$ .00
NON-DEPARTMENTAL			
Reduction in CSO Recovery from eliminated positions Citywide	-	\$1.13	\$1.26
Increase CSO Recovery Waiver for DHS	-	(\$ .25)	(\$ .24)
Add funding for Redistricting and Ballot Measure Renewal	-	\$ .42	\$ .02
Add funding for DIT Licensing & Software	-	\$1.50	\$1.00
Extend Contract with CHP and Alameda County Sheriff	-	\$2.00	\$2.00
Reduce subsidy to Measure Y (Fund 2251)	-	(\$1.00)	(\$1.00)
Eliminate Day Laborer Program	-	(\$ .17)	(\$ .17)



# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS FY 2013-15

(continued)

ALL OTHER FUNDS	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Revenue Changes</b>			
One-time PG&E rebates in the Landscaping & Lighting Assessment District Fund		\$1.65	\$1.65
<b>Significant Expenditure Changes</b>			
MAYOR			
No non-GPF Changes		\$0.00	\$0.00
CITY COUNCIL			
No non-GPF Changes		\$0.00	\$0.00
CITY ADMINISTRATOR			
Add 0.50 FTE Program Analyst I to Public Ethics in Measure Y fund 2251	0.50	\$0.05	\$0.05
Eliminate 1.00 FTE Cable Operations Technician in KTOP in fund 1760	(1.00)	(\$0.14)	(\$0.14)
Eliminate 0.50 FTE Administrative Analyst II PPT and 1.00 FTE Administrative Assistant I in fund 2195 in the Office of Neighborhood Investment	(1.50)	(\$0.14)	(\$0.14)
Eliminate 0.50 FTE Graphic Design Specialist from various funds	(0.50)	(\$0.06)	(\$0.06)
CITY ATTORNEY			
No non-GPF Changes		\$0.00	\$0.00
CITY AUDITOR			
No non-GPF Changes		\$0.00	\$0.00
CITY CLERK			
No non-GPF Changes		\$0.00	\$0.00
POLICE SERVICES			
Transfer 1.00 FTE Police Officer and 1.00 FTE Police Communications Dispatcher from 1010 to the False Alarm Fund (2411)	2.00	\$0.29	\$0.30

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS FY 2013-15

(continued)

ALL OTHER FUNDS	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Expenditure Changes</b>			
POLICE SERVICES (continued)			
Realign Internal Service Fund charges to other funds from 1010	-	\$0.33	\$0.33
Freeze 1.00 FTE Grants Coordinator	(1.00)	(\$0.14)	(\$0.14)
Transfer 1.00 FTE Public Information Officer to Telecommunications Reserve Fund (1760) from 1010	1.00	\$0.14	\$0.15
Move 25.00 FTE to 1010 from the Department of Justice COPS Fund upon expiration of grant funding (6 months in FY 2014-15)	(25.00)	\$0.00	(\$1.83)
FIRE SERVICES			
Charge 24.00 FTE Firefighters to the SAFER Grant Fund (2124)	-	\$3.90	\$3.90
ADMINISTRATIVE SERVICES			
<i>Administration</i>			
No non-GPF Changes		\$0.00	\$0.00
<i>Controller's Office</i>			
Eliminate 1.00 FTE Administrative Assistant II and add 1.00 FTE Buyer in Purchasing Fund (4450)	-	\$0.01	\$0.01
<i>Revenue</i>			
No non-GPF Changes		\$0.00	\$0.00
<i>Treasury</i>			
Reallocate Treasury Manager split funding - net transfer 0.15 FTE to various funds	0.15	\$0.04	\$0.04
<i>Human Resources</i>			
Transfer 0.30 FTE Director of Personnel Resource Management to the Worker's Compensation Fund 1150 and the Deferred Comp Fund 7130 from 1010	0.30	\$0.08	\$0.08
<i>Information Technology</i>			
Freeze 1.00 FTE Microcomputer Systems Specialist in Measure Q Fund (2241)	(1.00)	(\$0.14)	(\$0.14)

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS FY 2013-15

(continued)

ALL OTHER FUNDS	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Expenditure Changes</b>			
<b>COMMUNITY SERVICES</b>			
<i>Parks &amp; Recreation</i>			
Transfer 5.54 FTE to OPRCA Self-Sustaining Fund from 1010	5.54	\$0.39	\$0.39
<i>Human Services</i>			
Eliminate 0.41 FTE Senior Services Supervisor in FY 2014-15 in the Federal Action Agency Fund	(0.41)	\$0.00	(\$0.06)
Reduce O&M in various funds	-	(\$0.25)	(\$0.19)
Eliminate 1.00 FTE Case Manager II from the Multipurpose Senior Services Program (MSSP)	(1.00)	(\$0.10)	(\$0.10)
Eliminate 3.00 FTE Family Advocate from the Head Start Fund, and transfer 1.00 FTE Family Advocate to 1010	(4.00)	(\$0.23)	(\$0.24)
Eliminate 2.00 FTE Headstart Program Coordinator from the Head Start Fund	(2.00)	(\$0.20)	(\$0.20)
Eliminate 1.00 FTE Nurse Case Manager from MSSP	(1.00)	(\$0.10)	(\$0.10)
Eliminate 1.00 FTE Senior Services Supervisor in FY 2014-15 from MSSP	(1.00)	\$0.00	(\$0.14)
Add 1.00 FTE Outreach Developer in the Measure Y Fund	1.00	\$0.12	\$0.12
<b>LIBRARY SERVICES</b>			
Transfer 3.00 FTE Librarian II's to fund 2241 from 1010	3.00	\$0.36	\$0.37
Transfer 1.00 FTE Senior Librarian to fund 2241 in FY2014-15 from 1010	1.00	\$0.00	\$0.14
Transfer 1.00 FTE Librarian Assistant, Senior to fund 2241 in FY2014-15 from 1010	1.00	\$0.00	\$0.11
Transfer 3.00 FTE Librarian Supervisors to fund 2241 from 1010	3.00	\$0.45	\$0.46
Transfer 3.00 FTE Library Assistant and 1.0 FTE Office Assistant I to fund 2241 from 1010	4.00	\$0.34	\$0.35
<b>PUBLIC WORKS</b>			
Add 1.00 FTE Painter in the Facilities Fund (4400)	1.00	\$0.12	\$0.13

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS FY 2013-15

(continued)

ALL OTHER FUNDS	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
<b>Significant Expenditure Changes</b>			
PUBLIC WORKS (continued)			
Add 2.00 FTE Custodians in the Facilities Fund (4400)	2.00	\$0.14	\$0.14
Add 2.00 FTE Painters and O&M in the Comprehensive Clean-up Fund for graffiti abatement team	2.00	\$0.55	\$0.30
Add 4.00 FTE Maintenance Mechanics in the Facilities Fund (4400)	4.00	\$0.30	\$0.31
Add fundng for Minor CIP in the Facilities Fund (4400)	-	\$1.00	\$1.25
Add O&M for new facilities in the Facilities Fund (4400)	-	\$0.25	\$0.24
Eliminate 0.25 FTE Stationary Engineer in the Facilities Fund (4400)	(0.25)	(\$0.03)	(\$0.03)
Eliminate 0.50 FTE Maintenance Mechanic, PPT in the Facilities Fund (4400)	(0.50)	(\$0.05)	(\$0.05)
Eliminate 1.00 FTE Clean Community Supervisor in the Comprehensive Clean-up Fund	(1.00)	(\$0.14)	(\$0.15)
LED Lighting Conversion Lease Payment in the Landscaping & Lighting Assesment District Fund	-	\$1.65	\$1.65
LED Lighting Conversion Energy utility savings from lighting conversion in the Landscaping & Lighting Assesment District Fund	-	(\$1.11)	(\$1.48)
Eliminate 1.00 FTE Recycling Specialist in the Recycling Fund (partially funded by projects)	(1.00)	(\$0.10)	(\$0.11)
Eliminate O&M to off-set cost of positions & O&M added for maintaining new facilities notpreviously funded	-	(\$0.89)	(\$0.89)
Transfer Dept of Infrastructure & Operations group from the Measure B Fund (2211) to the State Gas Tax Fund (2231)	(17.26)	(\$2.03)	(\$2.13)
Transfer Dept of Infrastructure & Operations group to the State Gas Tax Fund (2231) from the Measure B Fund (2211)	17.26	\$2.03	\$2.13
HOUSING			
Transfer to other funding sources in Y1 and eliminate in Y2 from SRA projects (Fund 1610):			
0.75 FTE Development/Redevelopment Manager	(0.75)	(\$0.13)	(\$0.13)

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS FY 2013-15

(continued)

ALL OTHER FUNDS	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
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### Significant Expenditure Changes

#### HOUSING (continued)

1.00 FTE Housing Development Coordinator III	(1.00)	(\$0.13)	(\$0.13)
3.65 FTE Housing Development Coordinator IV	(3.65)	(\$0.56)	(\$0.57)
1.00 FTE Office Assistant II	(1.00)	(\$0.07)	(\$0.07)
Reduce O&M and OH	-	(\$0.41)	(\$0.42)
Eliminate 1.00 FTE Development/Redevelopment Manager in the HUD-Home Fund	(1.00)	(\$0.20)	(\$0.20)
Eliminate 2.00 FTE Housing Development Coordinator from SRA projects (Fund 1610)	(2.00)	(\$0.22)	(\$0.23)
Eliminate 1.00 FTE Housing Development Coordinator and 0.50 FTE Student Intern, PT in CA Community Services Fund	(1.50)	(\$0.12)	(\$0.13)
Reduce Loan Expenditures in HUD-CDBG Fund	-	(\$0.23)	(\$0.23)
Reduce Contract Expenditures HUD-CDBG Fund	-	(\$0.68)	(\$0.68)

#### PLANNING

Eliminate positions and O&M in the Development Services Fund (2415):

0.70 FTE Administrative Analyst II	(0.70)	(\$0.08)	(\$0.09)
1.00 FTE Engineer, Civil (Office)	(1.00)	(\$0.16)	(\$0.16)
1.00 FTE Account Clerk II (partial Y1)	(1.00)	(\$0.05)	(\$0.08)
1.00 FTE Business Analyst III	(1.00)	\$0.00	(\$0.08)
1.00 FTE Engineer, Civil Supv (Office)	(1.00)	(\$0.17)	(\$0.17)
1.00 FTE Manager, Building Services	(1.00)	(\$0.11)	(\$0.12)
2.00 FTE Office Assistant II (partial Y1)	(2.00)	(\$0.09)	(\$0.12)
1.00 FTE Planner I	(1.00)	(\$0.08)	(\$0.09)
1.00 FTE Planner II	(1.00)	(\$0.11)	(\$0.12)
1.00 FTE Process Coordinator II	(1.00)	(\$0.10)	(\$0.10)
1.00 FTE Public Service Representative	(1.00)	(\$0.08)	(\$0.08)
1.00 FTE Specialty Combination Insp, Senior	(1.00)	(\$0.13)	(\$0.13)

# FINANCIAL SUMMARIES

## SUMMARY OF SIGNIFICANT PROPOSED BUDGET CHANGES AND REVENUE ENHANCEMENTS FY 2013-15

(continued)

ALL OTHER FUNDS	FTE	FY 2013-14 Savings (in millions)	FY 2014-15 Savings (in millions)
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### Significant Expenditure Changes

#### PLANNING (continued)

4.00 FTE Specialty Combination Inspector	(4.00)	(\$0.48)	(\$0.49)
Reduce Other Refunds	-	(\$0.41)	(\$0.41)
Reduce Contract Expenditures	-	(\$0.82)	(\$0.70)
Increase Computer Equipment/Software	-	\$0.27	\$0.27
Reduce OH associated with eliminated positions	-	(\$0.28)	(\$0.28)

#### NON-DEPARTMENTAL

Increase transfer to Pension Override Tax Revenue Fund	-	\$8.74	\$4.13
Add funding for DIT Licensing & Software in the Capital Reserves Fund (5510)	-	\$1.50	\$2.00

## FUND SOURCES AND DESCRIPTIONS

Fund	Fund Description	Source of Funds	Uses of Funds
1010	General Purpose Fund	Revenues from most of the City's taxes, fees and service charges	Discretion of the City Council. Most City departments receive General Purpose Fund support.
1100	Self-Insurance Liability	Transfer of funds from the General Purpose Fund, Sewer Fund, and other miscellaneous funds	Self-insurance liability claims and settlements, outside legal services and court costs
1150	Workers' Compensation Insurance Claims	City payroll deductions for Workers' Compensation Insurance	Workers' Compensation Insurance claims and administration
1200	Pension Override Tax Revenue	Property tax override	Payment to the Police and Fire Retirement System
1610	Oakland Redevelopment Successor Agency (ORSA)	Redevelopment Property Tax Trust Fund ("RPTTF")	City staff and other costs related to Oakland Redevelopment Successor Agency projects
1700	Mandatory Refuse Collection	Assessments on delinquent refuse collection customers	Collection of delinquent refuse collection bills
1710	Recycling Program	Special surcharge on refuse collection bills	City's recycling program and related activities
1720	Comprehensive Clean-Up	Special surcharge on refuse collection bills	Illegal dumping enforcement; street sweeping, custodial services and other clean-up related activities
1730	Henry J Kaiser Convention Center	Transfers from General Purpose Fund, in accordance with repayment plan	Reduce negative fund balance, in accordance with repayment plan
1740	Hazardous Materials Inspection	Fees from inspections by Emergency Service Hazardous Materials Unit	Hazardous Materials Inspection Program
1750	Multi-Purpose Reserve	Fees from City-owned off-street parking facilities, other revenues at Council discretion	Off-street parking facilities revenue is restricted by Council policy to parking facility construction and operation. All other revenue may be spent at Council discretion.
1760	Telecommunications Reserve	Cable television franchise fees	Operation of the City's cable television station (KTOP) and other telecommunications-related operations
1770	Telecommunications Land Use	Fee revenue generated from use of public property for telecommunications equipment	Telecommunication projects

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
1780	Kids First Oakland Children's Fund	Transfer from the General Purpose Fund (equal to 3.0% of unrestricted revenues)	Programs for children and youth
1791	Contract Administration Fee	Transfers from General Purpose Fund, in accordance with repayment plan	Reduce negative fund balance, in accordance with repayment plan
1820	Office of Parks and Recreation Cultural Advisory (OPRCA) Self-Sustaining Revolving Fund	Fees for recreation-related program	Supporting parks and recreation programs
1830	Central District Project Area Loans	Loan repayments	Redevelopment projects within Central District Project Area
1831	Central City East Project Area Loans	Loan repayments	Redevelopment projects within Central City East Project Area
1832	Coliseum Project Area Loans	Loan repayments	Redevelopment projects within Coliseum Project Area
1880	Low and Moderate Income Housing Asset Fund (LMIHF) Operation	Loan repayments	Low and Moderate Income Housing Asset Fund (LMIHF) Operating cost
1882	Multi Service Center/Rent	Rental income	Building maintenance for the Multi Service Center
1883	2000 Subordinated Housing Set-aside bonds	Proceeds from 2000 Subordinated Housing Set-aside Bonds	Development of Low and Moderate Income Housing projects
1884	2006 Housing Set-aside Bond Proceeds	Proceeds from 2006 Subordinated Housing Set-aside Bonds	Development of Low and Moderate Income Housing projects
1885	2011 Subordinated Housing Set-aside Bonds	Proceeds from 2011 Subordinated Housing Set-aside Bonds	Development of Low and Moderate Income Housing projects
2102	Department of Agriculture	U.S. Department of Agriculture	Year-round lunch program for school children offered through City's Department of Human Services
2103	Department of Housing and Urban Development (HUD) -- Emergency Shelter Grant (ESG)/ Supportive Housing Program (SHP)/ Housing Opportunities for Persons with AIDS (HOPWA)	U.S. Department of Housing and Urban Development (HUD)	Emergency shelters, housing for persons with AIDS, and transitional housing programs
2104	Department of Commerce	U.S. Department of Commerce, Economic Development Administration (EDA) grants	Traffic and road improvement for the Del Monte Cannery Shopping Center projects

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
2105	Department of Housing and Urban Development (HUD) -- Economic Development Initiative (EDI) Grants	U.S. Department of Housing and Urban Development (HUD)	Commercial grants and loans and associated operational costs to promote economic development
2107	Department of Housing and Urban Development (HUD) -- 108	U.S. Department of Housing and Urban Development (HUD)	Loan guarantees for commercial and residential loans
2108	Department of Housing and Urban Development (HUD) -- Community Development Block Grant (CDBG)	U.S. Department of Housing and Urban Development (HUD)	Grants to non-profit organizations for housing and community development in low- and moderate-income areas
2109	Department of Housing and Urban Development (HUD) -- HOME Investment Partnerships (HOME)	U.S. Department of Housing and Urban Development (HUD)	Support for first-time homebuyers, housing rehabilitation, and housing development
2112	Department of Justice	US Department of Justice (DOJ)	Law enforcement activities, particularly drug law enforcement
2113	Department of Justice - COPS Hiring	US Department of Justice (DOJ)	Law enforcement activities, particularly drug law enforcement
2114	Department of Labor	Federal funds administered by California Employment Development Department (EDD)	Employment training programs
2116	Department of Transportation	State pass-through of Federal Aid for Urban Systems Act funds	Construction and improvements of streets and highways
2120	Federal Action Agency	Federal Government	Various social services programs
2123	US Department of Homeland Security	Urban Area Security Initiative (UASI) Grants	Offset city's costs of supporting the newly established Homeland Security program
2124	Federal Emergency Management Agency	Federal disaster relieve fund	Disaster recovery activities
2125	Environmental Protection Agency	Environmental Protection Agency	Environmental projects
2127	Dept of Transportation-TIGER II Grant	Department of Transportation	Oakland Army Base projects
2128	Department of Health and Human Services (DHHS)	Federal funds administered by California Department of Economic Opportunity	Various social services programs for low-income residents such as headstart
2132	California Department of Aging	Grants from California Department of Aging	Health and social case management services for frail elderly residents
2134	California Parks and Recreation	State of California	Capital projects related to park and recreation acquisition and development

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
2136	California Water Resource Board	State of California Water Resource Board	Improvement on water quality
2138	California Department of Education	State of California grants from Department of Education	Library programs
2139	California Department of Conservation	State of California grants from Department of Conservation	To provide funding for energy efficiency and conservation programs
2140	California Department of Transportation	State of California grants from Department of Transportation	Capital projects related to transportation
2144	California Housing and Community Development	California Dept. of Housing and Community Development grants	Provide grants for Emergency Housing Program and Winter Relief Program
2146	California State Emergency Service	State of California	Pay for emergency-related services such as seismic retrofitting of buildings
2148	California Library Services	State Public Library Commission and Foundation	Library operations
2150	California Department of Fish and Games	California Department of Fish and Games	To provide funding for programs related to preservation of wildlife
2152	California Board of Corrections	California Board of Corrections	Research/evaluate the effectiveness of narcotics enforcement activities
2154	California Integrated Waste Management Board	California Integrated Waste Management Board	To provide funding for used motor oil recycling and public education programs
2158	5th Year State COPS Grant, AB 1913, Statutes of 2000	State COPS grants	Law enforcement activities
2159	State of California Other	State of California	Miscellaneous programs
2160	County of Alameda Grants	County of Alameda	Street improvements within the City of Oakland
2162	Metro Transportation Com: TDA	Metropolitan Transportation Commission	To provide funding for transportation programs
2163	Metropolitan Transportation Commission - Transportation Program Grant	Metropolitan Transportation Commission	Projects that benefit pedestrians and bicyclists
2164	Congestion Mitigation & Air Quality (CMAQ)	County of Alameda	Streetscape improvement projects
2165	Prop 1B Nov 2006 CA Trans Bond	State of California - Prop. 1B	Local street and road repairs
2166	Bay Area Air Quality Management District	US Department of Commerce Economic Development Administration	To provide funding for Broadway Shuttle programs

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
2172	Alameda County Abandoned Vehicle Abatement Authority	Vehicle registration surcharge	Removal of abandoned vehicles from private or public property
2175	Alameda County: Source Reduction & Recycling	County of Alameda	To provide funding for recycling programs
2185	Oakland Redevelopment Agency Grants	Oakland Redevelopment Agency	Loans to qualified businesses within the Central District Project Area
2190	Private Grants	Corporations and private individuals	Restricted to specific programs
2195	Workforce Investment Act	US Department of Labor	Employment and training services for Oakland residents; overseen by Oakland Workforce Investment Board and the Mayor
2211	Measure B - ACTIA	Alameda County Transportation Improvement Authority (ACTIA) - 1/2 percent Alameda County sales tax re-authorized by Measure B in 2002	Traffic and transportation projects, including street and signal construction, maintenance and repair
2212	Measure B - Bicycle/Pedestrian Pass-Thru Funds	Alameda County Transportation Improvement Authority (ACTIA) - 1/2 percent Alameda County sales tax re-authorized by Measure B in 2002	Bicycle and pedestrian projects
2213	Measure B - Paratransit - ACTIA	Alameda County Transportation Improvement Authority (ACTIA) - 1/2 percent Alameda County sales tax re-authorized by Measure B in 2002	Paratransit projects
2214	ACTIA Reimbursable Grants	Alameda County Transportation Improvement Authority (ACTIA)	Transportation projects
2215	Measure F - Vehicle Registration Fee	Vehicle registration fee	Local transportation projects defined by Measure F
2230	State Gas Tax	State of California - allocation of gasoline tax revenues	Uses related to local streets and highways Includes acquisition of real property, construction, improvement, repairs and maintenance of streets and lighting
2231	State Gas Tax-Prop 42 Replacement Funds	State Proposition 42	For Local street and road rehabilitation
2241	Measure Q - Library Services Retention-Enhancement	Voter-approved special parcel tax authorized by Measure Q	Maintenance of library operations

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
2242	Measure Q Reserve - Library Services Retention-Enhancement	Required Reserve from Measure Q	Required reserve
2250	Measure N Fund	Voter-approved special parcel tax authorized by Measure N	To provide paramedic services on fire trucks
2251	Public Safety Act / 2004 Measure Y	Special parcel and parking tax	Violence prevention through social-services intervention, long-term crime-prevention programs, police services, fire-safety and paramedic support
2260	Measure WW: East Bay Regional Parks District Local Grant	2008 Measure WW bond proceeds through East Bay Regional Parks District	Parks and open space renovation projects
2310	Landscaping & Lighting Assessment District	Landscape & Lighting Assessments (assessed on property tax bills)	Operation, construction, maintenance, repair of street lighting, landscaping, and related activities
2320	Fire Suppression Assessment District	Special voter-approved tax	Fire suppression programs
2321	Wildland Fire Prevention Assessment District Fund	Special voter-approved tax	Vegetation management services
2330	Werner Court Vegetation Management District	Special tax from parcels in a subdivision located in the Oakland Hills	Vegetation management services in that area
2331	Wood Street Community Facilities District	Special tax on Wood Street Community	Wood street community facilities maintenance
2410	Link Handipark	Surcharge on handicap parking offenses	Programs for the elderly
2411	False Alarm Reduction Program	Alarm Permit Revenue	For the False Alarm Reduction Program
2412	Alameda County Emergency Dispatch Service Supplemental Assessment	Voter-approved special parcel tax authorized by Measure M	Emergency-related programs
2413	Rent Adjustment Program Fund	Rent program service fee	The fees are dedicated for the payment of services and costs of the Rent Adjustment Program
2415	Development Service Fund	Licenses, fees, and permits from housing and commercial planning and construction-related activities	Planning and zoning services; construction inspections, construction permit approvals; building code enforcement; plan checks, engineering services

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
2416	Traffic Safety Fund	Fines and forfeitures of bail for violations of the State Vehicle Code	Traffic safety projects including construction and improvement of streets, signs and signals
2417	Excess Litter Fee	Assessment fees from business	Litter and trash clean-up resulting from businesses
2419	Transient Occupancy Tax (TOT) Surcharge	Three (3) % Surcharge to the City's Transient Occupancy Tax (Hotel Tax)	To provide funding to the Oakland Convention and Visitors Bureau (OCVB), the Oakland Zoo, Oakland Museum of California, Chabot Space & Science Center and the Cultural Arts Programs and Festivals
2601	Workforce Investment Act (ARRA)	Federal stimulus funds administered through the Workforce Investment Act	To provide funding for the Youth Employment programs
2603	HUD-ESG/SHP/HOPWA (ARRA)	Federal stimulus funds administered through HUD	To provide funding for the Homelessness Prevention and Rapid Re-Housing Program
2605	Dept of Health & Human Services (ARRA)	Federal stimulus funds administered through the Department of Health and Human Services	To provide funding for the Head Start Program
2606	Metro Transportation Commission (ARRA)	Federal stimulus funds administered through Metro Transportation Commission	To provide funding for street resurfacing, curb ramp installation and sidewalk repair
2607	Department of Justice-COPS Hiring Recovery Program (ARRA)	Federal stimulus funds administered through the Department of Justice	Hiring and/or preserving police officers
2608	Environmental Protection Agency (ARRA)	Federal stimulus funds administered through the Environmental Protection Agency	To provide funding for assessment of hazardous substances in soil and groundwater in west Oakland
2609	Dept of Energy-EECBG Program (ARRA)	Federal stimulus funds administered through the Department of Energy	To provide funding for energy efficiency and conservation programs
2610	State Water Control Board-CWSRF Program (ARRA)	Federal stimulus funds administered through the State Water Control Board	To provide funding for removal of stormwater pollutants at Lake Merritt and Oakland Estuary
2611	HUD-CDBG (ARRA)	Federal stimulus funds administered through HUD	To provide funding for the community development block grant program
2612	California Department of Community Services - Weatherization Assistance Program (ARRA)	Federal stimulus funds administered through The Department of Community Service and Development	To provide funding for weatherization services to low-income residents

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
2613	Port Security Grant Program (ARRA)	Federal stimulus funds administered Pass-through grant from Port of Oakland	Port Security Programs
2826	Mortgage Revenue	Proceeds from revenue bonds and repayment of mortgage loans	Multi-Lending mortgage purchase programs
2910	Federal Asset Forfeiture - 15% Set-Aside	Federal government	Uses related to law enforcement
2912	Federal Asset Forfeiture City Share	Federal government	Uses related to law enforcement
2914	State Asset Forfeiture	State of California	Uses related to law enforcement
2990	Public Works Grants	Various State and Federal grants	Public Works projects
2992	Parks and Recreation Grants	Proceeds of bonds authorized by Measure A and other grants	Park and open space acquisition, capital improvement projects and programs; Year-Round Lunch Program
2993	Library Grants	Library Grants	For Library related projects
2994	Social Services Grants	Grant from City of Berkeley	Temporary winter shelter at Oakland Army Base
2995	Police Grants	Miscellaneous grants or contracts from other government entities	Various reimbursable police activities
2999	Miscellaneous Grants	Various State, Federal and miscellaneous grants	Restricted to specific activities approved by the granting source
3100	Sewer Service Fund	Sewer service charges (charged on EBMUD bills)	Acquisition, construction, reconstruction, relocation, maintenance, operation and repair of sewer facilities
3150	Sewer Rate Stabilization Fund	Transfer from sewer service fund	Required reserve
3200	Golf Course	City golf course fees and concession charges	City golf course operations, maintenance and capital improvements
4100	Equipment Rental	Equipment rental charges to operating departments	Maintenance and replacement of City vehicles and other motorized equipment
4200	Radio Fund	Radio rental charges to operating departments	Maintenance and replacement of City radios and other communications equipment
4210	Telephone Equipment & Software	Telephone and software charges to operating departments	Maintenance and replacement of City telephones and computer software
4300	Reproduction	Reproduction equipment rental and services charges to operating departments	Maintenance and replacement of City reproduction equipment

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
4400	City Facilities	City facility rental charges to operating departments	Operation and maintenance of City facilities, including custodial services
4450	City Facilities Energy Conservation Loan	California Energy Commission	Implement energy conservation capital projects in city facilities
4500	Central Stores	Reimbursements from departments	Supplies, materials and equipment for City operations
4550	Purchasing Fund	Purchasing charges to operating departments	Staffing, operations and maintenance for Purchasing unit of the Controllers' Office
5055	Piedmont Pines Underground Assessment District	Bond proceeds from Piedmont Pines Underground Assessment District Revenue Bonds	Piedmont Pines area underground projects
5057	2012 Reassessment Project Fund	Special property tax assessment from Reassessment District No 99-1	To refund the 1999 Reassessment Bonds, including the forms of Fiscal Agent, Escrow Agreement Deposit and Trust Agreement, and Bond Purchase Agreement
5130	Rockridge Library Assessment District	Special property tax assessment	Improvements to the Rockridge Library
5200	JPFA Capital Projects: Series 2005	Proceeds from JPA Series 2005 bonds	Seismic retrofit; infrastructure projects, deferred maintenance and improvements to public facilities
5311	Measure G: 2006 Zoo, Museum	Bond proceeds from Measure G: Series 2006	Capital Projects: Oakland Zoo, Museum and Chabot Space & Science Center improvements
5320	Measure DD: 2003A Clean Water, Safe Parks & Open Space Trust Fund for Oakland	Proceeds from General Obligation bonds authorized by Measure DD in 2003A	Capital projects to improve water quality; provide educational and recreational facilities for children; clean up Lake Merritt; restore Oakland's creeks, waterfront, and Estuary; and renovate parks and open space
5321	Measure DD: 2009B Clean Water, Safe Parks & Open Space Trust Fund for Oakland	Proceeds from General Obligation bonds authorized by Measure DD in 2009B	Capital projects to improve water quality; provide educational and recreational facilities for children; clean up Lake Merritt; restore Oakland's creeks, waterfront, and Estuary; and renovate parks and open space
5500	Municipal Capital Improvement	Bond proceeds	Construction, purchase, lease, or improvements of City capital assets

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
5501	Municipal Capital Improvement - 1989 Local Government Funding Agency (LGFA) Refund	Revenue proceeds from 1989 LGFA Refund	Construction, purchase, lease, or improvements of City capital assets
5504	Parking Garage Access Improvement	Proceeds from lease	Garage access improvement project
5505	Municipal Improvement Capital-Public Art	15% assessment on eligible City's capital projects	Use for Public Art activities
5510	Capital Reserves	One-time revenues, mainly from bond refinancing / restructuring and financing deals	Capital projects
5610	Central District Projects	Funding Agreement with the Former Oakland Redevelopment Agency	To provide funding for Central District redevelopment projects
5611	Central District: TA Bonds Series 2003	Bond proceeds from the Central District Tax Allocation Bond: Series 2003	To provide funding for Central District redevelopment projects
5612	Central District: TA Bonds Series 2005	Bond proceeds from the Central District Tax Allocation Bond: Series 2005	To provide funding for Central District redevelopment projects
5620	Oak Knoll Projects	One-time revenues, mainly from bond refinancing / restructuring and financing deals	To provide funding for Oak Knoll Area redevelopment projects
5630	Broadway/MacArthur/San Pablo Projects	Funding Agreement with the Former Oakland Redevelopment Agency	To provide funding for Broadway/MacArthur/San Pablo area redevelopment projects
5640	Central City East Projects	Funding Agreement with the Former Oakland Redevelopment Agency	To provide funding for Central City East Area redevelopment projects
5642	Central City East TA Bonds Series 2006A-TE (Tax Exempt)	Bond proceeds from the Central City East Tax Allocation Bond: Series 2006A-TE	To provide funding for Central City East Area redevelopment projects
5643	Central City East TA Bonds Series 2006A-T (Taxable)	Bond proceeds from the Central City East Tax Allocation Bond: Series 2006A-T	To provide funding for Central City East Area redevelopment projects
5650	Coliseum Projects	Funding Agreement with the Former Oakland Redevelopment Agency	To provide funding for Coliseum Area redevelopment projects
5653	Coliseum: TA Bonds Series 2003	Bond proceeds from the Coliseum Tax Allocation Bond: Series 2003	To provide funding for Coliseum Area redevelopment projects
5655	Coliseum: TA Bonds Series 2006B-TE (Tax Exempt)	Bond proceeds from Coliseum Tax Allocation Bond: Series 2006B-TE	To provide funding for Coliseum Area redevelopment projects

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
5656	Coliseum: TA Bonds Series 2006B-T (Taxable)	Bond proceeds from Coliseum Tax Allocation Bond: Series 2006B-T	To provide funding for Coliseum Area redevelopment projects
5660	West Oakland Projects	Funding Agreement with the Former Oakland Redevelopment Agency	To provide funding for West Oakland Area redevelopment projects
5670	Oakland Base Reuse Authority	Transfer from the former Oakland Redevelopment Agency	Capital projects
5671	OBRA: Leasing & Utility	lease revenue	Building maintenance for the Oakland Army Base
5672	Joint Army Base Infrastructure	Transfer from the former Oakland Redevelopment Agency	Oakland Army Base environmental remediation cost
5673	OBRA: Environmental Remediation	Transfer from the former Oakland Redevelopment Agency	Oakland Army Base environmental remediation cost
5674	Oakland Army Base Joint Remediation	Transfer from the former Oakland Redevelopment Agency	Oakland Army Base environmental remediation cost
6014	CSCD Authority 1992	Fund transfer from Municipal Improvement Capital Fund	Bank and bond expenditure for both principal and interest
6015	COP - Oakland Museum 2002 Series A	Certificates of Participation-Oakland Museum 2002 Series A	Bank and bond expenditure for both principal and interest
6027	JPFA Capital Projects: Series 2005	Proceeds from Revenue Bonds 2005 Series	Payment of debt service and bond administration costs of Capital Improvement projects
6029	Taxable Pension Obligation Bonds: 2012 Series-PFRS	Property tax revenue for pension override	Bank and bond expenditure for both principal and interest for POBs
6032	Taxable Pension Obligation Bonds 2001 Series	Property tax revenue for pension override	Bank and bond expenditure for both principal and interest for POBs
6036	JPFA Refunding Revenue Bonds: 2008 Series A-1 (Tax-Exempt)	Proceeds from Revenue Bonds 2008 Series A (tax exempt)	Refunding JPFA Revenue Bonds: 2005 Series
6037	JPFA Refunding Revenue Bonds: 2008 Series A-2 (Taxable)	Proceeds from Revenue Bonds 2008 Series A-2 (taxable)	Refunding JPFA Revenue Bonds: 2005 Series
6063	General Obligation Bond: Series 2005	Proceeds from Revenue Bonds 2005 Series	JPFA-related debt service payments
6311	Measure G: 2006 Zoo, Museum	Voter-approved Measure G assessments	Educational facilities at the Oakland Museum of CA; the Oakland Zoo and the Chabot Space and Science center
6312	General Obligation Bond (GOB): 2012 Series	Voter-approved Measure DD and Measure G assessments	Debt Service payments of interest and principal for GOB 2012

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

Fund	Fund Description	Source of Funds	Uses of Funds
6321	Measure DD 2009 Debt Srv-Clean Water, Safe Parks & Open Space Trust Fund for Oakland	Voter-approved Measure DD assessments	Principal and interest on long-term debt
6520	Fire Area - Redemption	Special Assessments for fire area utility underground	Pay for fire prevention-related services
6530	Rockridge Area Water District - Redemption	Special Assessments for Rockridge district	Pay for street light undergrounding liability
6540	Skyline Sewer District - Redemption	Repayment agreement with homeowners	Pay for street light undergrounding liability
6555	Piedmont Pines 2010 Utility Underground Phase I	Special Assessments from Piedmont Pines district	Debt service payments
6570	1996 JPFA Pooled Assessment Revenue Bonds - Assessment Fund	Other special assessment districts	Principal and interest
6580	1997 JPFA Pooled Assessment Revenue Bonds - Revenue Fund	Other special assessment districts	Principal and interest
6585	1999 JPFA Reassessment District Debt Service	Other special assessment districts	Principal and interest
6587	2012 Refunding Reassessment Bonds-Debt Service	Special property tax assessment from Reassessment District No 99-1	Bank and bond expenditure for both principal and interest
6612	JPFA Lease Revenue Refunding Bonds (Admin Building)	Proceeds from lease revenue bonds and other funding sources	Construction of City Administration Building
7100	Police and Fire Retirement System	City Police and Fire Retirement System contributions	City administrative costs related to the Police and Fire Retirement System
7120	Oakland Municipal Employees Retirement System (OMERS)	City Municipal Employees Retirement System contributions	City administrative costs related to the Oakland Municipal Employees Retirement System
7130	Employee Deferred Compensation	Employee deferred compensation contributions	Account for employees' deferred compensation contributions and disbursements
7320	Pension Annuity Fund	Pension Annuity receipts	Transfer to General Purpose Fund to support accrued pension liability payments
7420	State Asset Trust	Confiscated funds held in the course of Police activities	Dispensed by order of criminal court
7440	Unclaimed Cash	Funds from Police asset forfeitures-redistributed from State	Transfer to General Fund after holding period to fund city services

# FINANCIAL SUMMARIES

## FUND SOURCES AND DESCRIPTIONS (CONT'D)

<b>Fund</b>	<b>Fund Description</b>	<b>Source of Funds</b>	<b>Uses of Funds</b>
7540	Oakland Public Library Trust	Donations, endowments and contributions from individuals and private corporations	Library Programs
7640	Oakland Public Museum Trust	Donations and proceeds from fund-raising activities	Museum programs and improvements
7690	Kerrison Trust for Police Enhancement	Private, individual donation	Uses related to police service enhancements
7760	Grant Clearing	Recoveries of departmental burden charges to other subordinate programs within departments	Administrative costs in departments that are largely supported by grant and other restricted funding sources
		Capital project funding for personnel expenditures	Personnel costs that are directly supported by capital projects
7780	Oakland Redevelopment Agency Projects (ORA)	Former Oakland Redevelopment Agency	City staff and other costs related to former Oakland Redevelopment Agency projects
7999	Miscellaneous Trusts	Donations and endowments	Miscellaneous programs and services

**NOTES**

# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND

<b>Fund Description</b>	<b>FY 2012-13 Projected Ending Fund Balance</b>	<b>FY 2013-14 Proposed Revenues</b>	<b>FY 2013-14 Proposed Expenditures</b>	<b>FY 2013-14 Proposed Positions (FTE)</b>
<b>1010 - General Fund: General Purpose</b>	<b>83,600,000</b>	<b>430,155,612</b>	<b>430,155,612</b>	<b>2,091.18</b>
Mayor			2,055,907	9.10
City Council			3,547,574	26.46
City Administrator*		2,735,069	13,537,728	59.61
City Attorney		22,000	4,406,790	25.12
City Auditor			1,556,461	10.00
City Clerk			1,917,527	8.60
Police Department		5,397,408	178,790,549	1,006.70
Fire Department		6,543,824	95,480,831	549.80
Administrative Services		415,763,075	28,132,845	169.13
Community Services		630,839	18,189,843	150.80
Library		732,290	9,060,667	67.61
Public Works		610,709	1,156,776	8.25
Non-Departmental		(2,279,602)	72,070,114	
Capital Improvement Projects			252,000	
<b>1100 - Self Insurance Liability</b>	<b>(21,171,561)</b>	<b>22,979,358</b>	<b>20,771,353</b>	<b>18.19</b>
City Attorney			3,256,633	18.19
Police Department			6,576,750	
Fire Department			943,902	
Community Services			354,607	
Public Works		3,524,791	4,524,821	
Non-Departmental		19,454,567	5,114,640	
<b>1150 - Worker's Compensation Insurance Claims</b>	<b>-</b>		<b>-</b>	<b>12.81</b>
City Attorney			439,309	1.91
Police Department			281,286	2.00
Fire Department			20,813	0.20
Administrative Services			1,508,585	7.20
Public Works			224,214	1.50
Non-Departmental			(2,474,207)	
<b>1200 - Pension Override Tax Revenue</b>	<b>61,846,605</b>	<b>63,924,766</b>	<b>63,924,766</b>	
Administrative Services		200,000		
Non-Departmental		63,724,766	63,924,766	

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>1610 - Successor Redevelopment Agency Reimbursement Fund</b>	-	<b>6,945,868</b>	<b>6,945,868</b>	<b>33.60</b>
City Administrator*		6,945,868	4,702,655	23.02
City Attorney			1,349,968	5.81
City Clerk			49,402	0.40
Administrative Services			829,405	4.17
Library			14,438	0.20
<b>1700 - Mandatory Refuse Program</b>	<b>(4,839,314)</b>	<b>2,396,949</b>	<b>2,118,825</b>	<b>14.56</b>
Administrative Services		2,396,949	2,118,825	14.56
<b>1710 - Recycling Program</b>	<b>3,614,774</b>	<b>9,168,523</b>	<b>9,154,369</b>	<b>14.33</b>
City Administrator*			208,871	1.00
City Attorney			294,063	1.50
Fire Department			48,870	
Public Works		9,168,523	8,602,565	11.83
<b>1720 - Comprehensive Clean-up</b>	<b>3,992,770</b>	<b>17,958,757</b>	<b>17,958,757</b>	<b>108.30</b>
Fire Department			86,740	
Community Services			60,000	
Public Works		17,958,757	17,812,017	108.30
<b>1730 - Henry J Kaiser Convention Center</b>	<b>(2,910,991)</b>	<b>579,589</b>		
Non-Departmental		579,589		
<b>1740 - Hazardous Materials Inspections</b>	<b>1,317,080</b>	<b>969,148</b>	<b>969,148</b>	<b>6.10</b>
Fire Department		969,148	969,148	6.10
<b>1750 - Multipurpose Reserve</b>	<b>(4,566,712)</b>	<b>4,809,151</b>	<b>4,399,688</b>	<b>8.94</b>
City Administrator*			404,803	0.34
Administrative Services		(25,000)	2,219,905	0.40
Public Works		4,834,151	1,774,980	8.20
<b>1760 - Telecommunications Reserve</b>	-	<b>1,575,000</b>	<b>1,550,054</b>	<b>10.24</b>
Mayor			100,888	0.50
City Administrator*			196,774	1.30
Police Department			144,721	1.00
Administrative Services			104,406	0.74
Library		1,575,000	1,003,265	6.70

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# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>1770 - Telecommunications Land Use</b>	<b>641,066</b>	<b>479,259</b>	<b>479,259</b>	<b>2.00</b>
City Administrator*		479,259	479,259	2.00
<b>1780 - Kid's First Oakland Children's Fund</b>	<b>1,314,439</b>	<b>11,763,186</b>	<b>11,763,186</b>	<b>5.90</b>
Community Services		11,763,186	11,763,186	5.90
<b>1791 - Contract Administration Fee</b>	<b>(2,363,159)</b>	<b>579,605</b>		
Non-Departmental		579,605		
<b>1820 - OPRCA Self Sustaining Revolving Fund</b>	<b>870,409</b>	<b>5,353,327</b>	<b>5,353,327</b>	<b>101.55</b>
Community Services		5,353,327	5,353,327	101.55
<b>1884 - 2006 Housing Bond Proceeds</b>	<b>8,392,464</b>		<b>-</b>	<b>5.15</b>
Housing & Community Development			-	5.15
<b>2102 - Department of Agriculture</b>	<b>(137,459)</b>	<b>1,095,000</b>	<b>1,095,000</b>	<b>6.50</b>
Community Services		1,095,000	1,095,000	6.50
<b>2103 - HUD-ESG/SHP/HOPWA</b>	<b>(3,324,975)</b>	<b>6,364,572</b>	<b>6,331,930</b>	<b>0.78</b>
Community Services		6,364,572	6,331,930	0.78
<b>2105 - HUD-EDI Grants</b>	<b>982,591</b>		<b>-</b>	<b>3.00</b>
Housing & Community Development			-	3.00
<b>2107 - HUD-108</b>	<b>(202,353)</b>	<b>2,122,000</b>	<b>2,122,000</b>	
Housing & Community Development		2,122,000	2,122,000	
<b>2108 - HUD-CDBG</b>	<b>-</b>	<b>7,455,657</b>	<b>7,455,657</b>	<b>29.20</b>
City Administrator*			311,719	1.75
City Attorney			45,468	0.19
Administrative Services			164,600	1.00
Community Services			919,243	3.89
Housing & Community Development		7,455,657	5,894,865	21.85
Planning & Building			119,762	0.52
<b>2109 - HUD-Home</b>	<b>2,374,789</b>	<b>2,161,467</b>	<b>2,161,467</b>	<b>3.70</b>
Housing & Community Development		2,161,467	2,161,467	3.70

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# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>2112 - Department of Justice</b>	-		<b>(10,050)</b>	<b>0.50</b>
Police Department			7,834	
Community Services			(17,884)	0.50
<b>2113 - Department of Justice - COPS Hiring</b>	-		-	<b>25.00</b>
Police Department			-	25.00
<b>2114 - Department of Labor</b>	<b>(38,325)</b>	<b>981,426</b>	<b>981,426</b>	<b>52.85</b>
Community Services		981,426	981,426	52.85
<b>2120 - Federal Action Agency</b>	<b>(18,118)</b>	<b>338,693</b>	<b>338,693</b>	<b>1.01</b>
Community Services		338,693	338,693	1.01
<b>2123 - US Dept of Homeland Security</b>	-	<b>1,466,257</b>	<b>1,466,257</b>	<b>13.10</b>
Police Department		188,160		
Fire Department		1,278,097	1,466,257	13.10
<b>2124 - Federal Emergency Management Agency (FEMA)</b>	<b>(898,403)</b>	<b>936,205</b>	<b>505,549</b>	<b>3.35</b>
Fire Department		936,205	505,549	3.35
<b>2128 - Department of Health and Human Services</b>	<b>(642,069)</b>	<b>20,999,741</b>	<b>20,999,741</b>	<b>181.39</b>
Community Services		20,999,741	20,999,741	181.39
<b>2138 - California Department of Education</b>	<b>(41,662)</b>	<b>937,485</b>	<b>937,472</b>	
Community Services		937,485	937,472	
<b>2146 - California State Emergency Services</b>	<b>1,945,519</b>	<b>61,218</b>	<b>61,218</b>	<b>0.25</b>
Fire Department		61,218	61,218	0.25
<b>2148 - California Library Services</b>	<b>(563,451)</b>	<b>68,392</b>	<b>64,654</b>	<b>1.08</b>
Library		68,392	64,654	1.08
<b>2159 - State of California Other</b>	<b>(877,809)</b>	<b>424,123</b>	<b>411,789</b>	<b>2.54</b>
Police Department		114,123	101,787	1.00
Community Services		310,000	310,002	1.54
<b>2160 - County of Alameda: Grants</b>	<b>2,044,955</b>	<b>1,442,875</b>	<b>1,442,187</b>	<b>2.09</b>
Fire Department		1,011,613	1,010,925	1.00
Community Services		431,262	431,262	1.09

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# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>2163 - Metro Transportation Com: Program Grant</b>	<b>(556,387)</b>	<b>72,719</b>	<b>71,924</b>	<b>0.27</b>
Library		72,719	71,924	0.27
Public Works				
Capital Improvement Projects				
<b>2172 - Alameda County: Vehicle Abatement Authority</b>	<b>27,732</b>	<b>400,550</b>	<b>400,550</b>	<b>2.00</b>
Police Department		400,550	400,550	2.00
<b>2190 - Private Grants</b>	<b>(382,939)</b>	<b>35,280</b>	<b>24,960</b>	<b>0.20</b>
City Attorney		10,280		
Fire Department		25,000	24,960	0.20
<b>2195 - Workforce Investment Act</b>	<b>6,889</b>	<b>5,530,936</b>	<b>5,489,004</b>	<b>9.01</b>
City Administrator*		5,530,936	5,275,111	7.25
Administrative Services			100,011	0.83
Community Services			113,882	0.93
<b>2211 - Measure B: ACTIA</b>	<b>6,313,366</b>	<b>10,350,816</b>	<b>10,350,816</b>	<b>10.98</b>
City Attorney			28,238	0.13
Administrative Services		10,920	32,832	0.25
Public Works		10,339,896	2,744,746	10.60
Capital Improvement Projects			7,545,000	
<b>2212 - Measure B: Bicycle/Pedestrian Pass-Thru Ft</b>	<b>3,092,152</b>	<b>1,660,000</b>	<b>1,660,000</b>	
Public Works		1,660,000	10,000	
Capital Improvement Projects			1,650,000	
<b>2213 - Measure B: Paratransit - ACTIA</b>	<b>101,818</b>	<b>1,068,580</b>	<b>1,068,580</b>	<b>4.41</b>
Community Services		1,068,580	1,068,580	4.41
<b>2215 - Measure F - Vehicle Registration Fee</b>	<b>1,590,209</b>	<b>1,500,000</b>	<b>1,500,000</b>	
Capital Improvement Projects		1,500,000	1,500,000	
<b>2230 - State Gas Tax</b>	<b>2,527,772</b>	<b>7,130,723</b>	<b>7,025,033</b>	<b>31.93</b>
Public Works		7,130,723	7,025,033	31.93

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# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>2231 - State Gas Tax-Prop 42 Replacement Funds</b>	<b>3,924,243</b>	<b>4,823,742</b>	<b>4,562,403</b>	<b>34.62</b>
City Attorney			116,656	0.45
Public Works		4,823,742	4,445,747	34.17
<b>2241 - Measure Q-Library Services Retention &amp; Enhancement</b>	<b>5,664,259</b>	<b>16,850,879</b>	<b>16,843,379</b>	<b>148.83</b>
City Administrator*			17,930	
Administrative Services			231,871	2.00
Library		16,850,879	16,593,578	146.83
<b>2242 - Measure Q Reserve- Library Services Retention &amp; Enhancement</b>	<b>673,091</b>			
Library				
<b>2250 - Measure N: Fund</b>	<b>657,671</b>	<b>1,749,630</b>	<b>1,749,630</b>	<b>6.85</b>
City Administrator*			4,579	
Fire Department		1,749,630	1,745,051	6.85
<b>2251 - Measure Y: Public Safety Act 2004</b>	<b>5,078,511</b>	<b>23,562,840</b>	<b>23,562,840</b>	<b>74.05</b>
Mayor			80,710	0.40
City Administrator*			529,953	0.80
Police Department			12,327,243	63.00
Fire Department			4,000,000	
Administrative Services		23,562,840	22,975	
Community Services			6,601,959	9.85
<b>2310 - Lighting and Landscape Assessment District</b>	<b>(800,000)</b>	<b>20,617,346</b>	<b>20,353,939</b>	<b>82.69</b>
City Administrator*			25,531	
Administrative Services		18,970,646	42,456	0.40
Community Services			4,110,610	7.29
Public Works		1,646,700	16,175,342	75.00
<b>2321 - Wildland Fire Prevention Assess District</b>	<b>1,627,512</b>	<b>2,127,812</b>	<b>2,127,812</b>	<b>1.00</b>
Fire Department		2,127,812	2,127,812	1.00
<b>2330 - Werner Court Vegetation Mgmt District</b>	<b>16,202</b>	<b>6,200</b>	<b>6,200</b>	
Fire Department		6,200	6,200	

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# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

<b>Fund Description</b>	<b>FY 2012-13 Projected Ending Fund Balance</b>	<b>FY 2013-14 Proposed Revenues</b>	<b>FY 2013-14 Proposed Expenditures</b>	<b>FY 2013-14 Proposed Positions (FTE)</b>
<b>2411 - False Alarm Reduction Program</b>	<b>815,734</b>	<b>1,491,239</b>	<b>1,472,551</b>	<b>8.50</b>
Police Department		1,491,239	1,312,904	7.50
Administrative Services			159,647	1.00
<b>2412 - Alameda County: Emergency Dispatch Service Supplemental Assessment</b>	<b>1,095</b>	<b>1,913,935</b>	<b>1,913,935</b>	<b>11.10</b>
City Administrator*			4,542	
Fire Department		1,913,935	1,909,393	11.10
<b>2413 - Rent Adjustment Program Fund</b>	<b>2,355,407</b>	<b>2,160,782</b>	<b>2,160,782</b>	<b>13.70</b>
City Administrator*			173,336	0.50
City Attorney			348,415	1.90
Administrative Services			277,382	3.00
Housing & Community Development		2,160,782	1,361,649	8.30
<b>2415 - Development Service Fund</b>	<b>(1,537,216)</b>	<b>24,316,484</b>	<b>24,316,484</b>	<b>132.64</b>
City Administrator*			255,218	1.58
City Attorney			644,633	3.50
Administrative Services			377,737	2.33
Public Works		1,577,484	1,745,626	11.00
Planning & Building		22,739,000	21,293,270	114.23
<b>2416 - Traffic Safety Fund</b>	<b>757,141</b>	<b>2,790,417</b>	<b>2,790,417</b>	<b>19.53</b>
Police Department		1,263,653	2,360,960	17.65
Public Works		1,526,764	429,457	1.88
<b>2417 - Excess Litter Fee Fund</b>	<b>384,320</b>	<b>440,900</b>	<b>440,900</b>	
City Administrator*			440,900	
Administrative Services		440,900		
<b>2419 - Transient Occupancy Tax (TOT) Surcharge</b>	<b>336,148</b>	<b>2,963,047</b>	<b>2,963,047</b>	
City Administrator*		370,381	370,381	
Non-Departmental		2,592,666	2,592,666	
<b>2826 - Mortgage Revenue</b>	<b>198,699</b>	<b>225,636</b>	<b>225,636</b>	<b>1.75</b>
Housing & Community Development		225,636	225,636	1.75

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# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>2990 - Public Works Grants</b>	<b>(652,723)</b>	<b>280,000</b>	<b>280,000</b>	<b>1.47</b>
Public Works		280,000	280,000	1.47
<b>2993 - Library Grants</b>	<b>50,000</b>	<b>250,000</b>	<b>250,000</b>	
Library		250,000	250,000	
<b>2994 - Social Services Grants</b>	<b>31,681</b>	<b>76,000</b>	<b>76,000</b>	
Community Services		76,000	76,000	
<b>2995 - Police Grants</b>	<b>77,240</b>	<b>20,000</b>	<b>20,000</b>	
Police Department		20,000	20,000	
<b>2996 - Parks and Recreation Grants 2001</b>	<b>25,664</b>	<b>16,847</b>	<b>16,847</b>	
Community Services		16,847	16,847	
<b>2999 - Miscellaneous Grants</b>	<b>6,987,205</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>2.50</b>
Police Department		1,300,000	1,300,000	
Housing & Community Development			-	2.50
<b>3100 - Sewer Service Fund</b>	<b>161,325,975</b>	<b>54,094,500</b>	<b>53,695,519</b>	<b>129.37</b>
City Attorney			640,241	3.80
Fire Department			283,400	2.00
Administrative Services		100,000	3,321,941	1.35
Public Works		53,994,500	24,957,832	122.22
Non-Departmental			9,732,105	
Capital Improvement Projects			14,760,000	
<b>3150 - Sewer Rate Stabilization Fund</b>	<b>1,001,108</b>	<b>500,000</b>		
Public Works		500,000		
<b>3200 - Golf Course</b>	<b>3,843,595</b>	<b>895,950</b>	<b>503,165</b>	<b>0.75</b>
City Administrator*			8,450	
Community Services		895,950	494,715	0.75
<b>4100 - Equipment</b>	<b>(7,059,377)</b>	<b>19,623,320</b>	<b>18,270,840</b>	<b>56.00</b>
Administrative Services		(100,000)	5,521	
Public Works		19,723,320	18,265,319	56.00

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# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>4200 - Radio / Telecommunications</b>	<b>2,954,093</b>	<b>3,577,377</b>	<b>3,517,719</b>	<b>9.61</b>
Administrative Services		3,577,377	3,517,719	9.61
<b>4210 - Telephone Equipment and Software</b>	<b>1,885,171</b>	<b>308,530</b>	<b>308,530</b>	
Administrative Services		308,530	308,530	
<b>4300 - Reproduction</b>	<b>(1,115,669)</b>	<b>1,440,745</b>	<b>1,410,937</b>	<b>5.00</b>
Administrative Services		1,440,745	1,410,937	5.00
<b>4400 - City Facilities</b>	<b>(22,455,376)</b>	<b>26,530,817</b>	<b>25,272,966</b>	<b>111.68</b>
City Administrator*		2,400		
Administrative Services		(75,000)		
Public Works		26,603,417	25,272,966	111.68
<b>4450 - City Facilities Energy Conservation Projects</b>	<b>2,385,870</b>		<b>-</b>	<b>0.50</b>
Public Works			86,141	0.50
Planning & Building			(86,141)	
<b>4500 - Central Stores</b>	<b>(4,046,005)</b>	<b>425,838</b>	<b>339,843</b>	<b>2.50</b>
Administrative Services		425,838	339,843	2.50
<b>4550 - Purchasing</b>	<b>(445,288)</b>	<b>777,965</b>	<b>777,965</b>	<b>7.00</b>
Administrative Services		777,965	782,813	7.00
Planning & Building			(4,848)	
<b>5130 - Rockridge: Library Assessment District</b>	<b>500,699</b>	<b>501,887</b>	<b>501,887</b>	
City Administrator*			3,387	
Administrative Services		501,887		
Capital Improvement Projects			498,500	
<b>5321 - Measure DD: 2009B Clean Water, Safe Parks &amp; Open Space Trust Fund for Oakland</b>	<b>26,707,820</b>		<b>-</b>	<b>4.50</b>
City Administrator*			-	0.50
Public Works			-	4.00
<b>5505 - Municipal Capital Improvement: Public Arts</b>	<b>613,098</b>		<b>-</b>	<b>1.50</b>
City Administrator*			-	1.50

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>5510 - Capital Reserves</b>	<b>563,984</b>	<b>7,250,000</b>	<b>2,950,000</b>	
Administrative Services		1,000,000		
Non-Departmental		6,250,000	1,700,000	
Capital Improvement Projects			1,250,000	
<b>5610 - Central District Projects</b>	<b>12,294,325</b>	<b>350,000</b>	<b>350,000</b>	
City Administrator*		350,000	350,000	
<b>5650 - Coliseum Projects</b>	<b>10,219,561</b>	<b>100,000</b>	<b>100,000</b>	
City Administrator*		100,000	100,000	
<b>5671 - OBRA: Leasing &amp; Utility</b>	<b>60,615,770</b>	<b>500,000</b>	<b>500,000</b>	<b>5.10</b>
City Administrator*		500,000	-	5.10
Public Works			500,000	
<b>6014 - Oakland Convention Center 1992</b>	<b>82,878</b>	<b>14,106,950</b>	<b>14,106,950</b>	
Non-Departmental		14,106,950	14,106,950	
<b>6027 - JPFA Capital Projects: Series 2005</b>	<b>75,224,665</b>	<b>11,206,500</b>	<b>11,206,500</b>	
Non-Departmental		11,206,500	11,206,500	
<b>6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS</b>	<b>1,000</b>	<b>8,965,220</b>	<b>8,965,220</b>	
Non-Departmental		8,965,220	8,965,220	
<b>6032 - Taxable Pension Obligation: Series 2001</b>	<b>28,003</b>	<b>40,769,001</b>	<b>40,769,001</b>	
Non-Departmental		40,769,001	40,769,001	
<b>6036 - JPFA Refunding Revenue Bonds: 2008 Series A-1 (Tax-Exempt Bonds)</b>	<b>10,095,544</b>	<b>18,344,750</b>	<b>18,344,750</b>	
Non-Departmental		18,344,750	18,344,750	
<b>6037 - JPFA Refunding Revenue Bonds: 2008 Series A-2 (Taxable Bonds)</b>	<b>2,076,468</b>	<b>5,470,053</b>	<b>5,470,053</b>	
Non-Departmental		5,470,053	5,470,053	
<b>6063 - General Obligation Bonds: Series 2005</b>	<b>1,225,181</b>	<b>11,203,665</b>	<b>11,203,665</b>	
Non-Departmental		11,203,665	11,203,665	

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>6311 - Measure G: 2006 Zoo, Museum</b>	<b>852,316</b>	<b>1,328,363</b>	<b>1,328,363</b>	
Non-Departmental		1,328,363	1,328,363	
<b>6312 - GOB Series 2012-Refunding Bonds</b>	<b>1,157,522</b>	<b>6,655,475</b>	<b>6,655,475</b>	
Non-Departmental		6,655,475	6,655,475	
<b>6321 - Measure DD: 2009B Clean Water, Safe Parks &amp; Open Space Trust Fund for Oakland</b>	<b>205,014</b>	<b>4,616,882</b>	<b>4,616,882</b>	
Non-Departmental		4,616,882	4,616,882	
<b>6540 - Skyline Sewer District - Redemption</b>	<b>56,523</b>	<b>32,568</b>	<b>24,600</b>	
Non-Departmental		32,568	24,600	
<b>6555 - Piedmont Pines 2010 Utility Underground Phase I - Debt Service</b>	<b>145,415</b>	<b>230,007</b>	<b>230,007</b>	
Non-Departmental		230,007	230,007	
<b>6570 - JPFA Pooled Assessment: 1996 Revenue Bonds - Assessment</b>	<b>(143,909)</b>	<b>21,600</b>	<b>21,600</b>	
Non-Departmental		21,600	21,600	
<b>6587 - 2012 Refunding Reassessment Bonds-Debt Service</b>	<b>355,000</b>	<b>432,991</b>	<b>432,991</b>	<b>0.40</b>
Administrative Services			55,971	0.40
Non-Departmental		432,991	377,020	
<b>6612 - JPFA Lease Revenue Refunding Bonds (Admin Building): 2008 Series B</b>	<b>9,111,530</b>	<b>15,322,038</b>	<b>15,322,038</b>	
Non-Departmental		15,322,038	15,322,038	
<b>6999 - Miscellaneous Debt Service</b>		<b>21,500,000</b>	<b>21,500,000</b>	
Non-Departmental		21,500,000	21,500,000	
<b>7100 - Police and Fire Retirement System</b>	<b>471,105,257</b>	<b>3,063,640</b>	<b>3,063,640</b>	<b>4.90</b>
City Attorney			95,766	0.40
Administrative Services		479,856	2,967,874	4.50
Non-Departmental		2,583,784		

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2013-14 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2012-13 Projected Ending Fund Balance	FY 2013-14 Proposed Revenues	FY 2013-14 Proposed Expenditures	FY 2013-14 Proposed Positions (FTE)
<b>7120 - Oakland Municipal Employees' Retirement System OMERS</b>	<b>4,472,286</b>	<b>250,422</b>	<b>246,000</b>	<b>1.10</b>
City Attorney			23,941	0.10
Administrative Services			222,059	1.00
Non-Departmental		250,422		
<b>7130 - Employee Deferred Compensation</b>	<b>117,542</b>	<b>229,935</b>	<b>229,935</b>	<b>1.10</b>
Administrative Services		229,935	229,935	1.10
<b>7320 - Police and Fire Retirement System Refinancing Annuity Trust</b>	<b>112,469,801</b>	<b>9,624,258</b>	<b>9,624,258</b>	
Non-Departmental		9,624,258	9,624,258	
<b>7540 - Oakland Public Library Trust</b>	<b>978,490</b>	<b>110,879</b>	<b>110,879</b>	
Library		110,879	110,879	
<b>7640 - Oakland Public Museum Trust</b>	<b>740,455</b>	<b>32,610</b>	<b>32,610</b>	
City Administrator*		32,610		
Non-Departmental			32,610	
<b>7760 - Grant Clearing</b>	<b>788,627</b>		<b>-</b>	<b>135.53</b>
Administrative Services			153,098	2.23
Public Works			(153,098)	133.30
<b>7999 - Miscellaneous Trusts</b>	<b>914,902</b>	<b>69,270</b>	<b>69,270</b>	
Community Services		69,270	69,270	
<b>Grand Total</b>		<b>1,052,690,555</b>	<b>1,039,006,929</b>	<b>3,833.76</b>

*City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.*

# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>1010 - General Fund: General Purpose</b>	<b>457,401,684</b>	<b>457,401,684</b>	<b>2,153.95</b>	<b>83,600,000</b>
Mayor		2,002,220	9.10	
City Council		3,434,472	26.46	
City Administrator*	2,049,840	13,790,378	59.47	
City Attorney	22,000	4,289,481	25.12	
City Auditor		1,510,761	10.00	
City Clerk		1,873,031	8.60	
Police Department	9,604,285	192,780,324	1,071.20	
Fire Department	6,548,730	109,836,720	550.80	
Administrative Services	425,850,871	27,111,004	169.13	
Community Services	631,172	18,540,187	150.21	
Library	741,734	9,060,466	65.61	
Public Works	610,924	1,178,195	8.25	
Non-Departmental	11,342,128	71,742,445		
Capital Improvement Projects		252,000		
<b>1100 - Self Insurance Liability</b>	<b>22,979,358</b>	<b>20,849,803</b>	<b>18.19</b>	<b>(16,834,001)</b>
City Attorney		3,335,083	18.19	
Police Department		6,576,750		
Fire Department		943,902		
Community Services		354,607		
Public Works	3,524,791	4,524,821		
Non-Departmental	19,454,567	5,114,640		
<b>1150 - Worker's Compensation Insurance Claims</b>		<b>0</b>	<b>12.81</b>	<b>-</b>
City Attorney		449,900	1.91	
Police Department		287,654	2.00	
Fire Department		21,287	0.20	
Administrative Services		1,533,283	7.20	
Public Works		228,585	1.50	
Non-Departmental		(2,520,709)		
<b>1200 - Pension Override Tax Revenue</b>	<b>59,311,513</b>	<b>59,311,513</b>		<b>61,846,605</b>
Administrative Services	200,000			
Non-Departmental	59,111,513	59,311,513		

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>1610 - Successor Redevelopment Agency Reimbursement Fund</b>	<b>7,097,334</b>	<b>7,097,334</b>	<b>33.60</b>	<b>-</b>
City Administrator*	7,097,334	4,805,018	23.02	
City Attorney		1,382,330	5.81	
City Clerk		50,588	0.40	
Administrative Services		844,620	4.17	
Library		14,778	0.20	
<b>1700 - Mandatory Refuse Program</b>	<b>2,396,949</b>	<b>2,172,735</b>	<b>14.56</b>	<b>(4,336,976)</b>
Administrative Services	2,396,949	2,172,735	14.56	
<b>1710 - Recycling Program</b>	<b>9,217,398</b>	<b>9,202,967</b>	<b>14.33</b>	<b>3,643,359</b>
City Administrator*		212,086	1.00	
City Attorney		301,157	1.50	
Fire Department		48,870		
Public Works	9,217,398	8,640,854	11.83	
<b>1720 - Comprehensive Clean-up</b>	<b>17,976,019</b>	<b>17,976,019</b>	<b>108.30</b>	<b>3,992,770</b>
Fire Department		86,740		
Community Services		60,000		
Public Works	17,976,019	17,829,279	108.30	
<b>1730 - Henry J Kaiser Convention Center</b>	<b>579,589</b>			<b>(1,751,813)</b>
Non-Departmental	579,589			
<b>1740 - Hazardous Materials Inspections</b>	<b>987,798</b>	<b>987,798</b>	<b>6.10</b>	<b>1,317,080</b>
Fire Department	987,798	987,798	6.10	
<b>1750 - Multipurpose Reserve</b>	<b>4,809,151</b>	<b>4,429,307</b>	<b>8.94</b>	<b>(3,777,405)</b>
City Administrator*		405,786	0.34	
Administrative Services	(25,000)	2,221,180	0.40	
Public Works	4,834,151	1,802,341	8.20	
<b>1760 - Telecommunications Reserve</b>	<b>1,581,944</b>	<b>1,581,944</b>	<b>10.24</b>	<b>24,946</b>
Mayor		103,339	0.50	
City Administrator*		201,532	1.30	
Police Department		148,237	1.00	
Administrative Services		106,940	0.74	
Library	1,581,944	1,021,896	6.70	

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>1770 - Telecommunications Land Use</b>	<b>513,005</b>	<b>513,005</b>	<b>2.14</b>	<b>641,066</b>
City Administrator*	513,005	513,005	2.14	
<b>1780 - Kid's First Oakland Children's Fund</b>	<b>12,125,533</b>	<b>12,125,533</b>	<b>5.90</b>	<b>1,314,439</b>
Community Services	12,125,533	12,125,533	5.90	
<b>1791 - Contract Administration Fee</b>	<b>579,605</b>			<b>(1,203,949)</b>
Non-Departmental	579,605			
<b>1820 - OPRCA Self Sustaining Revolving Fund</b>	<b>5,402,771</b>	<b>5,402,771</b>	<b>101.55</b>	<b>870,409</b>
Community Services	5,402,771	5,402,771	101.55	
<b>1884 - 2006 Housing Bond Proceeds</b>				<b>8,392,464</b>
Housing & Community Development				
<b>2102 - Department of Agriculture</b>	<b>1,095,000</b>	<b>1,095,000</b>	<b>6.50</b>	<b>(137,459)</b>
Community Services	1,095,000	1,095,000	6.50	
<b>2103 - HUD-ESG/SHP/HOPWA</b>	<b>6,364,572</b>	<b>6,331,131</b>	<b>0.78</b>	<b>(3,258,892)</b>
Community Services	6,364,572	6,331,131	0.78	
<b>2105 - HUD-EDI Grants</b>		<b>0</b>	<b>3.00</b>	<b>982,591</b>
Housing & Community Development		0	3.00	
<b>2107 - HUD-108</b>	<b>2,122,000</b>	<b>2,122,000</b>		<b>(202,353)</b>
Housing & Community Development	2,122,000	2,122,000		
<b>2108 - HUD-CDBG</b>	<b>7,455,657</b>	<b>7,455,657</b>	<b>29.20</b>	<b>-</b>
City Administrator*		317,834	1.75	
City Attorney		46,564	0.19	
Administrative Services		167,741	1.00	
Community Services		954,269	3.89	
Housing & Community Development	7,455,657	5,847,061	21.85	
Planning & Building		122,188	0.52	
<b>2109 - HUD-Home</b>	<b>2,161,467</b>	<b>2,161,467</b>	<b>3.10</b>	<b>2,374,789</b>
Housing & Community Development	2,161,467	2,161,467	3.10	

\*City Administrator consists up of Administration, Equal Opportunity Programs, Employee Relations, Budget, and KTOP Operations

# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>2112 - Department of Justice</b>		<b>(10,050)</b>	<b>0.25</b>	<b>20,100</b>
Police Department		7,834		
Community Services		(17,884)	0.25	
<b>2113 - Department of Justice - COPS Hiring</b>		<b>0</b>	<b>12.50</b>	<b>-</b>
Police Department		0	12.50	
<b>2114 - Department of Labor</b>	<b>981,426</b>	<b>981,426</b>	<b>52.85</b>	<b>(38,325)</b>
Community Services	981,426	981,426	52.85	
<b>2120 - Federal Action Agency</b>	<b>329,801</b>	<b>277,802</b>	<b>0.60</b>	<b>33,881</b>
Community Services	329,801	277,802	0.60	
<b>2123 - US Dept of Homeland Security</b>	<b>1,498,069</b>	<b>1,498,069</b>	<b>13.10</b>	<b>-</b>
Police Department	188,160			
Fire Department	1,309,909	1,498,069	13.10	
<b>2124 - Federal Emergency Management Agency (FEMA)</b>	<b>944,958</b>	<b>514,302</b>	<b>3.35</b>	<b>(37,091)</b>
Fire Department	944,958	514,302	3.35	
<b>2128 - Department of Health and Human Services</b>	<b>20,999,741</b>	<b>20,999,741</b>	<b>181.39</b>	<b>(642,069)</b>
Community Services	20,999,741	20,999,741	181.39	
<b>2138 - California Department of Education</b>	<b>937,485</b>	<b>937,472</b>		<b>(41,636)</b>
Community Services	937,485	937,472		
<b>2146 - California State Emergency Services</b>	<b>62,661</b>	<b>62,661</b>	<b>0.25</b>	<b>1,945,519</b>
Fire Department	62,661	62,661	0.25	
<b>2148 - California Library Services</b>	<b>68,392</b>	<b>64,654</b>	<b>1.08</b>	<b>(555,975)</b>
Library	68,392	64,654	1.08	
<b>2159 - State of California Other</b>	<b>424,123</b>	<b>411,789</b>	<b>2.54</b>	<b>(853,141)</b>
Police Department	114,123	101,788	1.00	
Community Services	310,000	310,001	1.54	
<b>2160 - County of Alameda: Grants</b>	<b>1,442,875</b>	<b>1,442,187</b>	<b>2.09</b>	<b>2,046,331</b>
Fire Department	1,011,613	1,010,925	1.00	
Community Services	431,262	431,262	1.09	

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>2163 - Metro Transportation Com: Program Grant</b>	<b>3,922,924</b>	<b>3,922,924</b>	<b>0.27</b>	<b>(555,592)</b>
Library	72,719	71,924	0.27	
Public Works	3,850,205			
Capital Improvement Projects		3,851,000		
<b>2172 - Alameda County: Vehicle Abatement Authority</b>	<b>412,615</b>	<b>412,615</b>	<b>2.00</b>	<b>27,732</b>
Police Department	412,615	412,615	2.00	
<b>2190 - Private Grants</b>	<b>35,280</b>	<b>24,960</b>	<b>0.20</b>	<b>(362,299)</b>
City Attorney	10,280			
Fire Department	25,000	24,960	0.20	
<b>2195 - Workforce Investment Act</b>	<b>5,530,936</b>	<b>5,495,156</b>	<b>9.01</b>	<b>84,601</b>
City Administrator*	5,530,936	5,279,141	7.25	
Administrative Services		102,419	0.83	
Community Services		113,596	0.93	
<b>2211 - Measure B: ACTIA</b>	<b>9,837,042</b>	<b>9,837,042</b>	<b>10.98</b>	<b>6,313,366</b>
City Attorney		28,919	0.13	
Administrative Services	10,920	33,629	0.25	
Public Works	9,826,122	2,779,494	10.60	
Capital Improvement Projects		6,995,000		
<b>2212 - Measure B: Bicycle/Pedestrian Pass-Thru Fee</b>	<b>1,103,350</b>	<b>1,010,000</b>		<b>3,185,502</b>
Public Works	1,103,350	10,000		
Capital Improvement Projects		1,000,000		
<b>2213 - Measure B: Paratransit - ACTIA</b>	<b>1,068,580</b>	<b>1,068,580</b>	<b>4.41</b>	<b>101,818</b>
Community Services	1,068,580	1,068,580	4.41	
<b>2215 - Measure F - Vehicle Registration Fee</b>	<b>1,500,000</b>	<b>1,500,000</b>		<b>1,590,209</b>
Capital Improvement Projects	1,500,000	1,500,000		
<b>2230 - State Gas Tax</b>	<b>7,250,340</b>	<b>7,142,305</b>	<b>31.89</b>	<b>2,741,497</b>
Public Works	7,250,340	7,142,305	31.89	

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>2231 - State Gas Tax-Prop 42 Replacement Funds</b>	<b>4,965,455</b>	<b>4,653,904</b>	<b>34.62</b>	<b>4,497,133</b>
City Attorney		119,457	0.45	
Public Works	4,965,455	4,534,447	34.17	
<b>2241 - Measure Q-Library Services Retention &amp; Enhancement</b>	<b>17,392,499</b>	<b>17,384,999</b>	<b>150.83</b>	<b>5,679,259</b>
City Administrator*		17,930		
Administrative Services		237,503	2.00	
Library	17,392,499	17,129,566	148.83	
<b>2242 - Measure Q Reserve- Library Services Retention &amp; Enhancement</b>	<b>715,050</b>	<b>715,050</b>		<b>673,091</b>
Library	715,050	715,050		
<b>2250 - Measure N: Fund</b>	<b>1,772,693</b>	<b>1,772,693</b>	<b>6.85</b>	<b>657,671</b>
City Administrator*		4,579		
Fire Department	1,772,693	1,768,114	6.85	
<b>2251 - Measure Y: Public Safety Act 2004</b>	<b>24,201,087</b>	<b>24,201,087</b>	<b>74.30</b>	<b>5,078,511</b>
Mayor		82,671	0.40	
City Administrator*		534,663	0.80	
Police Department		12,848,543	63.00	
Fire Department		4,000,000		
Administrative Services	24,201,087	23,640		
Community Services		6,711,570	10.10	
<b>2310 - Lighting and Landscape Assessment District</b>	<b>20,617,346</b>	<b>20,489,055</b>	<b>82.69</b>	<b>(408,302)</b>
City Administrator*		25,531		
Administrative Services	18,970,646	43,458	0.40	
Community Services		4,320,097	7.29	
Public Works	1,646,700	16,099,969	75.00	
<b>2321 - Wildland Fire Prevention Assess District</b>	<b>2,121,871</b>	<b>2,121,871</b>	<b>1.00</b>	<b>1,627,512</b>
Fire Department	2,121,871	2,121,871	1.00	
<b>2330 - Werner Court Vegetation Mgmt District</b>	<b>6,200</b>	<b>6,200</b>		<b>16,202</b>
Fire Department	6,200	6,200		

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# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>2411 - False Alarm Reduction Program</b>	<b>1,502,719</b>	<b>1,502,719</b>	<b>8.50</b>	<b>834,422</b>
Police Department	1,502,719	1,339,193	7.50	
Administrative Services		163,526	1.00	
<b>2412 - Alameda County: Emergency Dispatch Service Supplemental Assessment</b>	<b>1,958,782</b>	<b>1,958,782</b>	<b>11.10</b>	<b>1,095</b>
City Administrator*		4,542		
Fire Department	1,958,782	1,954,240	11.10	
<b>2413 - Rent Adjustment Program Fund</b>	<b>2,214,740</b>	<b>2,214,740</b>	<b>13.70</b>	<b>2,355,407</b>
City Administrator*		177,496	0.50	
City Attorney		356,782	1.90	
Administrative Services		283,868	3.00	
Housing & Community Development	2,214,740	1,396,594	8.30	
<b>2415 - Development Service Fund</b>	<b>25,479,882</b>	<b>24,721,634</b>	<b>129.64</b>	<b>(778,968)</b>
City Administrator*		261,397	1.58	
City Attorney		660,156	3.50	
Administrative Services		386,914	2.33	
Public Works	1,603,882	1,776,106	11.00	
Planning & Building	23,876,000	21,637,061	111.23	
<b>2416 - Traffic Safety Fund</b>	<b>2,828,057</b>	<b>2,828,057</b>	<b>19.53</b>	<b>757,141</b>
Police Department	1,301,293	2,391,149	17.65	
Public Works	1,526,764	436,908	1.88	
<b>2417 - Excess Litter Fee Fund</b>	<b>440,900</b>	<b>440,900</b>		<b>384,320</b>
City Administrator*		440,900		
Administrative Services	440,900			
<b>2419 - Transient Occupancy Tax (TOT) Surcharge</b>	<b>2,963,047</b>	<b>2,963,047</b>		<b>336,148</b>
City Administrator*	370,381	370,381		
Non-Departmental	2,592,666	2,592,666		
<b>2826 - Mortgage Revenue</b>	<b>89,492</b>	<b>89,492</b>	<b>0.50</b>	<b>198,699</b>
Housing & Community Development	89,492	89,492	0.50	

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# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>2990 - Public Works Grants</b>	<b>280,000</b>	<b>280,000</b>	<b>1.47</b>	<b>(652,723)</b>
Public Works	280,000	280,000	1.47	
<b>2993 - Library Grants</b>	<b>250,000</b>	<b>250,000</b>		<b>50,000</b>
Library	250,000	250,000		
<b>2994 - Social Services Grants</b>	<b>76,000</b>	<b>76,000</b>		<b>31,681</b>
Community Services	76,000	76,000		
<b>2995 - Police Grants</b>	<b>20,000</b>	<b>20,000</b>		<b>77,240</b>
Police Department	20,000	20,000		
<b>2996 - Parks and Recreation Grants 2001</b>	<b>16,847</b>	<b>16,847</b>		<b>25,664</b>
Community Services	16,847	16,847		
<b>2999 - Miscellaneous Grants</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>2.50</b>	<b>6,987,205</b>
Police Department	1,300,000	1,300,000		
Housing & Community Development		0	2.50	
<b>3100 - Sewer Service Fund</b>	<b>54,257,627</b>	<b>53,832,248</b>	<b>129.41</b>	<b>162,150,335</b>
City Attorney		655,579	3.80	
Fire Department		289,161	2.00	
Administrative Services	100,000	3,497,277	1.35	
Public Works	54,157,627	25,301,951	122.26	
Non-Departmental		9,728,280		
Capital Improvement Projects		14,360,000		
<b>3150 - Sewer Rate Stabilization Fund</b>	<b>500,000</b>			<b>2,001,108</b>
Public Works	500,000			
<b>3200 - Golf Course</b>	<b>895,950</b>	<b>505,854</b>	<b>0.75</b>	<b>4,626,476</b>
City Administrator*		8,450		
Community Services	895,950	497,404	0.75	
<b>4100 - Equipment</b>	<b>19,919,058</b>	<b>18,443,117</b>	<b>56.00</b>	<b>(4,230,956)</b>
Administrative Services	(100,000)	5,521		
Public Works	20,019,058	18,437,596	56.00	

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# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>4200 - Radio / Telecommunications</b>	<b>3,577,377</b>	<b>3,557,381</b>	<b>9.61</b>	<b>3,033,747</b>
Administrative Services	3,577,377	3,557,381	9.61	
<b>4210 - Telephone Equipment and Software</b>	<b>308,530</b>	<b>308,530</b>		<b>1,885,171</b>
Administrative Services	308,530	308,530		
<b>4300 - Reproduction</b>	<b>1,440,745</b>	<b>1,433,684</b>	<b>5.00</b>	<b>(1,078,800)</b>
Administrative Services	1,440,745	1,433,684	5.00	
<b>4400 - City Facilities</b>	<b>27,948,274</b>	<b>25,779,478</b>	<b>111.68</b>	<b>(19,028,729)</b>
City Administrator*	2,400			
Administrative Services	(75,000)			
Public Works	28,020,874	25,779,478	111.68	
<b>4450 - City Facilities Energy Conservation Projects</b>		<b>-</b>	<b>0.50</b>	<b>2,385,870</b>
Public Works		87,832	0.50	
Planning & Building		(87,832)		
<b>4500 - Central Stores</b>	<b>425,838</b>	<b>348,358</b>	<b>2.50</b>	<b>(3,882,530)</b>
Administrative Services	425,838	348,358	2.50	
<b>4550 - Purchasing</b>	<b>777,965</b>	<b>777,965</b>	<b>7.00</b>	<b>(445,288)</b>
Administrative Services	777,965	800,643	7.00	
Planning & Building		(22,678)		
<b>5130 - Rockridge: Library Assessment District</b>	<b>134,420</b>	<b>3,387</b>		<b>631,732</b>
City Administrator*		3,387		
Administrative Services	134,420			
Capital Improvement Projects				
<b>5321 - Measure DD: 2009B Clean Water, Safe Parks &amp; Open Space Trust Fund for Oakland</b>		<b>-</b>	<b>4.50</b>	<b>26,707,820</b>
City Administrator*		-	0.50	
Public Works		-	4.00	
<b>5505 - Municipal Capital Improvement: Public Arts</b>		<b>-</b>	<b>1.50</b>	<b>613,098</b>
City Administrator*		-	1.50	

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# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>5510 - Capital Reserves</b>	<b>3,250,000</b>	<b>3,250,000</b>		<b>4,863,984</b>
Administrative Services	1,000,000			
Non-Departmental	2,250,000	2,000,000		
Capital Improvement Projects		1,250,000		
<b>5610 - Central District Projects</b>	<b>350,000</b>	<b>350,000</b>		<b>12,294,325</b>
City Administrator*	350,000	350,000		
<b>5650 - Coliseum Projects</b>	<b>100,000</b>	<b>100,000</b>		<b>10,219,561</b>
City Administrator*	100,000	100,000		
<b>5671 - OBRA: Leasing &amp; Utility</b>	<b>500,000</b>	<b>500,000</b>	<b>5.10</b>	<b>60,615,770</b>
City Administrator*	500,000	25,000	5.10	
Public Works		475,000		
<b>6014 - Oakland Convention Center 1992</b>	<b>14,078,113</b>	<b>14,078,113</b>		<b>82,878</b>
Non-Departmental	14,078,113	14,078,113		
<b>6027 - JPFA Capital Projects: Series 2005</b>	<b>11,269,000</b>	<b>11,269,000</b>		<b>75,224,665</b>
Non-Departmental	11,269,000	11,269,000		
<b>6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS</b>	<b>8,965,220</b>	<b>8,965,220</b>		<b>1,000</b>
Non-Departmental	8,965,220	8,965,220		
<b>6032 - Taxable Pension Obligation: Series 2001</b>	<b>42,014,001</b>	<b>42,014,001</b>		<b>28,003</b>
Non-Departmental	42,014,001	42,014,001		
<b>6036 - JPFA Refunding Revenue Bonds: 2008 Series A-1 (Tax-Exempt Bonds)</b>	<b>17,956,550</b>	<b>17,956,550</b>		<b>10,095,544</b>
Non-Departmental	17,956,550	17,956,550		
<b>6037 - JPFA Refunding Revenue Bonds: 2008 Series A-2 (Taxable Bonds)</b>				<b>2,076,468</b>
Non-Departmental				
<b>6063 - General Obligation Bonds: Series 2005</b>	<b>11,244,648</b>	<b>11,244,648</b>		<b>1,225,181</b>
Non-Departmental	11,244,648	11,244,648		

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# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>6311 - Measure G: 2006 Zoo, Museum</b>	<b>1,332,563</b>	<b>1,332,563</b>		<b>852,316</b>
Non-Departmental	1,332,563	1,332,563		
<b>6312 - GOB Series 2012-Refunding Bonds</b>	<b>6,652,225</b>	<b>6,652,225</b>		<b>1,157,522</b>
Non-Departmental	6,652,225	6,652,225		
<b>6321 - Measure DD: 2009B Clean Water, Safe Parks &amp; Open Space Trust Fund for Oakland</b>	<b>4,617,132</b>	<b>4,617,132</b>		<b>205,014</b>
Non-Departmental	4,617,132	4,617,132		
<b>6540 - Skyline Sewer District - Redemption</b>	<b>34,736</b>	<b>28,600</b>		<b>70,627</b>
Non-Departmental	34,736	28,600		
<b>6555 - Piedmont Pines 2010 Utility Underground Phase I - Debt Service</b>	<b>236,169</b>	<b>236,169</b>		<b>145,415</b>
Non-Departmental	236,169	236,169		
<b>6570 - JPFA Pooled Assessment: 1996 Revenue Bonds - Assessment</b>	<b>25,600</b>	<b>25,600</b>		<b>(143,909)</b>
Non-Departmental	25,600	25,600		
<b>6587 - 2012 Refunding Reassessment Bonds-Debt Service</b>	<b>439,051</b>	<b>439,051</b>	<b>0.40</b>	<b>355,000</b>
Administrative Services		57,331	0.40	
Non-Departmental	439,051	381,720		
<b>6612 - JPFA Lease Revenue Refunding Bonds (Admin Building): 2008 Series B</b>	<b>11,318,307</b>	<b>11,318,307</b>		<b>9,111,530</b>
Non-Departmental	11,318,307	11,318,307		
<b>6999 - Miscellaneous Debt Service</b>	<b>21,500,000</b>	<b>21,500,000</b>		<b>-</b>
Non-Departmental	21,500,000	21,500,000		
<b>7100 - Police and Fire Retirement System</b>	<b>3,578,493</b>	<b>3,578,493</b>	<b>4.90</b>	<b>471,105,257</b>
City Attorney		98,075	0.40	
Administrative Services	971,563	3,480,418	4.50	
Non-Departmental	2,606,930			

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# FINANCIAL SUMMARIES

## FY 2014-15 PROPOSED BUDGET SUMMARY BY FUND (CONT'D)

Fund Description	FY 2014-15 Proposed Revenues	FY 2014-15 Proposed Expenditures	FY 2014-15 Proposed Positions (FTE)	FY 2014-15 Estimated Ending Fund Balance
<b>7120 - Oakland Municipal Employees' Retirement System OMERS</b>	<b>257,904</b>	<b>250,162</b>	<b>1.10</b>	<b>4,484,450</b>
City Attorney		24,519	0.10	
Administrative Services		225,643	1.00	
Non-Departmental	257,904			
<b>7130 - Employee Deferred Compensation</b>	<b>232,736</b>	<b>232,736</b>	<b>1.10</b>	<b>117,542</b>
Administrative Services	232,736	232,736	1.10	
<b>7320 - Police and Fire Retirement System Refinancing Annuity Trust</b>	<b>9,624,258</b>	<b>9,624,258</b>		<b>112,469,801</b>
Non-Departmental	9,624,258	9,624,258		
<b>7540 - Oakland Public Library Trust</b>	<b>110,879</b>	<b>110,879</b>		<b>978,490</b>
Library	110,879	110,879		
<b>7640 - Oakland Public Museum Trust</b>	<b>32,610</b>	<b>32,610</b>		<b>740,455</b>
City Administrator*	32,610			
Non-Departmental		32,610		
<b>7760 - Grant Clearing</b>		<b>-</b>	<b>135.53</b>	<b>788,627</b>
Administrative Services		156,788	2.23	
Public Works		(156,788)	133.30	
<b>7999 - Miscellaneous Trusts</b>	<b>69,270</b>	<b>69,270</b>		<b>914,902</b>
Community Services	69,270	69,270		
<b>Grand Total</b>	<b>1,071,696,861</b>	<b>1,060,583,969</b>	<b>3,875.76</b>	

\* City Administrator consists of Administration, Budget, CBRB, Contract Compliance, Communications/KTOP, Economic & Workforce Development, Measure Y, Neighborhood Investment, Oaklanders' Assistance Center and Public Ethics.

**REVENUE TABLES**

**NOTES**

# FINANCIAL SUMMARIES

ALL FUNDS REVENUE							
Revenue Type	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast
Property Tax	\$138,816,699	\$125,354,813	\$144,637,164	\$151,117,089	\$154,485,959	\$159,955,252	\$168,234,449
Sales Tax	55,476,445	53,616,357	57,964,798	59,663,701	\$62,050,249	\$64,532,259	\$67,113,549
Gasoline Tax	5,795,764	6,637,535	6,637,535	6,637,535	\$6,637,535	\$6,637,535	\$6,637,535
Business License Tax	58,548,809	51,800,000	58,486,270	60,240,858	\$62,048,084	\$64,530,007	\$67,111,207
Utility Consumption Tax	51,434,031	50,500,000	50,588,732	50,588,732	\$50,588,732	\$50,588,732	\$50,588,732
Real Estate Transfer Tax	30,546,398	28,490,000	39,453,990	40,637,610	\$42,263,114	\$43,953,639	\$45,711,785
Transient Occupancy Tax	30,546,398	13,827,549	14,969,363	15,209,489	\$15,665,774	\$16,135,747	\$16,619,819
Parking Tax	15,975,931	14,992,135	15,640,428	15,967,449	\$16,446,472	\$16,939,867	\$17,448,063
Other Local Taxes	152,572,913	132,207,099	109,945,104	110,170,793	\$112,374,209	\$114,621,693	\$116,914,127
Licenses & Permits	14,260,718	13,320,000	14,406,356	15,067,488	\$15,519,513	\$15,985,098	\$16,464,651
Fines & Penalties	27,452,800	30,146,129	28,219,589	27,289,401	\$25,039,337	\$22,942,687	\$22,243,803
Interest Income	10,614,818	5,701,950	904,012	894,012	\$894,012	\$894,012	\$894,012
Service Charges	518,190,174	153,856,654	149,247,715	152,052,708	\$154,550,055	\$156,943,652	\$159,283,491
Internal Service Charges	48,122,481	46,189,740	52,045,217	53,758,412	\$54,833,580	\$55,930,252	\$57,048,857
Grants & Subsidies	152,647,545	75,704,081	59,314,176	63,348,963	\$63,348,963	\$63,348,963	\$63,348,963
Miscellaneous*	(194,967,319)	470,829,294	41,793,137	45,488,357	\$41,488,357	\$41,488,357	\$41,488,357
Interfund Tranfers	470,666,394	143,145,048	142,333,740	135,383,060	\$135,383,060	\$135,383,060	\$135,383,060
<b>Subtotal Revenue</b>	<b>\$1,586,701,001</b>	<b>\$1,416,318,385</b>	<b>\$986,587,326</b>	<b>\$1,003,515,657</b>	<b>\$1,013,617,005</b>	<b>\$1,030,810,812</b>	<b>\$1,052,534,461</b>
Transfers from Fund Balance**		40,151,058	66,103,229	68,181,204	-	-	-
<b>Grand Total</b>	<b>\$1,586,701,001</b>	<b>\$1,456,469,443</b>	<b>\$1,052,690,555</b>	<b>\$1,071,696,861</b>	<b>\$1,013,617,005</b>	<b>\$1,030,810,812</b>	<b>\$1,052,534,461</b>

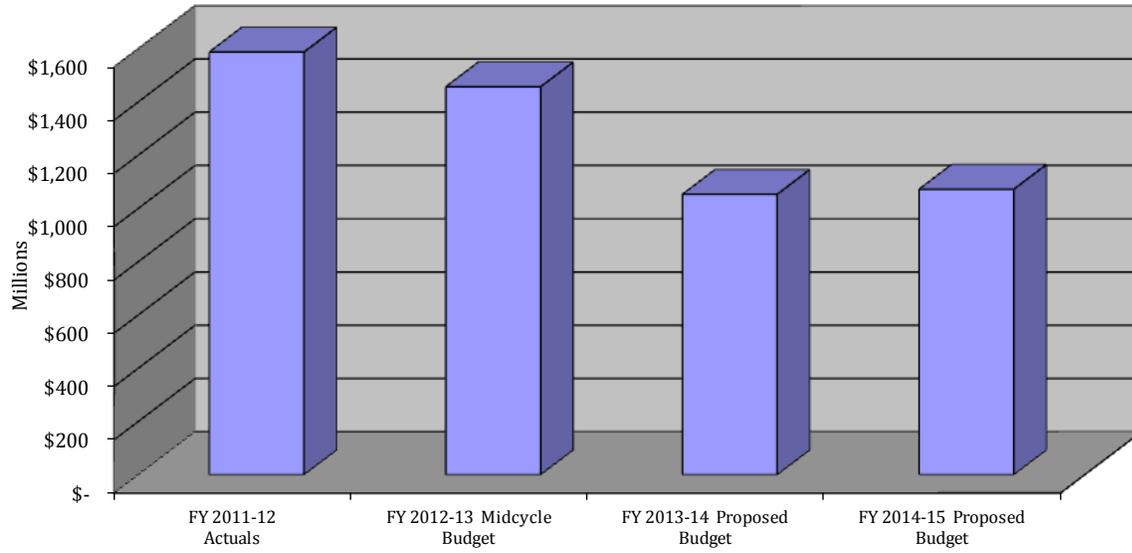
\* Negative Miscellaneous Revenue is due to Port of Oakland Revenue & Expense Clearing

\*\* Transfers from Fund Balance were previously combined with Interfund Transfers.

# FINANCIAL SUMMARIES

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## HISTORICAL CHANGES IN ALL FUNDS REVENUE



## FINANCIAL SUMMARIES

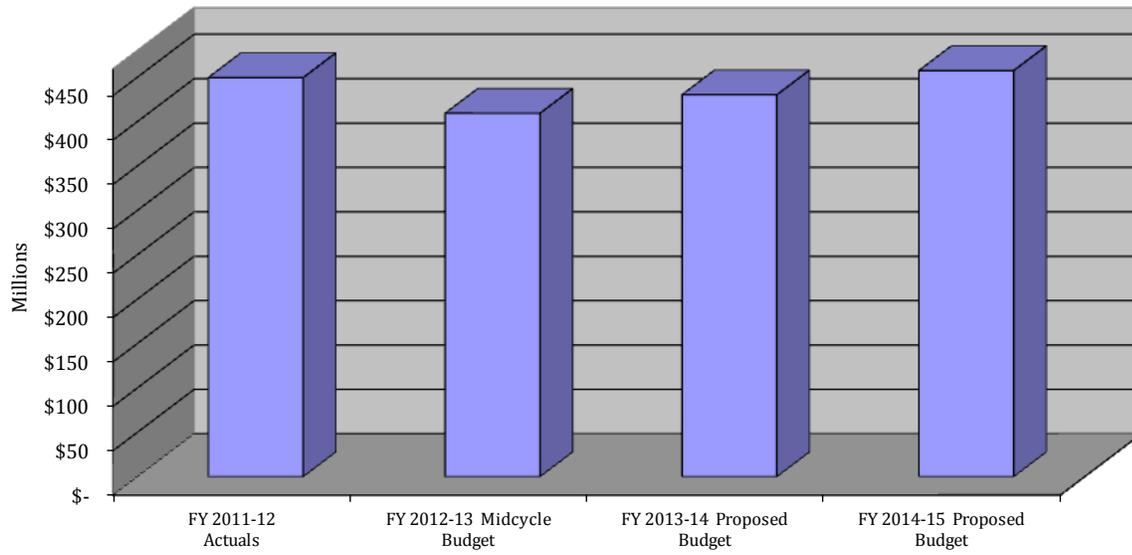
<b>GENERAL PURPOSE FUND REVENUE</b>							
<b>Revenue Type</b>	<b>FY 2011-12 Actuals</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>	<b>FY 2015-16 Forecast</b>	<b>FY 2016-17 Forecast</b>	<b>FY 2017-18 Forecast</b>
Property Tax	\$138,796,954	\$125,166,501	\$144,448,852	\$150,928,777	\$154,291,998	\$159,755,472	\$168,026,677
Sales Tax	44,740,906	43,556,223	47,208,326	48,624,575	\$50,569,558	\$52,592,340	\$54,696,034
Business License Tax	58,548,809	51,800,000	58,486,270	60,240,858	\$62,048,084	\$64,530,007	\$67,111,207
Utility Consumption Tax	51,434,031	50,500,000	50,588,732	50,588,732	\$50,588,732	\$50,588,732	\$50,588,732
Real Estate Transfer Tax	30,546,398	28,490,000	39,453,990	40,637,610	\$42,263,114	\$43,953,639	\$45,711,785
Transient Occupancy Tax	10,713,948	10,864,502	12,006,316	12,246,442	\$12,613,835	\$12,992,250	\$13,382,018
Parking Tax	8,616,474	8,103,857	8,531,028	8,701,649	\$8,962,698	\$9,231,579	\$9,508,527
Licenses & Permits	1,158,650	925,570	1,386,726	1,413,858	\$1,456,274	\$1,499,962	\$1,544,961
Fines & Penalties	24,246,700	25,425,535	23,498,995	22,568,807	\$20,650,228	\$18,862,462	\$18,266,540
Interest Income	740,482	800,000	740,482	740,482	\$740,482	\$740,482	\$740,482
Service Charges	45,948,737	43,338,382	43,662,137	43,919,082	\$44,396,175	\$44,729,301	\$44,967,647
Grants & Subsidies	229,107	160,672	-	-	-	-	-
Miscellaneous	32,079,762	2,733,000	1,299,320	4,824,320	\$824,320	\$824,320	\$824,320
Interfund Transfers	1,718,023	3,200,000	-	-	-	-	-
<b>Subtotal Revenue</b>	<b>\$449,519,489</b>	<b>\$395,064,242</b>	<b>\$431,311,174</b>	<b>\$445,435,192</b>	<b>\$449,405,499</b>	<b>\$460,300,547</b>	<b>\$475,368,929</b>
Transfers from Fund Balance*	-	14,282,521	(1,155,562)	11,966,492	-	-	-
<b>Grand Total</b>	<b>\$449,519,489</b>	<b>\$409,346,763</b>	<b>\$430,155,612</b>	<b>\$457,401,684</b>	<b>\$449,405,499</b>	<b>\$460,300,547</b>	<b>\$475,368,929</b>

\* Transfers from Fund Balance were previously combined with Interfund Transfers.

# FINANCIAL SUMMARIES

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## HISTORICAL CHANGES IN GPF REVENUE



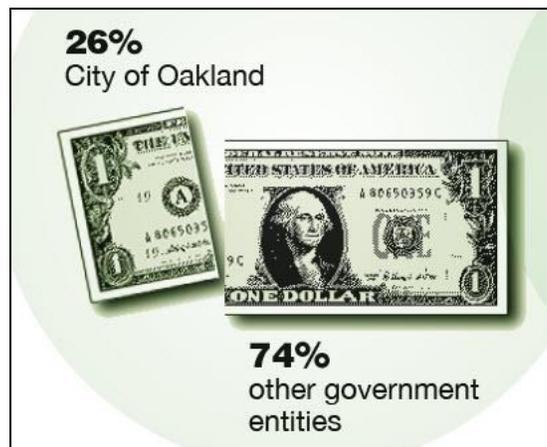
## SUMMARY OF THE GENERAL PURPOSE FUND REVENUES

Below is a detailed discussion of the individual categories that comprise General Purpose Fund (GPF) revenues. For each category, a brief description is provided, followed by historical data, relevant analysis, key forecast assumptions and then the forecast itself.

### Property Tax

Property tax is the largest single source of revenue for the GPF. The property tax is ad valorem, which means that the tax paid on a property is proportional to the property's value. However, Proposition 13, which passed in 1978, introduced two significant caveats: 1) the annual tax owed is a maximum of 1 percent of a property's assessed value, and 2) the assessed value can only increase a maximum 2 percent each year, unless ownership changes, in which case the prevailing market value assessment is used as the basis for taxation.

The one percent assessment is collected by the County and is distributed to various public entities in accordance with a complex formula. The County's computation results in the City receiving about 26 percent of total collections.

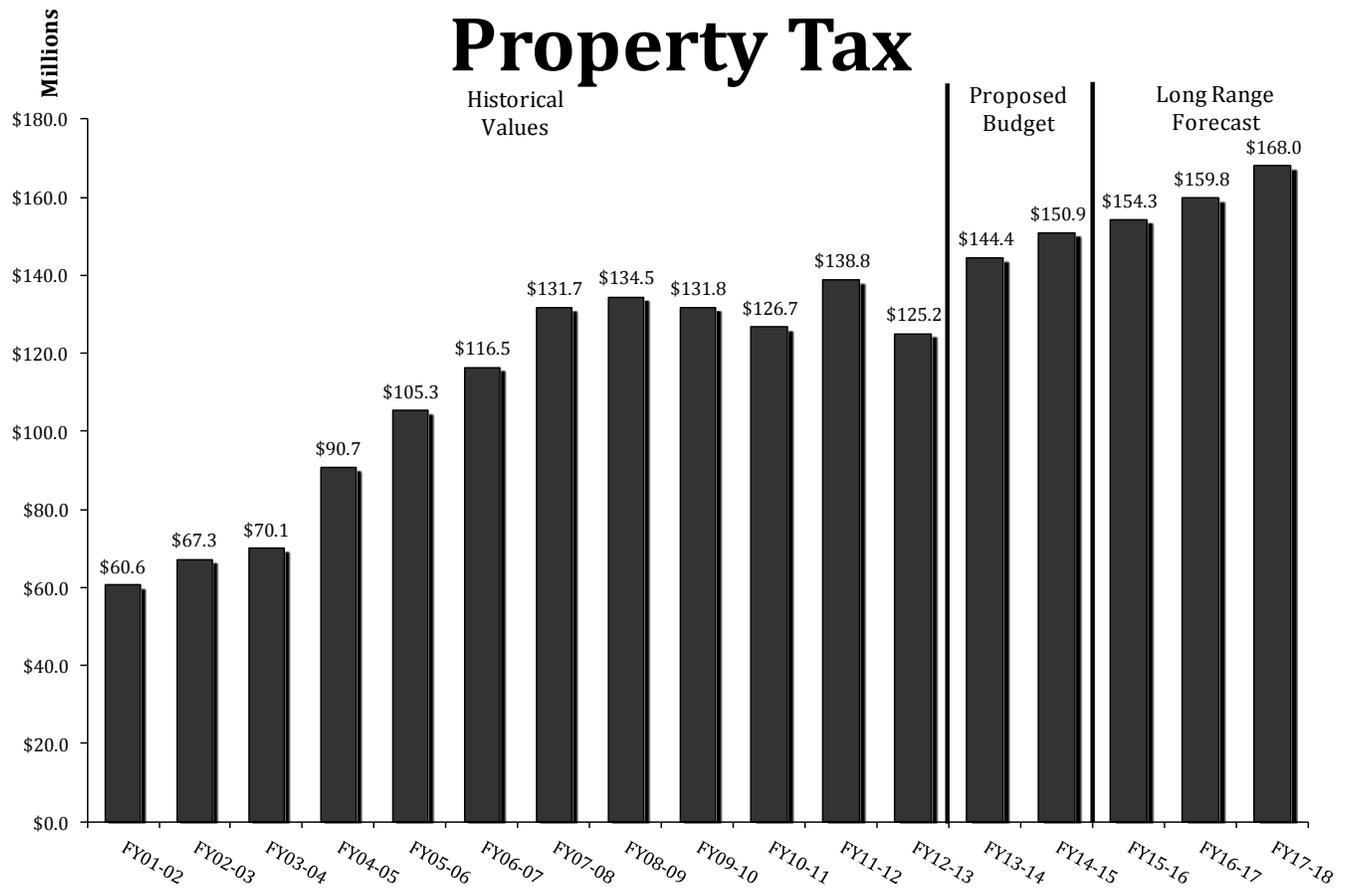


Over the last 10 years, property tax revenue has grown on average, year-over-year, at a steady pace of 9.8 percent, due primarily to robust increases in local housing values. The growth for that period was accelerated by a rapid run-up of housing demand, new construction, and developments that began in FY 2004-05. The rise in FY 2004-05 property tax revenues was also due to a Vehicle License Fee (VLF) "backfill" payment from the State (the difference between the old VLF of 2.0% and new fee of 0.65%) in the form of property tax. The value of rising property tax, which increased more quickly than VLF revenues, brought Oakland additional revenues.

Beginning in FY 2004-05, property assessments rose quickly, propelled by high volume of home sales and rising home prices. Driven by economic growth and aggressive lending practices, the housing market accelerated and finally peaked in 2007. After this peak, housing demand and prices eventually declined due to an economic downturn, lack of affordability, tightened credit, and increased foreclosures. The resulting decrease in home sales volume for new and existing homes drove down home prices, which in turn continues to slow Property Tax revenue growth.

Taking into consideration the uncertainties brought on by the continuing sluggishness of the housing market, home foreclosures, tightened lending policies, the assumption is that the growth rate for Property Tax revenue will be below the historical trend for the forecast period. The budget assumes a 2% percent increase in FY 2013-14 and in FY 2014-15 consistent with initial assessments from Alameda County's Assessor of growth in assessed value. In FY 2015-16 through FY 2016-17 Property Tax is forecast to grow at 3% annually. In FY 2017-18 Property Tax is forecast to grow at 4% annually. The anticipated low near-term growth rate of property tax is due to a large number of underwater home owners (owing a mortgage larger than the value of their home), and high recent base year assessments under Proposition 13 yielding limited growth in revenue due to re-assessment at sale.

# FINANCIAL SUMMARIES



# FINANCIAL SUMMARIES

## Sales & Use Tax

Sales and Use Tax applies to the retail sale or use of “tangible personal property.” The recent passage of Proposition 30 brings the total Sales Tax percentage in the City of Oakland to 9.0 percent; meaning on a \$1 purchase tax paid is 9 cents. The City receives 1% percent of the total tax, meaning the City receives 1 cent on a \$1 purchase.

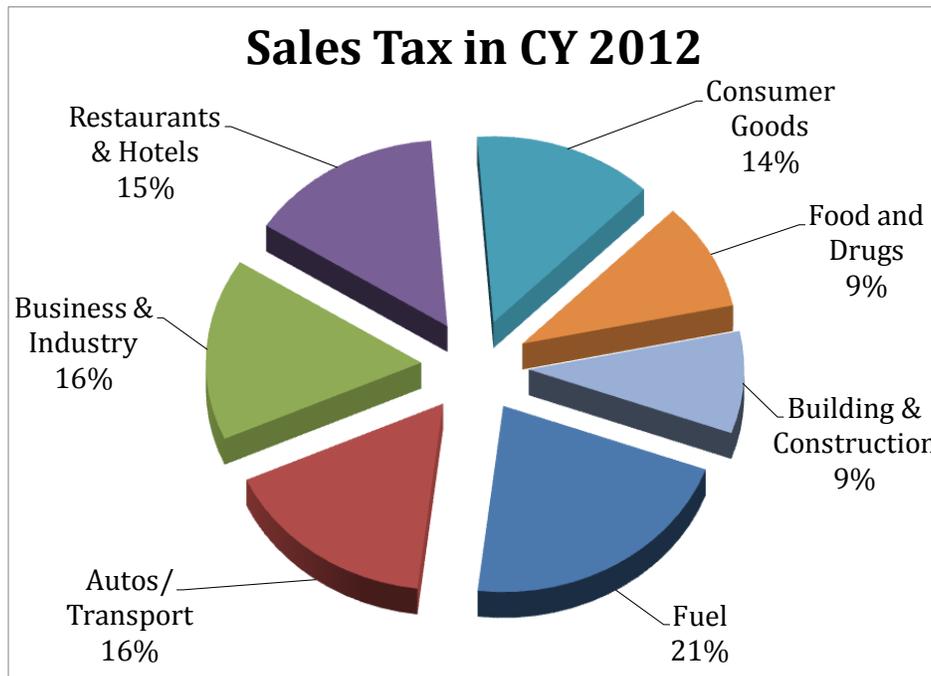
The table below details the general allocation of Sales and Use Tax on purchases in the City of Oakland. Some of the tax revenue receive by the State of California is redistributed to counties to provide health and public safety services.



Receiving Agency	Rate
The State of California	6.5%
The City of Oakland	1.0%
The Bay Area Rapid Transit District	0.5%
Alameda County Transportation Improvement Authority	0.5%
Alameda County Essential Health Care Services	0.5%
<b>Total Sales Tax</b>	<b>9.0%</b>

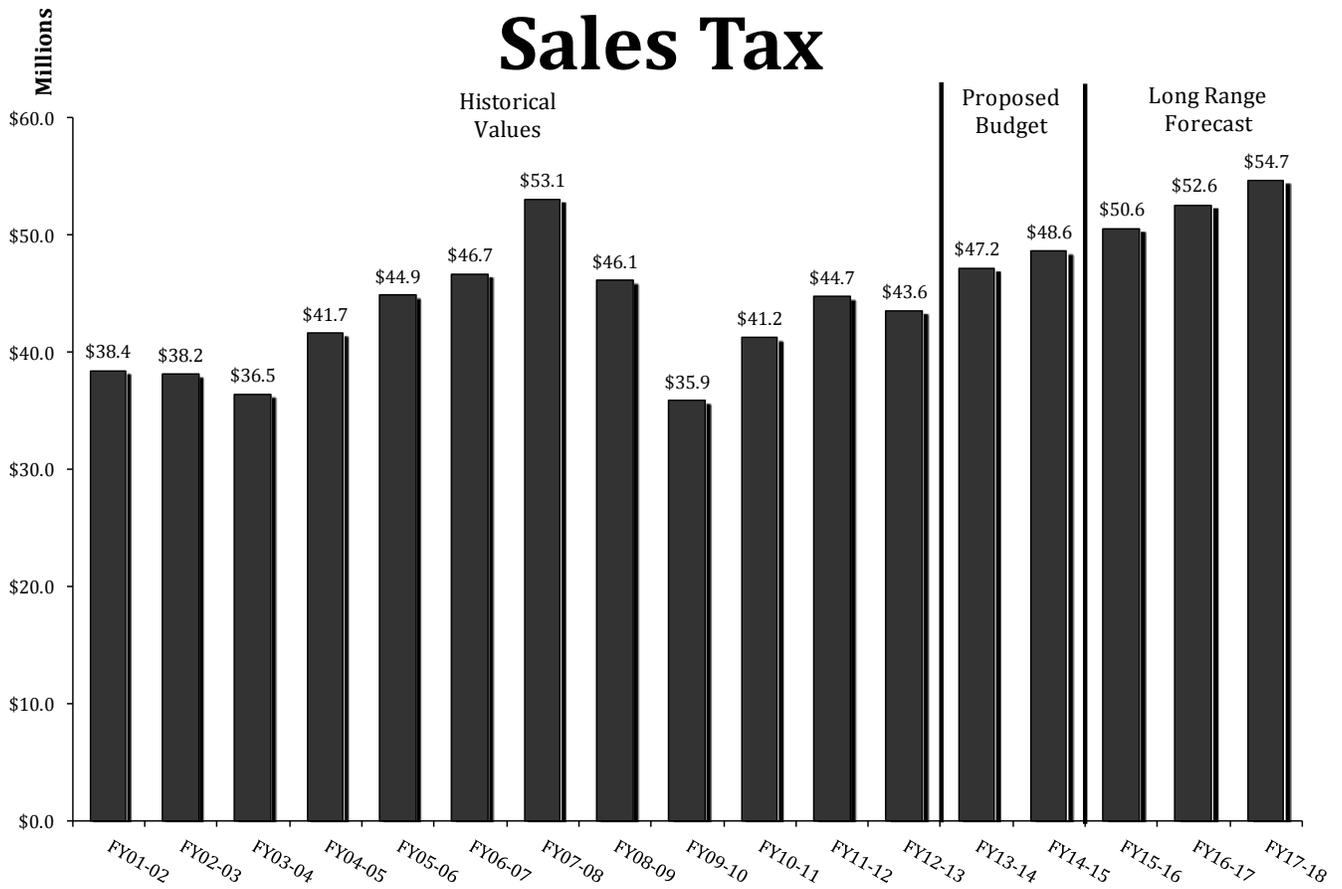
Sales Tax revenue is fairly volatile, varying to a large extent with the overall strength of the local and national economy. During the previous recession, Sales tax revenue declined significantly. Recently Sales Tax revenues have increased to the economic recovery. Increases are also attributable to high gasoline and jet fuel prices.

One of the strengths of the Oakland Sales Tax base is its diversity; it comes from seven major business groups. No single group accounts for more than 25 percent of the total. See the chart below.



Sales Tax revenue in FY 2013-14 is projected to be 5.5% higher than its FY 2011-12 level, due to the economic recovery. In the second year of the two-year budget sales tax revenue is expected to increase by roughly 3% annually. In the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> years of the five-year planning horizon Sales Tax is expected to increase by 4% annually. The annual growth of Sales tax over the prior 25 year period has averaged 3.2% annually.

# FINANCIAL SUMMARIES

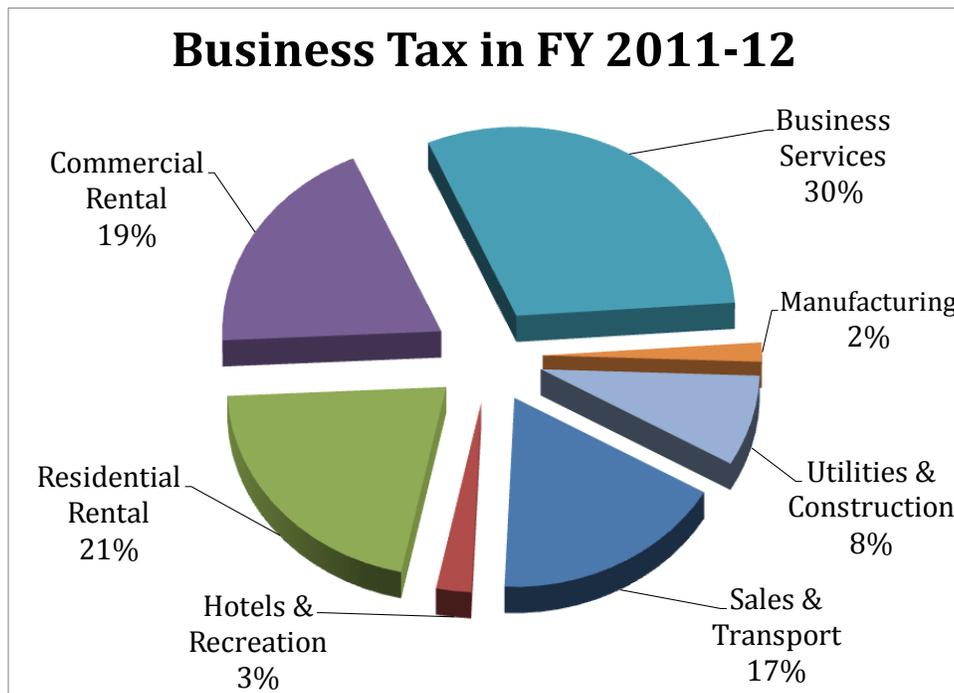


## Business License Tax

The Business License Tax (BLT) is charged annually to Oakland businesses based either gross receipts (60 percent) or rental income (40 percent). The rate on gross receipts varies by type of business, ranging from a low of sixty cents per \$1,000 of receipts for grocers to six dollars per \$1,000 of receipts for public utilities. The rate on rental income is \$13.95 per \$1,000.

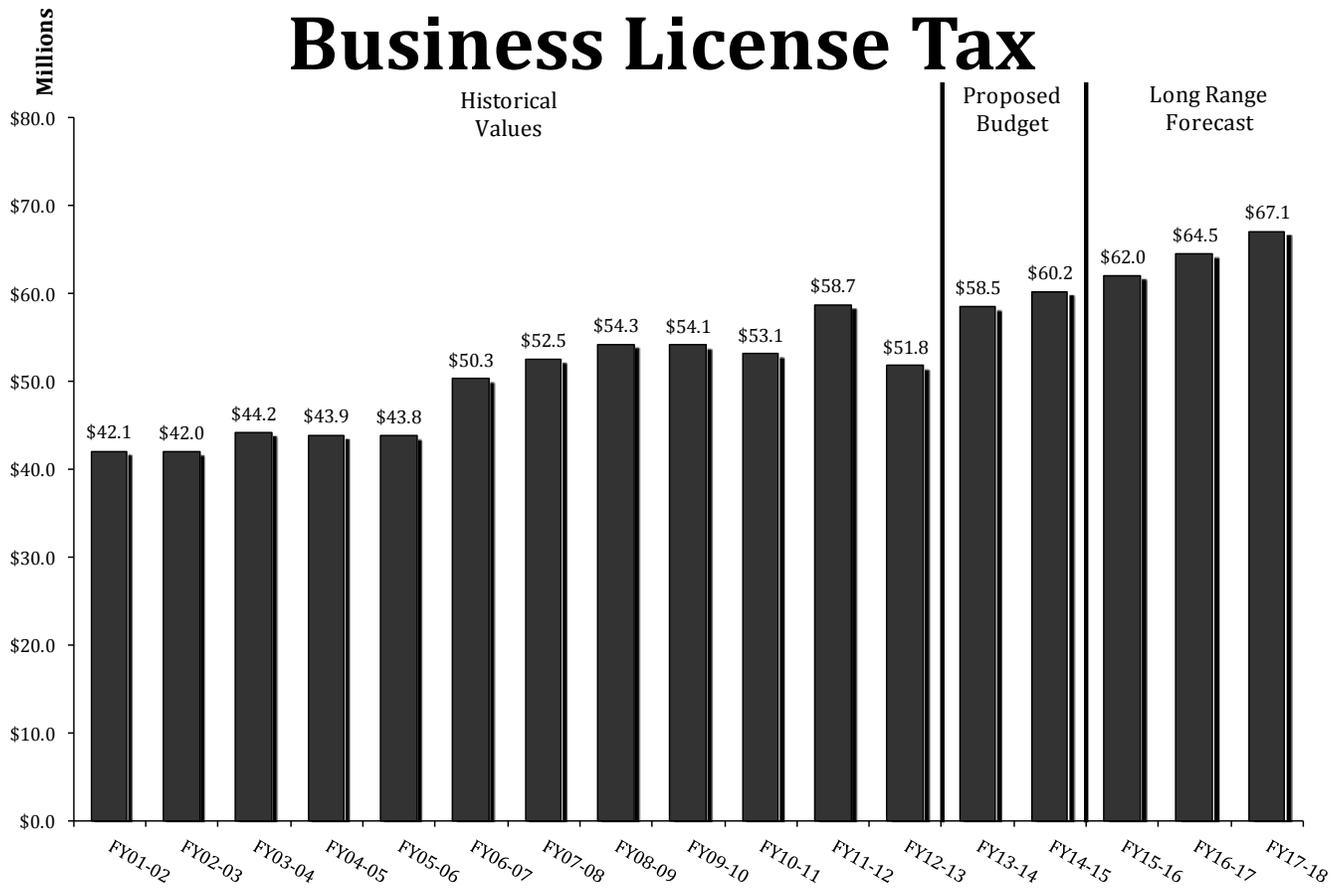
Business License Tax has been a relatively steady and reliable revenue source as shown in the chart below. However, BLT is impacted by the condition of the economy. Recessions slow down business activity, which in turn slows down the number of businesses paying business license taxes and their gross receipts. From FY 2009-10 through FY 2011-12 the City has performed a number of special audit projects which have helped to stabilize revenues bringing businesses into compliance and collecting interest and penalties on previously unpaid taxes.

Recovery of the local economy and the implementation of a new business discovery program are expected to help increase revenues in future years. Over the two-year budget and 3<sup>rd</sup> year of the five-year planning horizon business license tax revenue is expected to increase by roughly 3% annually. In the 4<sup>th</sup> and 5<sup>th</sup> years of the five-year planning horizon BLT is expected to increase by 4% annually.



# FINANCIAL SUMMARIES

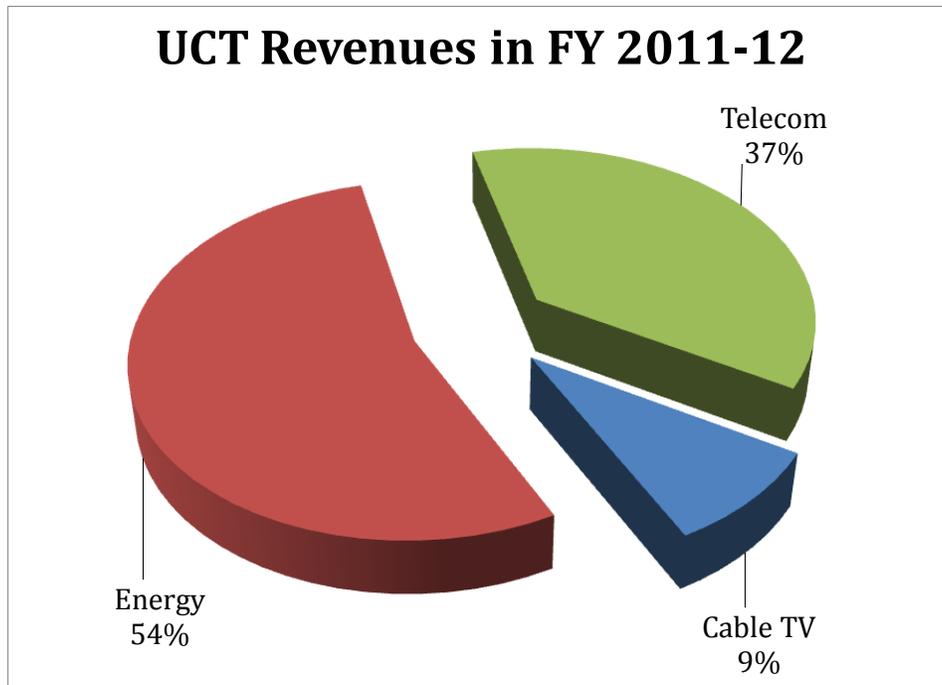
## Business License Tax



## Utility Consumption Tax

The Utility Consumption Tax (UCT) is imposed on the use of utilities, primarily electricity, natural gas, cable television, and telephone. The UCT applies to both residential and commercial users. It is collected by utility companies and remitted to the City each month. The tax rate in Oakland has been 7.5 percent since 1993, although there are two significant exceptions: annual payments by manufacturers are capped at \$350,000, and low-income residents pay just 5.5 percent on energy use (gas and electricity).

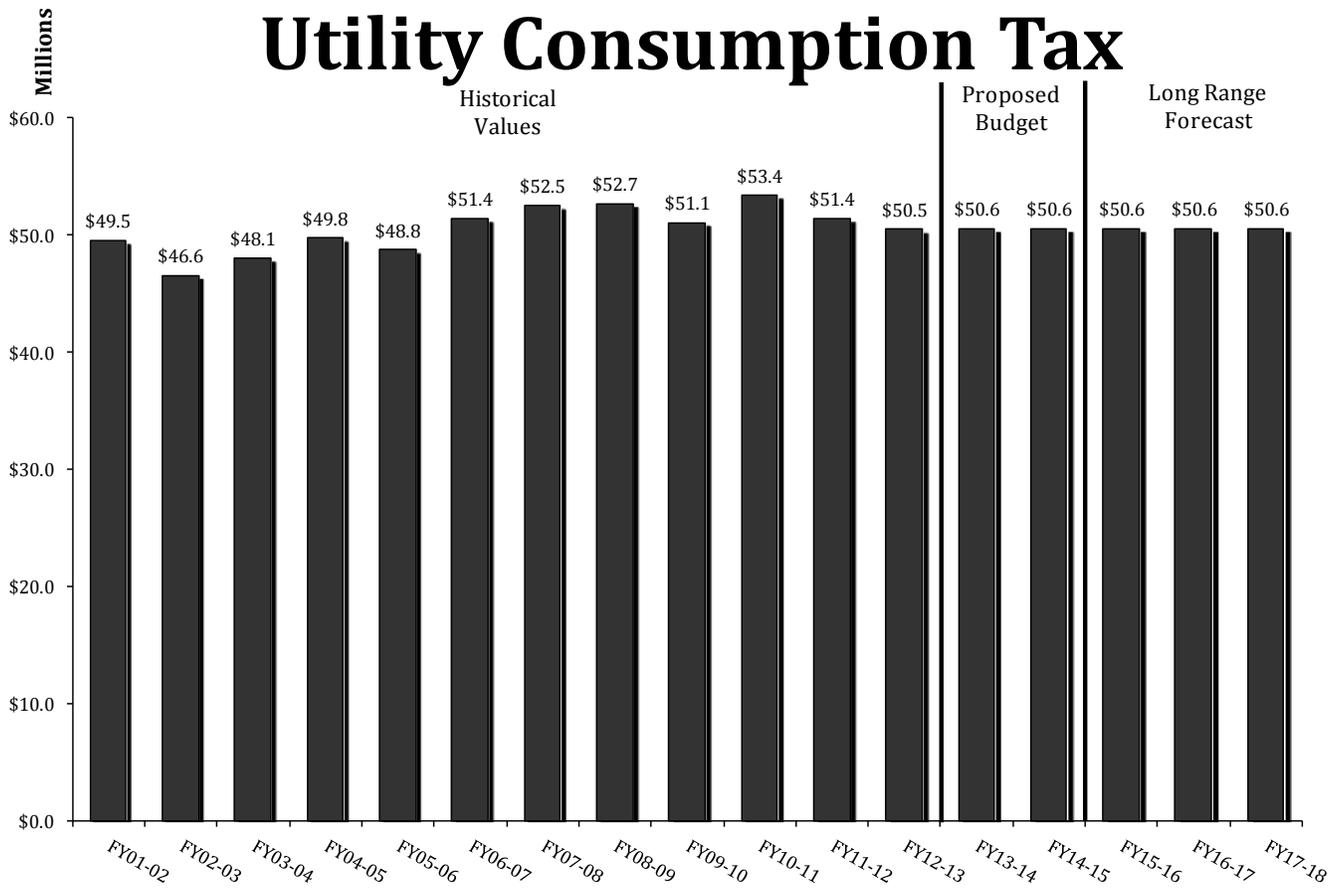
The FY 2011-12 UCT revenue totaled \$52.8 million and its composition is shown below. The graph illustrates that in FY 2011-12, energy and telecommunications accounted for a major portion of UCT, at 54 percent and 37 percent, respectively. Cable television accounted for the remaining 9 percent.



Historical growth in UCT revenue has been due in large part to increases in the tax rate and the prices of energy and services billed to customers. This tax is unpredictable due to industry restructuring, technological change, weather, dynamics of energy markets, price volatility, consumption patterns and energy conservation.

Energy consumption has been negatively impacted by the recession, energy efficiency programs, and by local conservation efforts. Telecommunications accounts for 37% of UCT revenues down from 40% in FY 2009-10. This is due to innovations in technology that have begun to erode the tax base. Services like pre-paid cell phones and voice over internet protocol, combined with decreasing data costs and industry price wars, are placing downward pressure on the consumption of taxable telecommunications services.

# FINANCIAL SUMMARIES



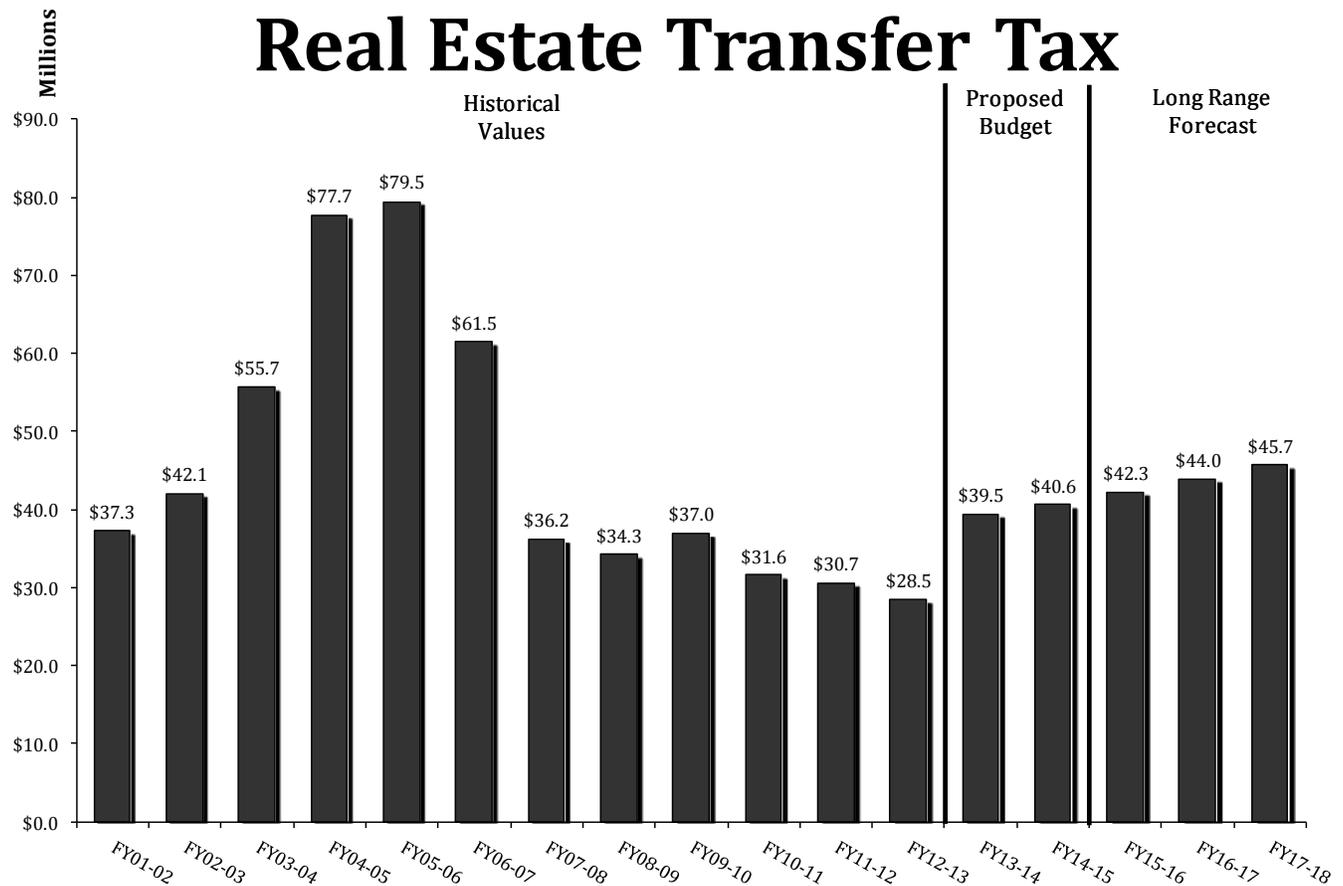
## Real Estate Transfer Tax (RETT)

The RETT rate is 1.61 percent charged to real estate transactions. Oakland’s share is 1.5 percent - Alameda County gets the remaining .11 percent. The tax is triggered by the transfer of property ownership and both the buyer and seller are responsible for ensuring the tax is paid.

Up until 2006, RETT revenue had been one of the fastest growing major revenue categories, following significant real estate market growth. As the real estate market cooled in 2007, sales volume significantly declined, and home prices decreased. This resulted from the economic downturn, rising new and existing home inventories, and escalating home foreclosures due to falling home prices and growing number of adjustable rate mortgages and subprime loan defaults. Additionally, new and more stringent lending standards plus reluctance on the part of lenders applied further downward pressure on the housing market. As demand for housing and sales transactions plummeted, RETT revenue took a major hit. In FY 2012-13 the local housing market began to experience a substantial recovery in the average sale price of homes. These price increases have resulted in strong increases in RETT revenues. It should be noted that the volume of home sales has lagged price increased largely due to many homeowners being underwater (owing a mortgage larger than the value of their home) and continued weakness in the national housing market.

RETT is often subject to major non-recurring revenues. When certain high value properties are sold they can result in anomalously high revenue. In past years the sale of the downtown City Center complex resulted in nearly \$10 million in revenue. These very large transactions cannot be accurately predicted.

Over the two-year budget RETT revenue is expected to increase by roughly 3% annually. In the 3<sup>rd</sup> 4<sup>th</sup> and 5<sup>th</sup> years of the five-year planning horizon RETT is expected to increase by 4% annually.



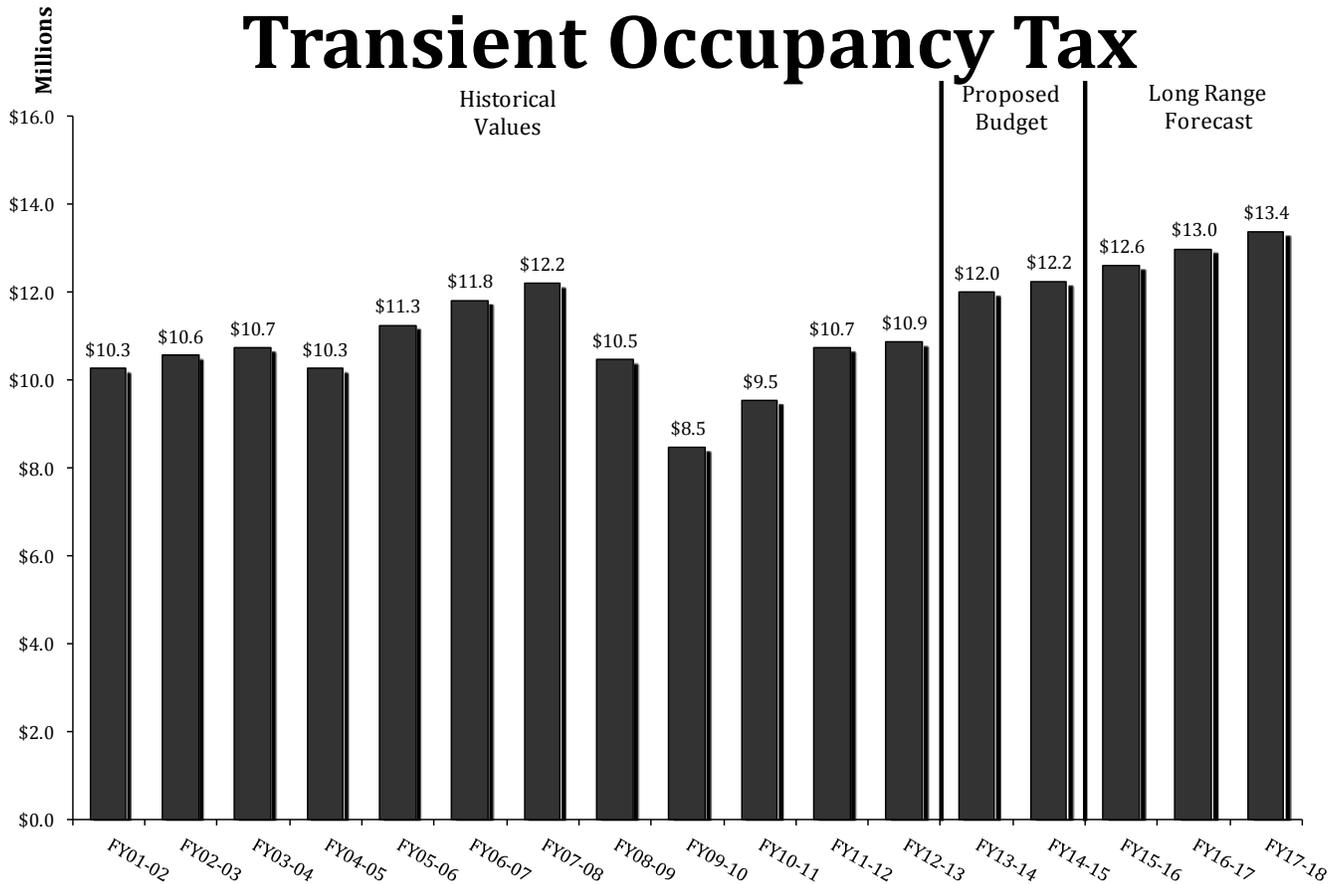
# FINANCIAL SUMMARIES

## Transient Occupancy Tax (TOT)

The Transient Occupancy Tax (TOT) rate is 14 percent and is paid by lodgers at the City’s hotels who stay thirty days or less; the tax is collected and remitted by hotel operators. The rate was increased from 11 to 14 percent in FY 2008-09 due to the Measure C tax surcharge. Measure C supports various cultural institutions and is booked in a separate fund.

TOT revenue declined by 17% in FY 2008-09 and FY 2009-10 due to the recession’s adverse affects on tourism and travel. This is consistent with the prior recessions. Following the September 11<sup>th</sup> terrorist attacks and economic slowdown, TOT revenues declined sharply and remained flat for the next four years. In FY 2005-06, TOT rebounded by 9.7 percent, and continued positive growth two years afterward, culminating in a near-record high of \$12.2 million in FY 2007-08. In FY 2008-09, TOT was again affected by an unprecedented economic recession.

TOT is expected to recover significantly over the two-year budget, reaching \$12.0 million in FY 13-14 which is a 42% increase over its recessionary low. TOT is expected to equal its pre-recession high of \$2.2 million in FY 2014-15. The recovery in TOT revenues has been principally driven by high average daily hotel room rates rather than by increased numbers of occupied hotel rooms. TOT is expected to grow by 3% annually over the five-year planning horizon.

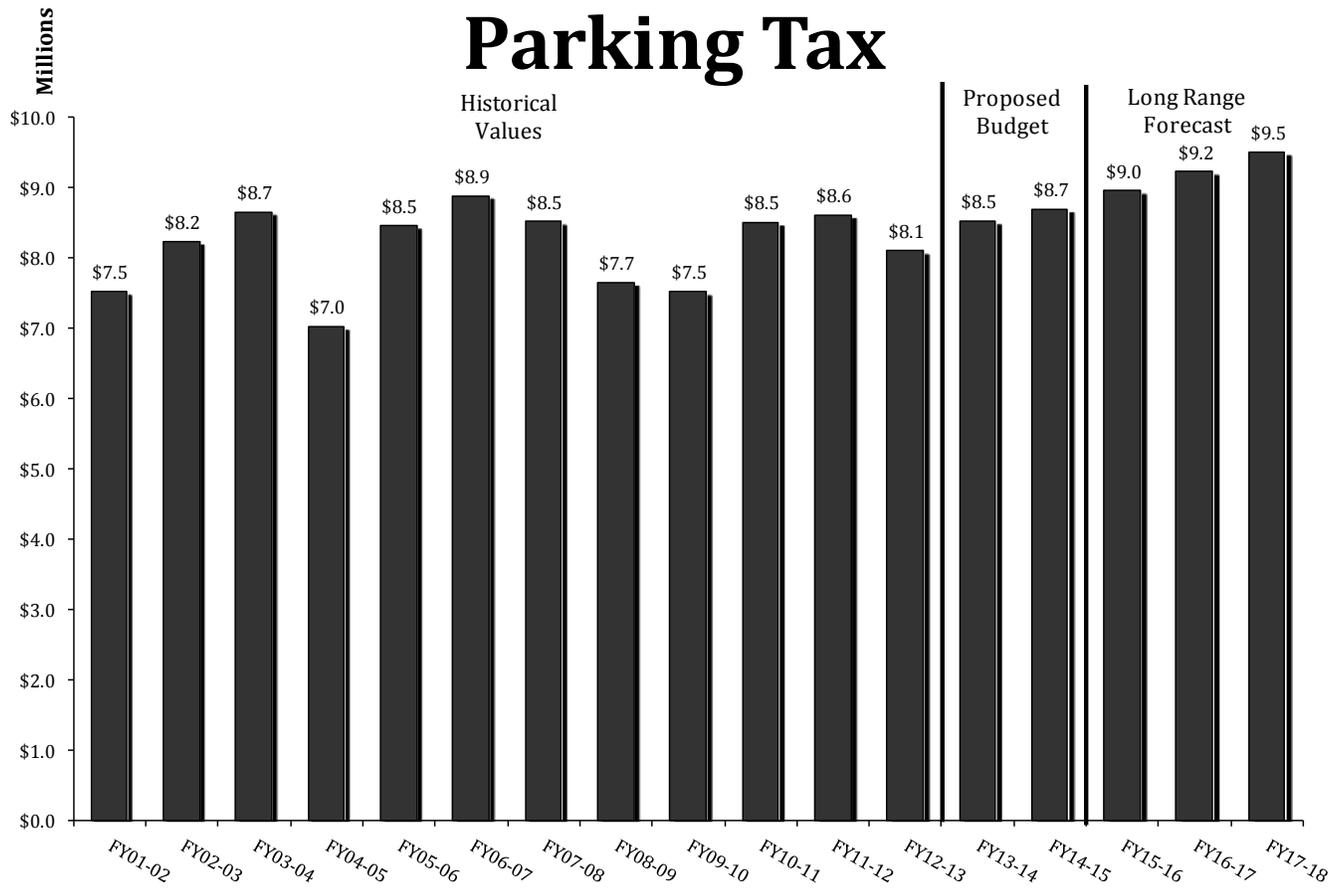


## Parking Tax

The Parking Tax is a tax imposed on the occupant of an off-street parking space. The tax rate is 18.5 percent (8.5 percent supports Measure Y activities and is booked in a separate fund), and is collected by parking operators. Approximately half of the City’s Parking Tax revenue is generated from parking at the Oakland International Airport.

The Parking Tax revenues are strongly correlated with passenger volume at the Oakland International Airport. Parking, revenue declined sharply in FY 2008-09, due to aggressive price competition, the economic downturn, and reduced airline travel.

Parking Tax revenue is expected to regain levels reached during its pre-recession peak during the FY 2013-14 and FY 2014-15 budgets. Parking tax is expected to continue to grow at a rate of 3% annually through the five-year planning horizon, exceeding its all time high by FY2015-16.



# FINANCIAL SUMMARIES

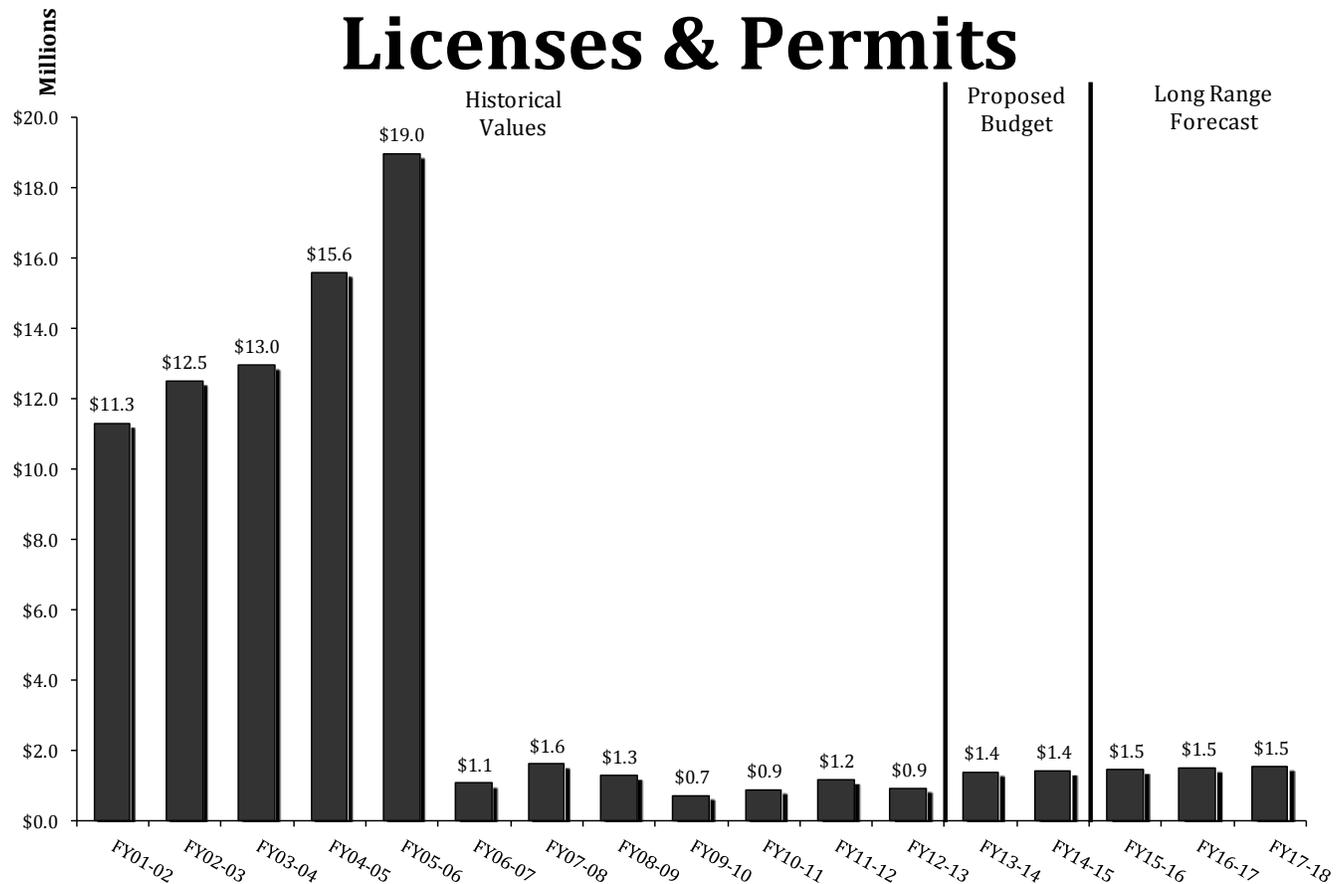
## Licenses & Permits

Licenses and Permits revenue primarily includes special Police and Fire permits, traffic, medical cannabis, bingo permits, residential parking permits, and animal licenses.

In FY 2006-07, 93 percent of License & Permit revenue related to development and building code enforcement activities were taken out of the General Purpose Fund (GPF) and moved to the new Development Services Fund (2415). Those revenues were specifically associated with a variety of development and enforcement activities, such as land use, permit, and inspection and abatement services. This separation was intended to allow clearer monitoring of these revenues and their related expenditures, as required by state law.

As a result of the separation, Licenses and Permits revenue after FY 2006-07 dropped to a new baseline of only 7 percent of the previous amounts.

Licenses and Permits are assumed to growth by 3% over the two-year budget and five-year planning horizon.

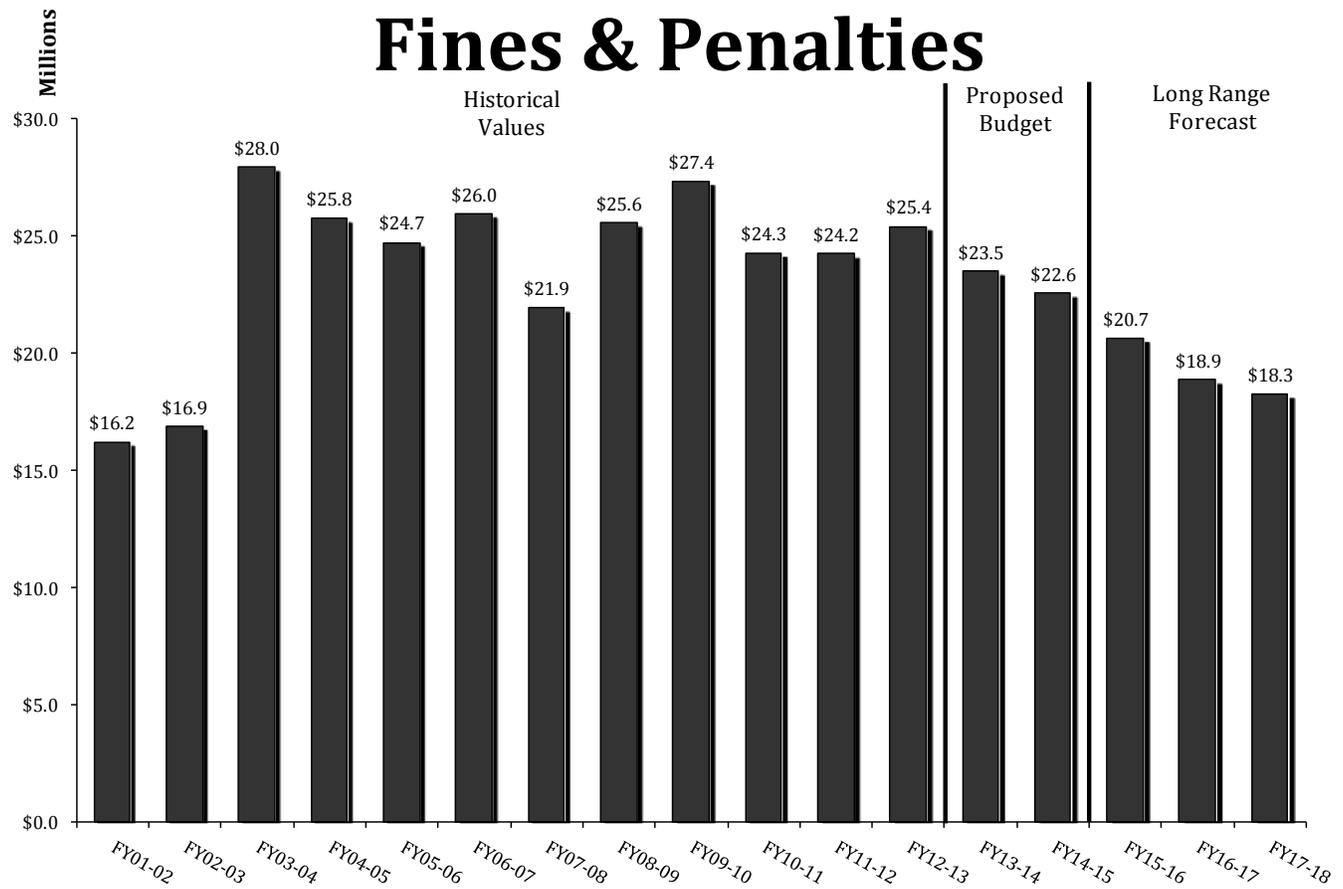


## Fines & Penalties

Fines & Penalties consist primarily of parking enforcement fines (roughly 90 percent of the total), penalties, and interest on late property tax payments.

Parking citation revenue collected for FY 2013-14 is projected to be roughly 3% below FY 2011-12 actuals. The decline is primarily due to decreased parking citation issuance arising from the implementation of several parking friendliness policies including the five-minute grace period and the park mobile pilot program. Between FY 2013-14 and FY 2014-15 parking citation revenue is expected to decline by 12.5% due to the installation of 1,200 new debt/credit parking meters. In other cities parking citation revenue has fallen by up to 30% due to the installation of similar meters. In future years parking citation revenue is expected to decline by between 7% and 8% per year due to the continuing installation of new debit/credit parking meters at a rate of 600 meters annually.

Parking citations revenue is expected to increase by \$2.0 million over its base amount in FY 2014-15 with the implementation of a Car Boot Compliance program in partnership with other local governments. Roughly \$200,000 of the revenue is assumed to be ongoing in FY 2015-16 through FY 2017-18.

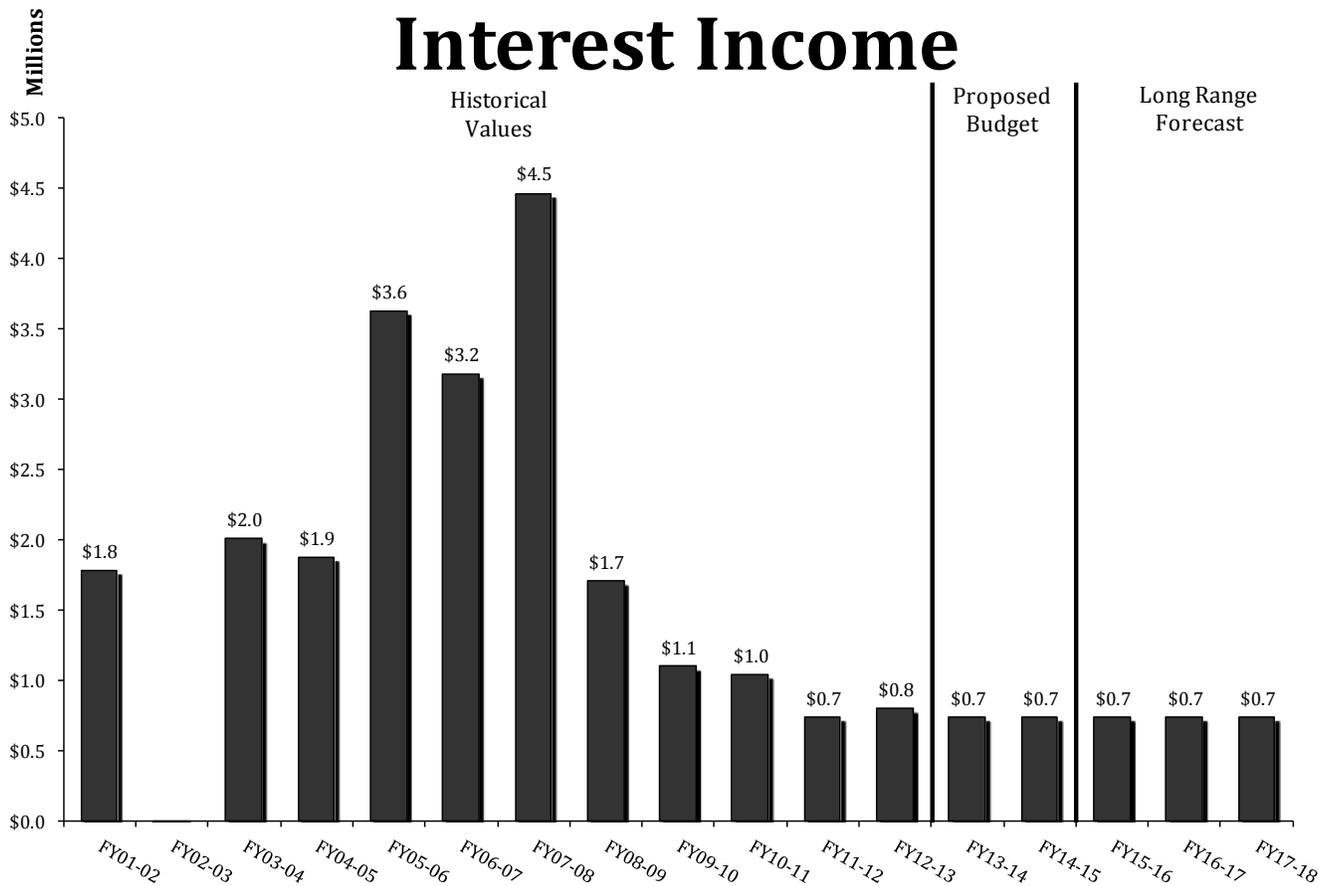


# FINANCIAL SUMMARIES

## Interest Income

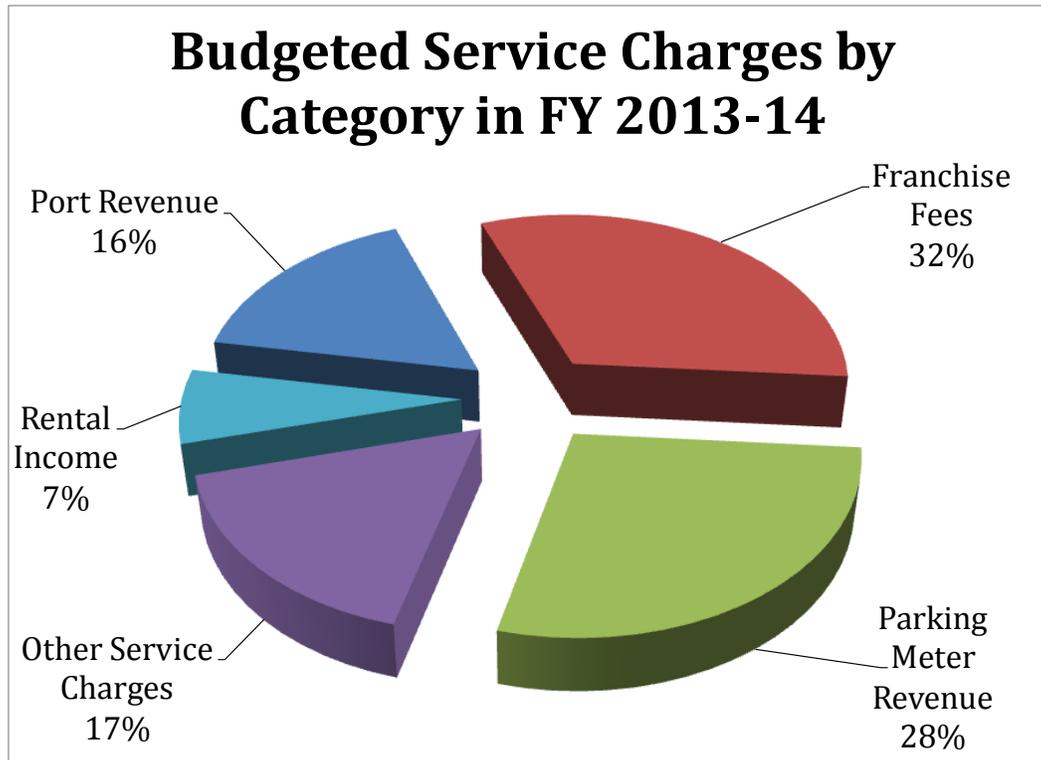
This revenue category nets interest income from investments against the cost of advances made from the City's General Purpose Fund to other funds.

Interest income is volatile, fluctuating along with short-term interest rate movements. Interest income is estimated at \$0.8 million in each of FY 2013-14 and FY 2014-15. The amount reflects the interest income projected to be received from pooled investments.



## Service Charges

Service charges are imposed on the user of a service provided by the City. The charge, or fee, may recover all or part of the cost of providing the service. In FY 2006-07, the composition of this revenue changed significantly, explaining the steep drop in revenue that year. A major change in that year saw \$11 million in revenues related to building and construction being permanently moved into the Development Services Fund (2415).

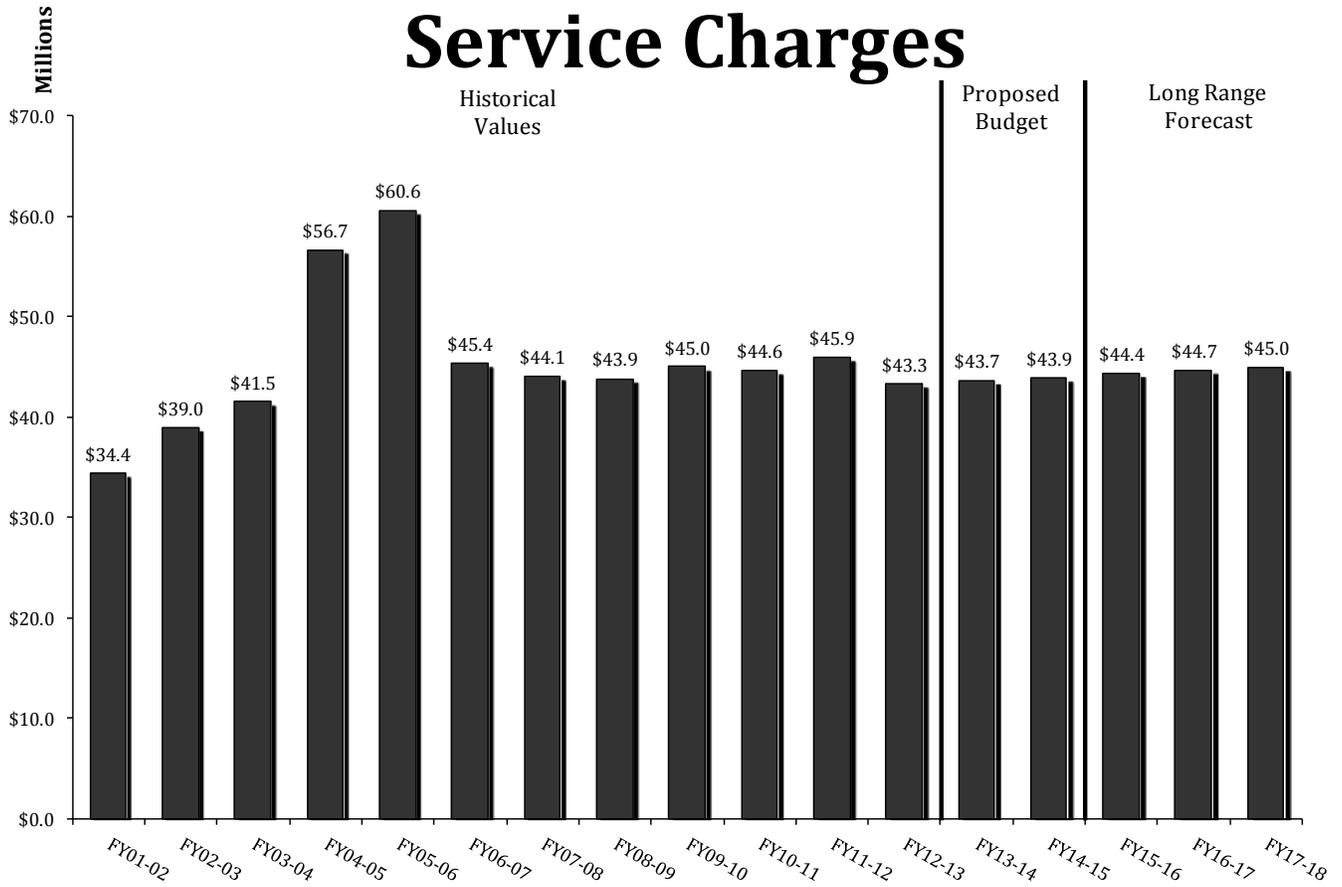


Background information concerning the components of service charges is provided below:

- **Port Revenue** consists of payments for general services, Fire, and other services the City provides to the Port. The City invoices semi-annually, based on actual costs of services. Port revenue is expected to remain constant over the two-year budget and five-year planning horizon.
- **Franchise Fees** apply to four utilities for the use of City rights of way: PG&E for gas and electric; Waste Management of Alameda County for garbage collection; East Bay Municipal Utility District for water; and Comcast for cable television. Franchise fee revenue is expected to remain constant over the two-year budget and five-year planning horizon.
- **Parking Meter Revenue** consists of charges for parking in metered street stalls. Parking revenue is expected to grow between 1% and 2% annually over the two-year budget and five-year planning horizon in anticipation of the installation of new debit/credit parking meters.
- **Other Service Charges** is revenue from other fees charged including parks and recreation fees, public works fees, fire inspection fees, and charges for personnel service to provide public safety at events. These revenues are expected to grow by 2% annually over the two-year budget and five-year planning horizon.
- **Rental Income** is rental fees for the City's facilities and lands, as well as concessions at various locations. These revenues are expected to grow between 1% and 2% annually over the two-year budget and five-year planning horizon.

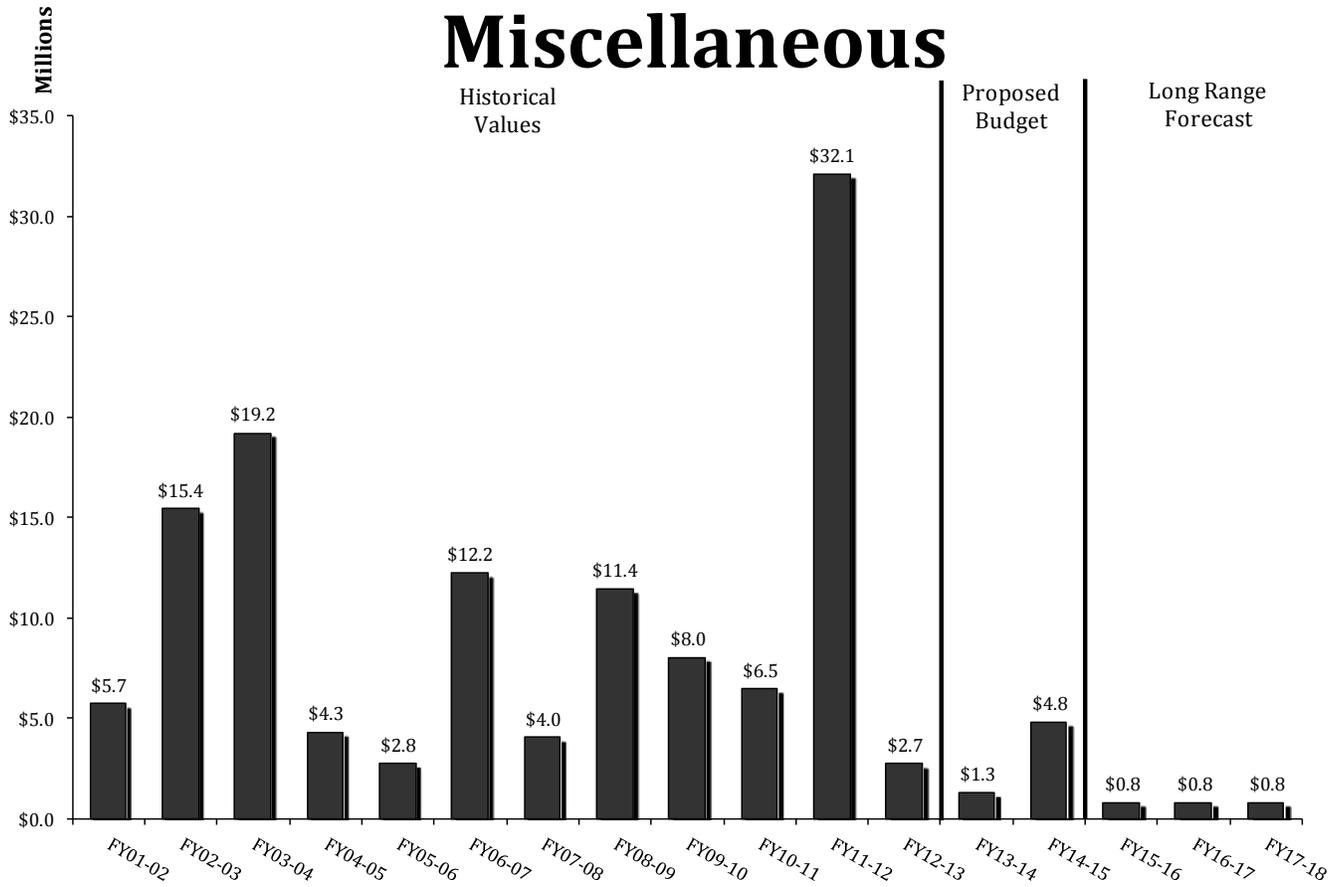
# FINANCIAL SUMMARIES

## Service Charges



## Miscellaneous

The Miscellaneous category consists largely of one-time items that do not fit well into other categories, such as billboard revenue agreements and land/property sales. The Miscellaneous category has experienced substantial variation from year to year, due to its one-time and unpredictable nature. The peaks in FY 2002-03, FY 2003-04, FY 2006-07 and FY 2008-09 occurred as a result of a large number of land and facility sales in those years. The large peak in FY 2011-12 is also a result of land sales, notably the Henry J. Kaiser Convention Center. In FY 2014-15 \$4.0 million is budgeted for sale and rental of city property and assets.



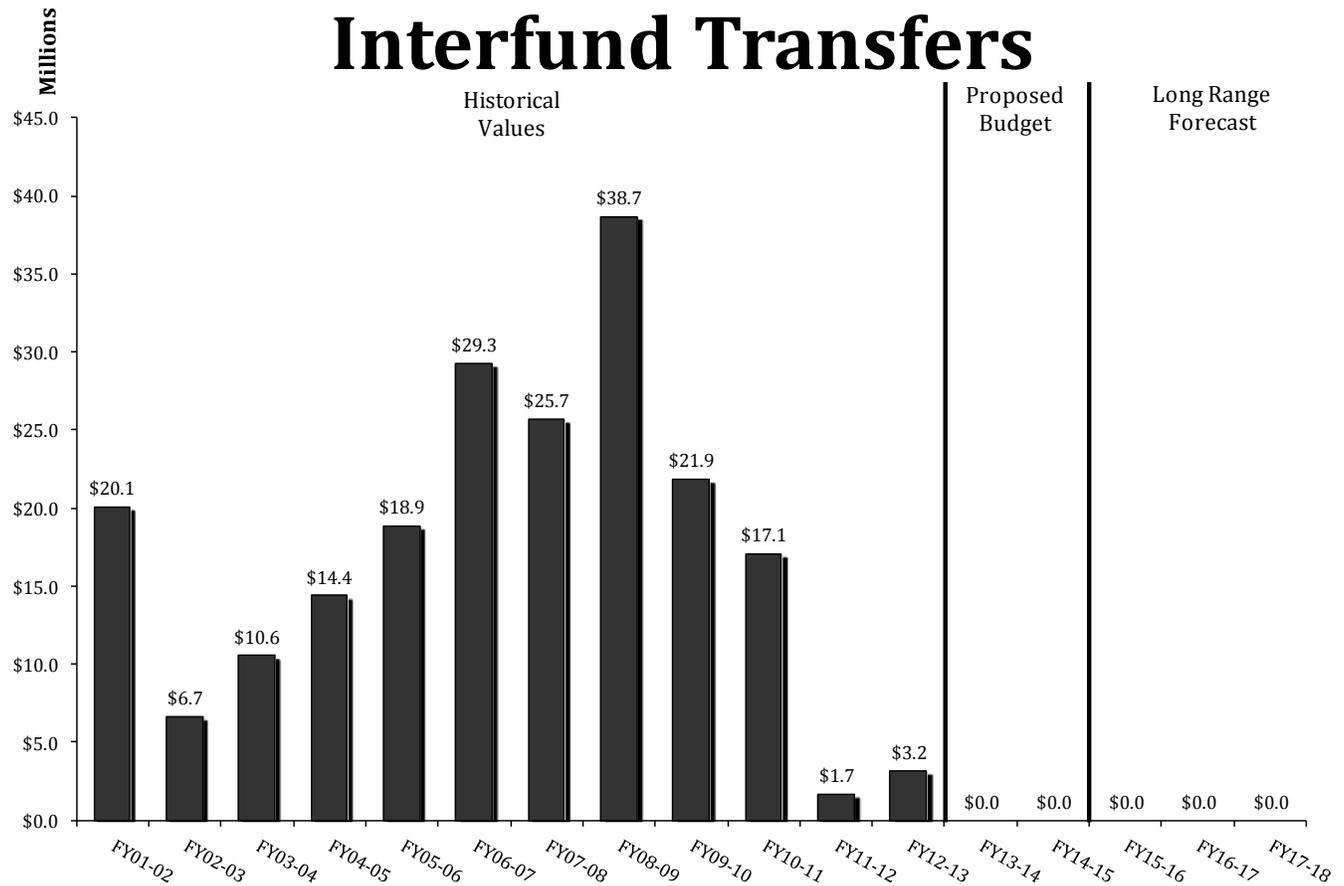
# FINANCIAL SUMMARIES

## Interfund Transfers

Interfund Transfers are transfers into the GPF from other funds. They can be made for a variety of reasons and have various objectives. These transfers are usually one time payments or scheduled payments for a limited time.

For example, the Sewer Service Fund (3100) has been making fund transfers into GPF to cover the cost of the office space taken up by Sewer Service employees in the City Administration Complex.

In FY 2012-13 the GPF is expected to receive only \$1.1 million in Interfund Transfers; \$400,000 from the Multipurpose Fund and \$608,000, one from the Sewer Service Fund. In FYs 13-14 and 14-15 the GPF is not expected to receive Interfund Transfer revenue. The Multipurpose Fund is unable to support a transfer due to an operating deficit and negative fund balance, and the Sewer Service Fund's transfer is being reclassified as a service charge.



**EXPENDITURE TABLES**

**FINANCIAL SUMMARIES**

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**NOTES**

# FINANCIAL SUMMARIES

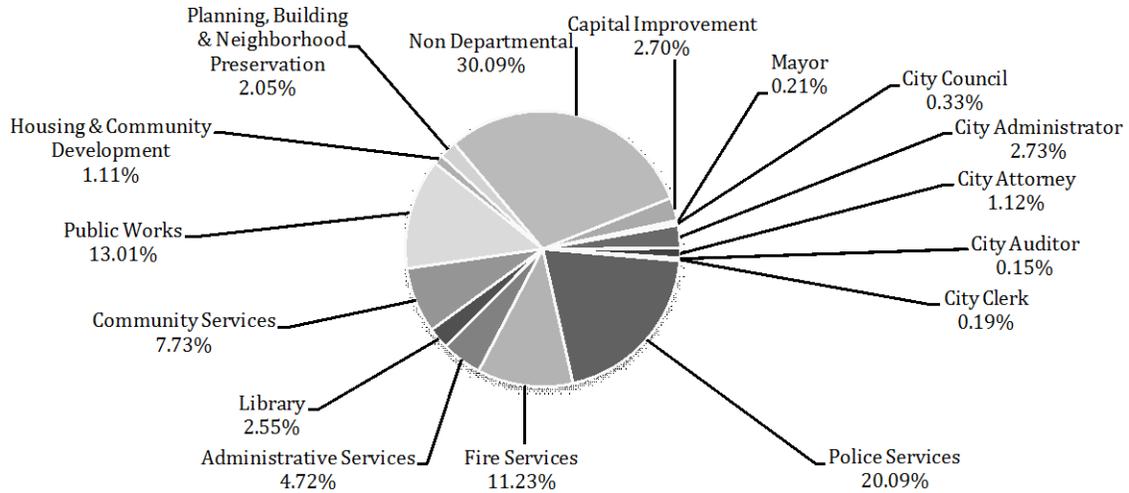
## ALL FUNDS EXPENDITURES

Agency / Department	FY 2012-13 Midcycle Adopted Budget	FY 2013-14 Proposed Policy Budget	FY 2014-15 Proposed Policy Budget
Mayor	\$1,546,515	\$2,237,505	\$2,188,230
City Council	3,419,414	3,547,574	3,434,472
City Administrator			
Administration	16,913,493	7,176,602	7,324,238
Citizens' Police Review Board	1,312,501	2,090,136	2,104,580
Contract Compliance	1,523,489	1,622,317	1,659,977
Economic & Workforce Development	8,287,018	8,337,841	8,384,112
Measure Y	469,282	537,690	543,025
Neighborhood Investment	7,829,790	4,962,975	5,103,403
Public Ethics	200,327	301,047	308,010
Oaklanders' Assistance Center	184,595	202,087	206,915
Other Services <sup>1</sup>		3,188,135	3,251,450
Revenue	13,710,674		
City Attorney	12,058,374	11,690,121	11,748,002
City Auditor	900,535	1,556,461	1,510,761
City Clerk	2,108,852	1,966,929	1,923,619
Police Services	194,952,142	203,624,584	218,214,087
Fire Services	108,509,408	110,691,069	125,175,820
Administrative Services			
Administration	1,765,474	1,126,910	1,178,508
Controller's Office	4,951,376	5,484,674	5,611,583
Revenue		16,771,814	16,890,606
Treasury	6,260,729	6,631,941	7,217,221
Human Resources	5,132,191	5,454,601	5,562,302
Information Technology	12,799,850	14,169,783	13,076,550
Community Services			
Neighborhood Services	236,338	325,514	332,264
Parks and Recreation	22,248,240	23,186,389	23,718,699
Human Services	52,780,189	57,087,808	57,605,719
Library	24,599,505	26,151,702	27,402,539
Public Works	121,211,128	135,880,484	137,188,373
Housing & Community Development	13,312,193	11,765,617	11,616,614
Planning, Building & Neighborhood Preservation	20,708,482	21,322,043	21,648,739
Non-Departmental	290,658,010	322,459,076	309,245,551
<b>Subtotal Expenditures</b>	<b>\$950,590,114</b>	<b>\$1,011,551,429</b>	<b>\$1,031,375,969</b>
Capital Improvement Projects	33,512,000	27,455,500	29,208,000
<b>Grand Total</b>	<b>\$984,102,114</b>	<b>\$1,039,006,929</b>	<b>\$1,060,583,969</b>

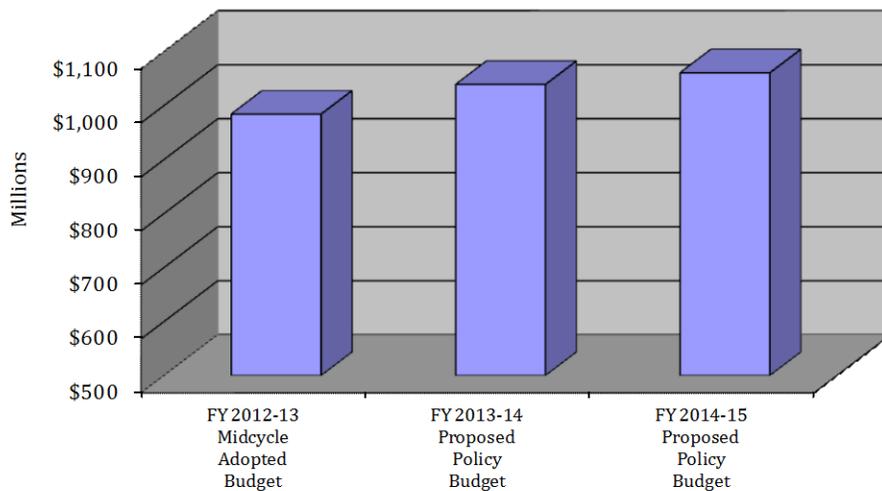
<sup>1</sup> Other Services consists of Equal Opportunity Programs, Employee Relations, Budget, and KTOP Operations

# FINANCIAL SUMMARIES

## BREAKDOWN OF FY 2013-15 (2 YEAR TOTAL) ALL FUNDS EXPENDITURE BY DEPARTMENT



## HISTORICAL CHANGES IN ALL FUNDS



# FINANCIAL SUMMARIES

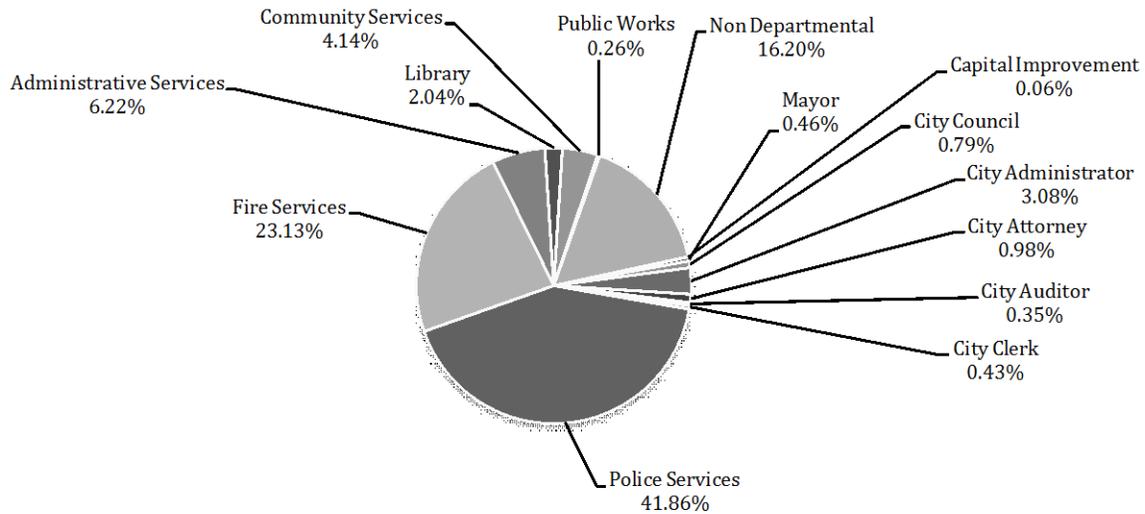
## GENERAL PURPOSE FUND EXPENDITURES

Agency / Department	FY 2012-13 Midcycle Adopted Budget	FY 2013-14 Proposed Policy Budget	FY 2014-15 Proposed Policy Budget
Mayor	\$1,302,162	\$2,055,907	\$2,002,220
City Council	2,898,046	3,547,574	3,434,472
City Administrator			
Administration	10,735,078	5,441,605	5,577,856
Contract Compliance	1,523,489	1,486,008	1,520,357
Citizens' Police Review Board	1,312,211	2,090,136	2,104,580
Economic & Workforce Development	1,765,816	1,614,336	1,646,798
Measure Y	-	51,450	52,700
Neighborhood Investment	502,285	392,592	373,650
Public Ethics	200,327	254,754	260,592
Oaklanders' Assistance Center	184,595	202,087	206,915
Other Services <sup>1</sup>		2,004,760	2,046,930
Revenue	8,293,649		
City Attorney	4,311,203	4,406,790	4,289,481
City Auditor	900,535	1,556,461	1,510,761
City Clerk	1,930,089	1,917,527	1,873,031
Police Services	168,711,136	178,790,549	192,780,324
Fire Services	95,082,296	95,480,831	109,836,720
Administrative Services			
Administration	1,412,431	829,250	867,824
Controller's Office	2,986,720	3,506,507	3,587,075
Revenue		9,218,448	9,119,151
Treasury	2,336,775	2,938,342	2,997,461
Human Resources	3,555,576	3,711,524	3,790,743
Information Technology	6,901,267	7,928,774	6,748,750
Community Services			
Neighborhood Services	236,293	325,514	332,264
Parks and Recreation	12,142,017	12,787,013	13,057,703
Human Services	4,912,556	5,077,316	5,150,220
Library	8,829,585	9,060,667	9,060,466
Public Works	816,207	1,156,776	1,178,195
Housing & Community Development	-	-	-
Planning, Building & Neighborhood Preservation	-	-	-
Non-Departmental	64,654,586	72,070,114	71,742,445
<b>Subtotal Expenditures</b>	<b>\$408,436,930</b>	<b>\$429,903,612</b>	<b>\$457,149,684</b>
Capital Improvement Projects	502,000	252,000	252,000
<b>Grand Total</b>	<b>\$408,938,930</b>	<b>\$430,155,612</b>	<b>\$457,401,684</b>

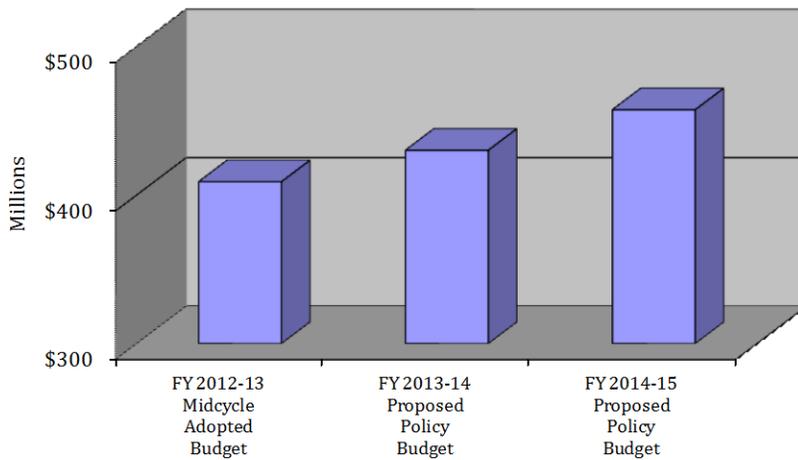
<sup>1</sup> Other Services consists of Equal Opportunity Programs, Employee Relations, and Budget

# FINANCIAL SUMMARIES

## BREAKDOWN OF FY 2013-15 (2 YEAR TOTAL) GENERAL PURPOSE FUND EXPENDITURE BY DEPARTMENT

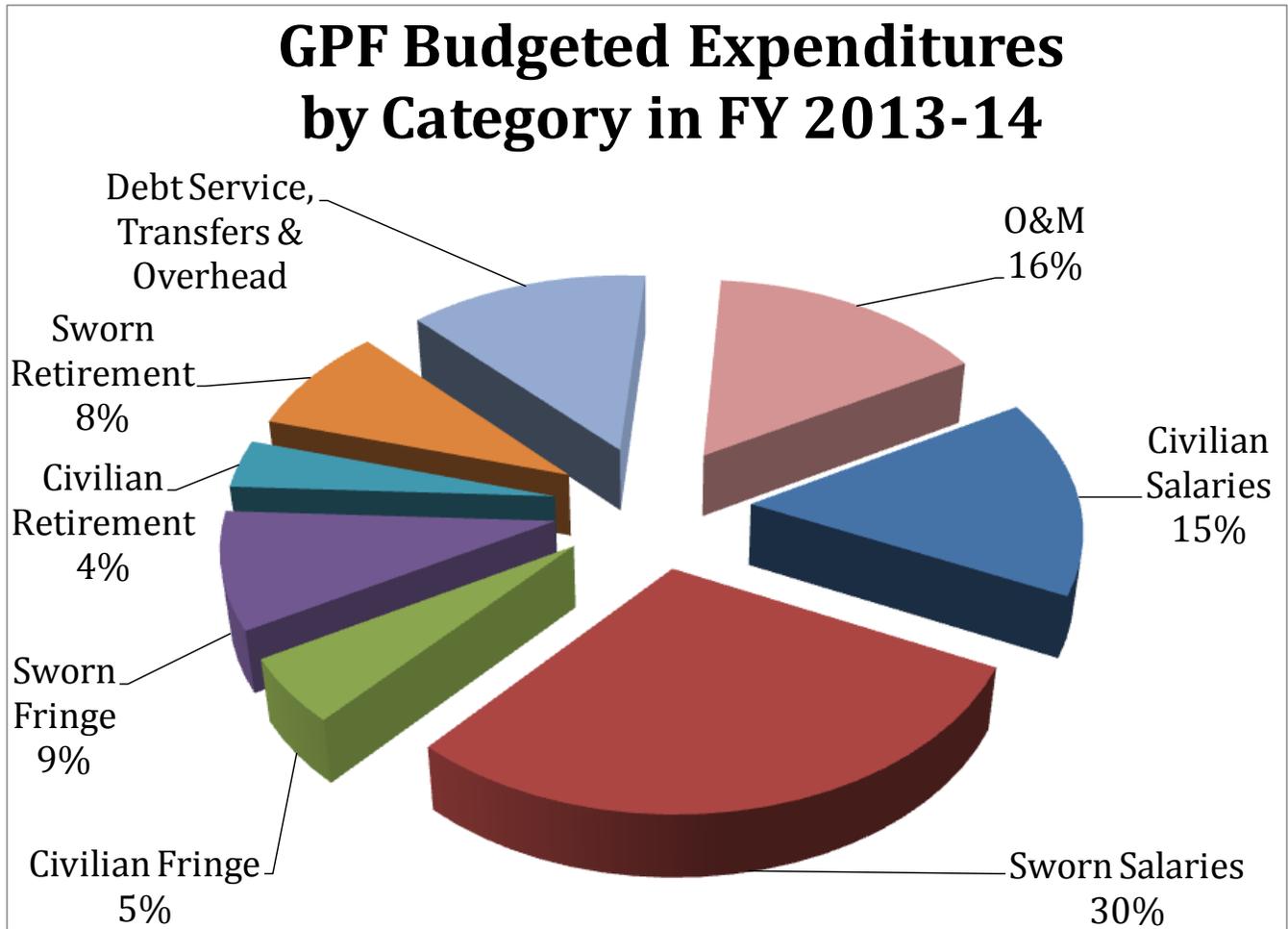


## HISTORICAL CHANGES IN GPF FUNDS



**SUMMARY OF THE GENERAL PURPOSE FUND EXPENDITURES**

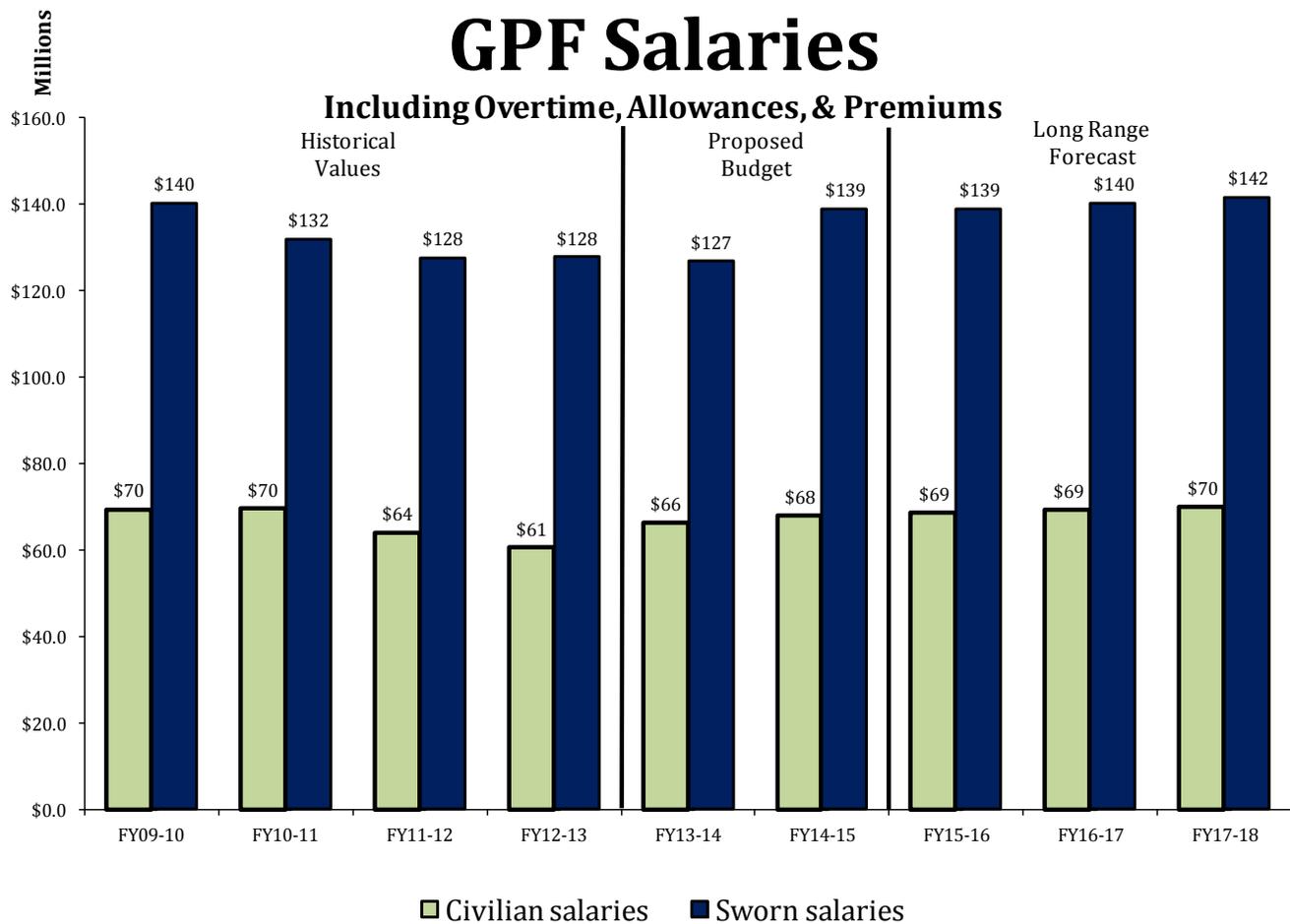
Below is a detailed discussion of the individual categories that comprise General Purpose Fund (GPF) expenditures. For each category, a brief description is provided, followed by relevant analysis, and key forecast assumptions.



# FINANCIAL SUMMARIES

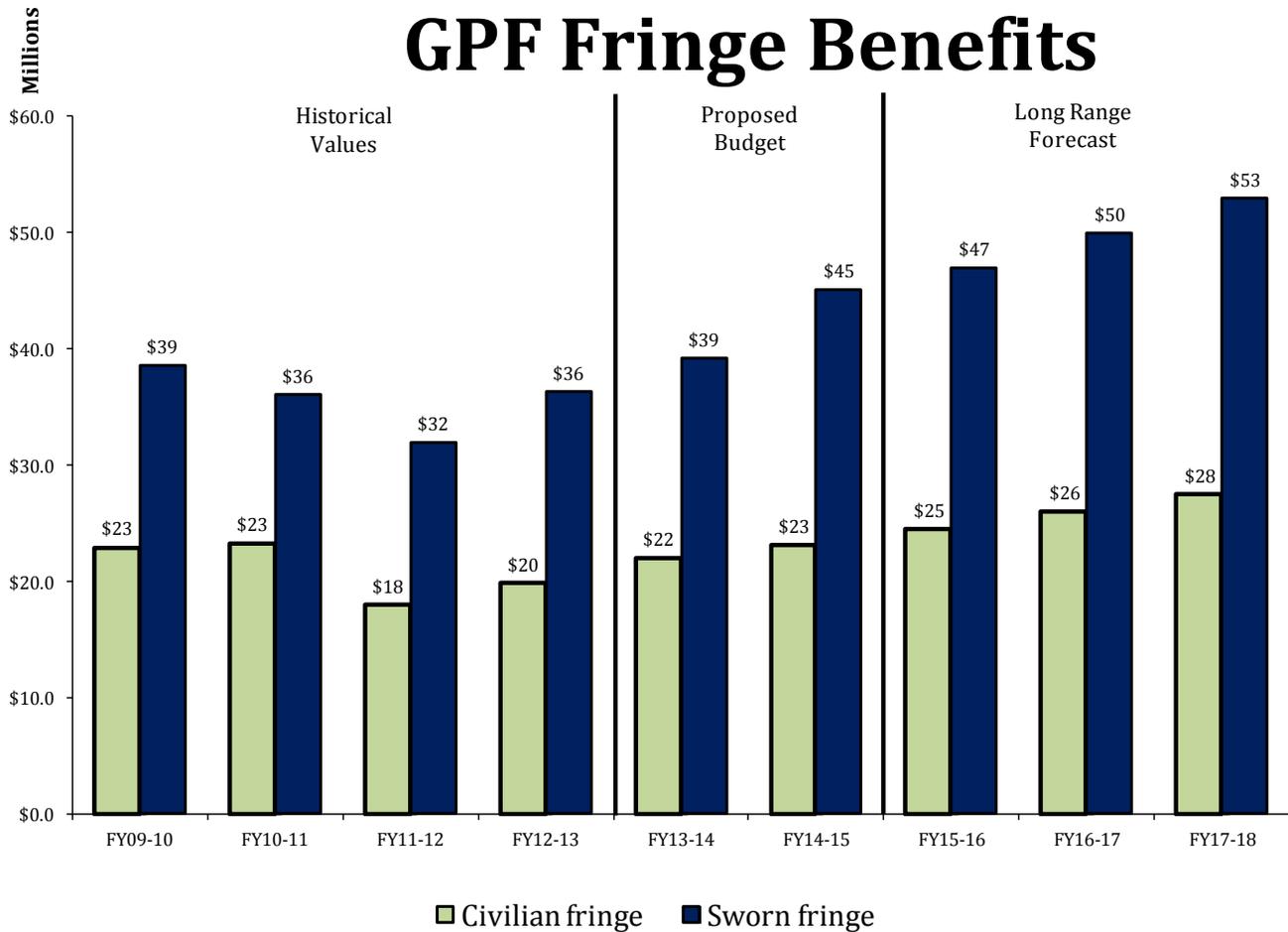
## Salaries

The sunset of most civilian and sworn employee contributions is already built into the FY 2013-15 proposed budget, as almost all contributions in current contracts end during that period. The forecast assumes no cost of living adjustment (COLA) for any staff during the forecast period. The forecast also assumes modest salary growth due to step increases, which amount to about 1% per year of total payroll. Staff levels are held constant in FY 2015-16, FY 2016-17, and FY 2017-18 at proposed FY 2014-15 levels. Notably, the forecast assumes one police academy per year in FY 2015-16, FY 2016-17, and FY 2017-18, which roughly maintains the sworn staffing level.



## Fringe Benefits

Civilian and sworn fringe benefit expenditures are comprised of many components, including health insurance, workers' compensation, dental and vision insurance, disability insurance, unemployment insurance, and others. Staff assumed that health insurance costs would grow by 6% per year during the forecast period. Although the City's health insurance program administrator, California Public Employees Retirement System (CalPERS), will not provide a long-term estimate, this is consistent with a blend of recent history and estimates by experts, notably the City's actuary, Aon Hewitt, and the City's health benefits broker. Other fringe benefit expenditures are also projected to grow by an average of 6% per year. Cost sharing between employer and employee on fringe benefits is also a bargained arrangement. For the purpose of the forecast, staff assumed that the arrangement currently in place would continue (e.g., the City fully pays the Kaiser family of four health insurance premium).

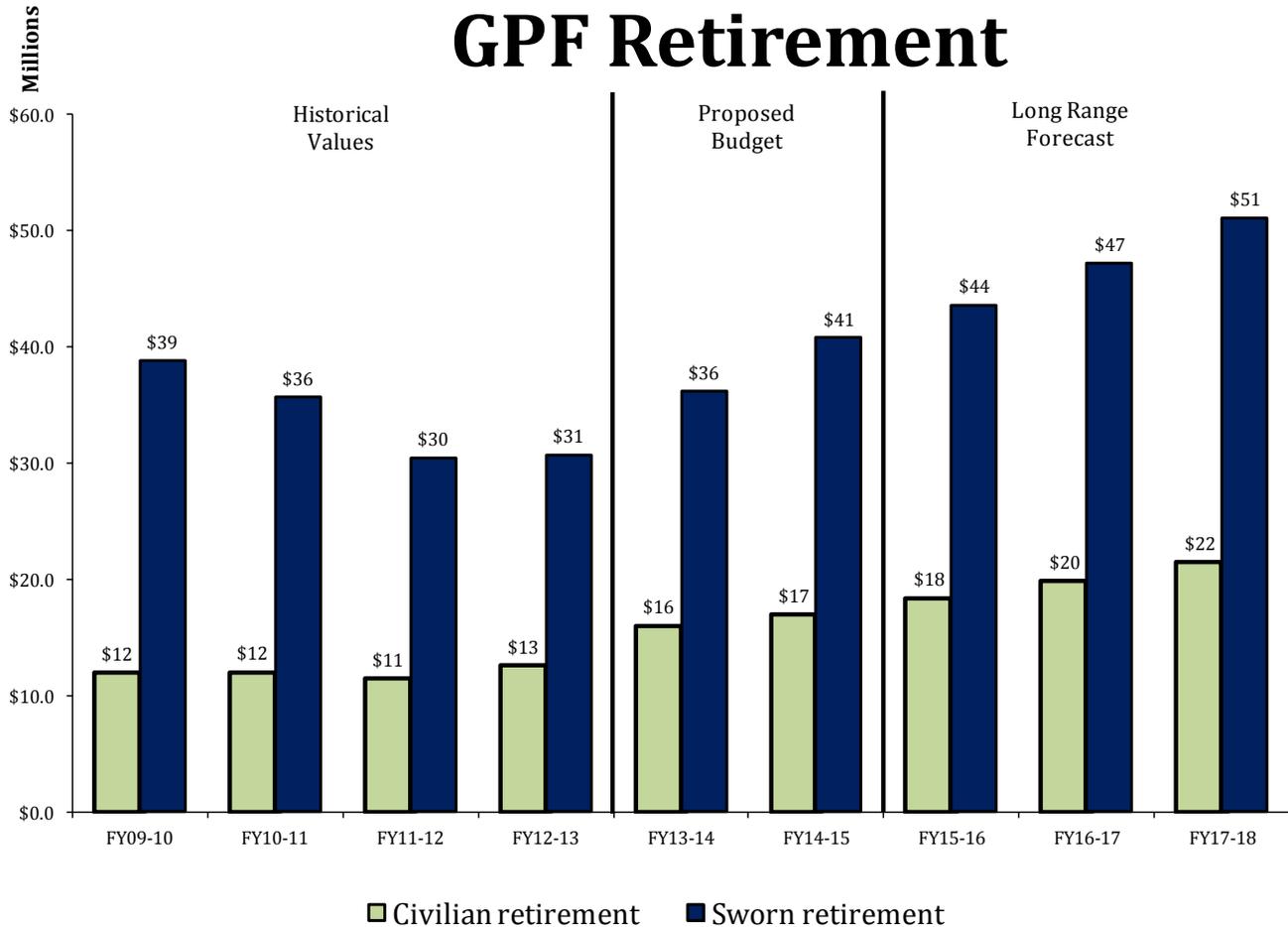


# FINANCIAL SUMMARIES

## Retirement

Staff assumed that the City’s employer contribution retirement expenditures for current civilian and sworn employees would grow as projected by CalPERS, the City’s retirement program administrator. Based on the most current information available, this is expected to involve a 4.25% per year increase for sworn employees and 5.5% for civilian employees for FY 2015-16, FY 2016-17, and FY 2017-18.

Although CalPERS identifies an “employer contribution” and “employee contribution” for retirement deposits, the actual cost sharing between the City and employees is a bargained arrangement codified in Memoranda of Understanding (MOUs) between the City and employee unions. CalPERS is considering a number of changes to its pension funding rules, which could significantly impact the employer contribution cost to participating agencies, so this is an area of substantial uncertainty in the forecast. Although the California Legislature passed a pension reform bill in 2012, we have assumed that the legislation will have no substantial impact on Oakland’s required retirement contributions to CalPERS during the forecast period, particularly as the City is not expecting to add many new employees during the forecast period. Similarly, the forecast assumes that the City’s recently adopted second tier retirement program will not result in any retirement savings to the City during the forecast period.



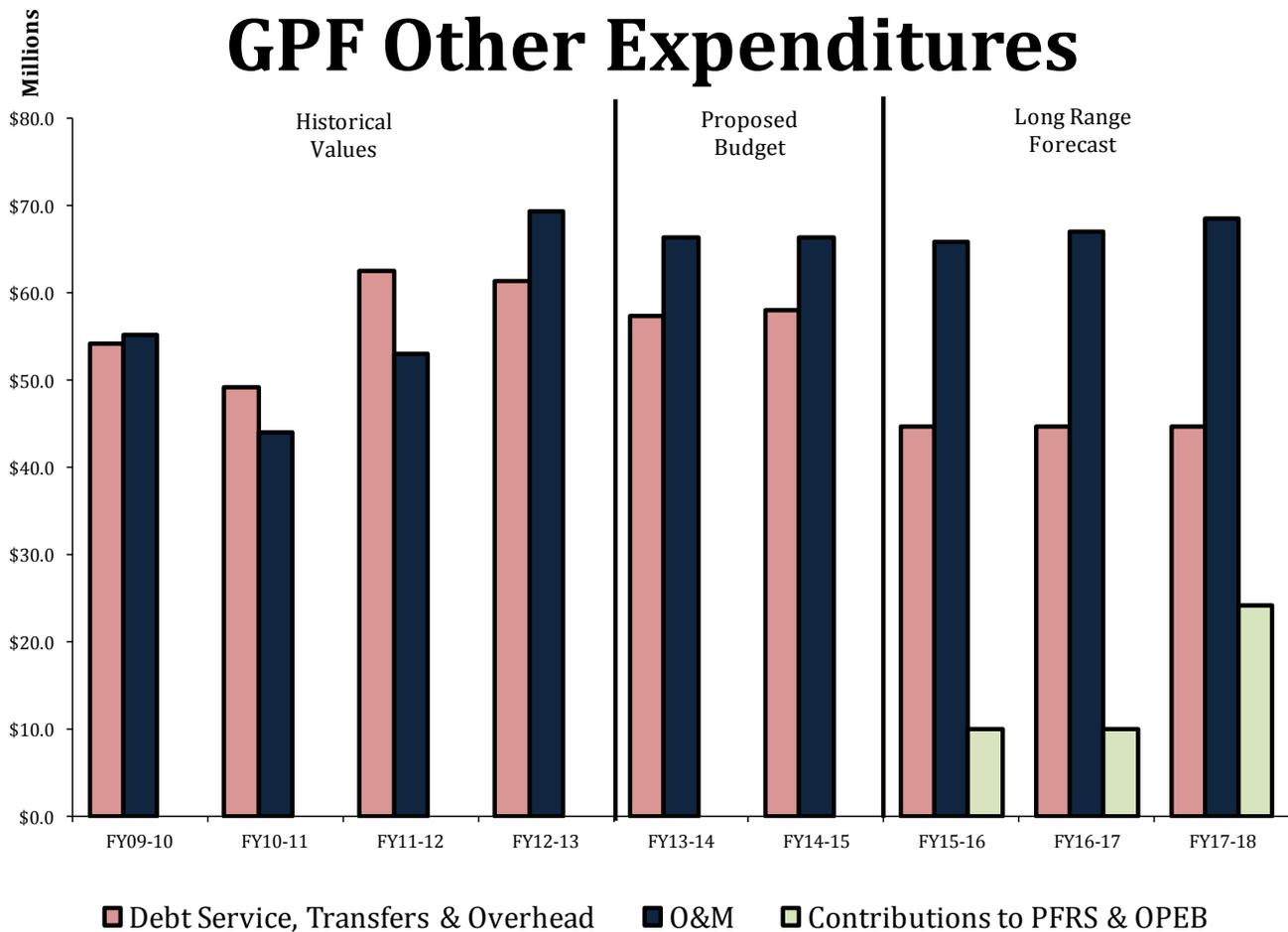
## Other Expenditures

### Operations and Maintenance

Staff forecasted that operations and maintenance (O&M) expenditures would remain in future years at FY 2014-15 levels, consistent with budgeting practices and the City's actual experience with these expenditures. Historically, operations and maintenance expenditures, which are composed of services and supplies and contracts, have grown very slightly, and therefore 0% growth seems like a prudent estimate.

### Debt Service, Overhead, and Operating Transfers

The City's Treasury Division estimated the future debt service expenditures based on the repayment schedule of the City's current debt. Debt service includes principal and interest expenses on bonds and other loans. Staff forecasted that overhead and operating transfers would remain constant at FY 2014-15 levels. The FY 2013-15 proposed budget contains some updates to overhead cost recovery rates relative to past years.



**NOTES**

**OTHER BUDGET INFORMATION**

**NOTES**

### NEGATIVE FUNDS

Many non-GPF City funds have negative balances. The poor financial standing of the funds is a result of historical overspending and/or under-recovery, as well as operational shortfalls (cost increases outpacing revenue growth).

*Funds with significant negatives* include: Self-Insurance Liability Fund (\$16.5 million projected by the end of FY 2013-15), Mandatory Refuse Program (\$4.3 million), Municipal Capital Improvement (\$5.9 million projected by the end of FY 2012-13), Kaiser Convention Center Fund (\$1.7 million), Equipment Fund (\$4.2 million), and Facilities Fund (\$19.0 million). These negative balances harm the overall health of the City's assets by borrowing from the available positive funds, such as the General Purpose Fund, internal pension assets, deferred leave balances, etc. Except for the GPF, these other positive funds are mostly restricted, and funds borrowed from them will require repayment.

# FINANCIAL SUMMARIES

## NEGATIVE FUNDS

Fund	Fund Description	Assigned Department	Ending Fund Balance (as of 6/30/10)	Ending Fund Balance (as of 6/30/11)	Ending Fund Balance (as of 6/30/12)	Estimated Fund Balance (as of 6/30/13)	Explanation of negative fund balance
<b>Negative Funds with Repayment Schedules:</b>							
1100	Self Insurance Liability	Budget Office	(23,482,665)	(28,885,586)	(22,980,339)	(21,171,561)	On repayment plan through 2022 Rising lien receivables due to non-payments of garbage fees, and previous multiple transfer to GPF. Negative Funds should be eliminated over time as liens are collected through sale of properties. Additionally the recent increase of surcharge rate will leave a positive effect on this fund balance.
1700	Mandatory Refuse Program	Administrative Services	(7,401,479)	(7,742,916)	(5,839,314)	(4,839,314)	
1730	Henry J Kaiser Convention Center	Budget Office	(4,710,045)	(4,062,136)	(3,490,580)	(2,910,991)	On repayment plan through 2018 Negative was created due to two \$2.1 million transfer to the GPF and in FY 2005-06 an additional \$800K was transferred to GPF. Garage rate increases and expenditure reductions were adopted for FY09-11. Additionally transportation staff will charge a percentage of their time directly to capital projects in other funds where possible which will reduce personnel costs.
1750	Multipurpose Reserve	Public Works	(4,047,612)	(4,599,488)	(4,766,712)	(4,566,712)	The fund was previously on a re-payment plan but will now be drawn down by surplus franchise fee revenues.
1760	Telecommunications Reserve	City Adminsitrator	(1,074,609)	(567,646)	(197,957)	-	
1791	Contract Administration Fee	Contracting and Purchasing	(4,131,840)	(3,515,594)	(2,942,764)	(2,363,159)	On repayment plan through 2016
2310	Lighting and Landscape Assessment District	Public Works	(4,620,719)	(2,516,548)	(1,416,293)	(416,293)	PWA is working diligently to reduce the deficit/negative fund balance.
4100	Equipment	Public Works	(13,224,994)	(10,363,365)	(7,759,377)	(5,425,085)	On repayment plan through 2019
4300	Information Technology	Public Works	(187,543)	(441,775)	(815,669)	(1,115,669)	On repayment plan through 2019
4400	City Facilities	Public Works	(29,088,831)	(26,260,574)	(23,885,961)	(22,455,376)	On repayment plan through 2019 On repayment plan through 2019. To reduce the cost of the fund Central Store section was eliminated in FY2011-2012 adopted budget. Agencies/departments will now manage their supplies on a just-in-time basis.
4500	Central Stores	Administrative Services	(5,209,132)	(4,659,415)	(4,146,005)	(4,046,005)	
4550	Purchasing	Contracting and Purchasing	(996,004)	(764,866)	(525,975)	(445,288)	On repayment plan through 2019
<b>Total</b>			<b>(98,175,474)</b>	<b>(94,379,909)</b>	<b>(78,766,947)</b>	<b>(69,755,454)</b>	
<b>Reimbursable Negative Funds:</b>							
2061	2006 FEMA: 1628 Winter Storm	Public Works	(235,261)	(235,102)	(223,546)	(223,546)	The City is waiting for FEMA to issue the final close out report of the disaster, send final reimbursement and release retention payment.
2062	2006 FEMA: 1646 Spring Storm	Public Works	(547,880)	(547,509)	(547,108)	(547,108)	The City is waiting for FEMA to issue the final close out report of the disaster, send final reimbursement and release retention payment.
2102	Department of Agriculture	Human Services	(100,264)	(169,913)	(137,459)	(137,459)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2103	HUD-ESG/SHP/HOPWA	Human Services	(4,643,601)	(3,346,704)	(3,324,975)	(3,324,975)	Historical negative balance (pre FY1999-2000) requires one-time offset of \$3.9M. A portion of this uncollectible amount (approximately \$1.2 M) is due to HUD's modified cost reimbursement methodology.
2105	HUD-EDI Grants	Human Services	(252,675)	(164,752)	-	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.

# FINANCIAL SUMMARIES

## NEGATIVE FUNDS (CONT'D)

Fund	Fund Description	Assigned Department	Ending Fund Balance (as of 6/30/10)	Ending Fund Balance (as of 6/30/11)	Ending Fund Balance (as of 6/30/12)	Estimated Fund Balance (as of 6/30/13)	Explanation of negative fund balance
<b>Reimbursable Negative Funds (Cont'd):</b>							
2061	2006 FEMA: 1628 Winter Storm	Public Works	(235,261)	(235,102)	(223,546)	(223,546)	The City is waiting for FEMA to issue the final close out report of the disaster, send final reimbursement and release retention payment.
2062	2006 FEMA: 1646 Spring Storm	Public Works	(547,880)	(547,509)	(547,108)	(547,108)	The City is waiting for FEMA to issue the final close out report of the disaster, send final reimbursement and release retention payment.
2102	Department of Agriculture	Human Services	(100,264)	(169,913)	(137,459)	(137,459)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2103	HUD- ESG/SHP/HOPWA	Human Services	(4,643,601)	(3,346,704)	(3,324,975)	(3,324,975)	Historical negative balance (pre FY1999-2000) requires one-time offset of \$3.9M. A portion of this uncollectible amount (approximately \$1.2 M) is due to HUD's modified cost reimbursement methodology.
2105	HUD-EDI Grants	Human Services	(252,675)	(164,752)	-	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2107	HUD-108	Housing and Community Development			(202,353)	(202,353)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2112	Department of Justice	Human Services			-	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2114	Department of Labor	Human Services	(106,599)	(46,084)	(38,325)	(38,325)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2116	Department of Transportation	Public Works			(205,489)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2118	National Foundation of the Arts and Humanities	Parks and Recreation	(83,907)	-	-	-	Fund closed in FY 2011
2120	Federal Action Agency	Human Services	(17,186)	(17,134)	(18,118)	(18,118)	Historical negative balance is due to accumulated negative interest of \$17K. Timing of drawdown and/or reimbursement.
2123	US Dept of Homeland Security	Fire	(2,133,256)	(917,713)	-	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2124	Federal Emergency Management	Fire	(3,721,008)	(1,236,157)	(898,403)	(898,403)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2126	Department of Education	Library	(155,263)	-	-	-	Fund closed in FY 2011
2128	Dept. of Health and Human Services	Human Services	(974,408)	(657,620)	(642,069)	(642,069)	Historical negative balance (pre FY1999-2000) relates to \$255K in accumulated negative interest and also timing of drawdowns and/or reimbursements. The fund requires one-time revenue offset.
2134	California Parks and Recreation	Public Works	(369,418)	(526,383)	(381,120)	(381,120)	Historical negative balance (pre FY1999-2000) requires one-time offset. \$107K is related to SB174 Park Grant Activities, and \$109K is related to non-project related charges. Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2138	California Department of Education	Human Services	-	-	(41,662)	(41,662)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2144	California Housing and Community Development	Housing and Community Development / Human Services	(1,376,467)	(21,645)	(182,670)	(182,670)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.

# FINANCIAL SUMMARIES

## NEGATIVE FUNDS (CONT'D)

Fund	Fund Description	Assigned Department	Ending Fund Balance (as of 6/30/10)	Ending Fund Balance (as of 6/30/11)	Ending Fund Balance (as of 6/30/12)	Estimated Fund Balance (as of 6/30/13)	Explanation of negative fund balance
<b>Reimbursable Negative Funds (Cont'd):</b>							
2148	California Library Services	Library / Public Works	(1,156,376)	(594,074)	(563,451)	(563,451)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2152	California Board of Corrections	Police	(49,451)	(47,708)	(28,846)	(28,846)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2154	California Integrated Waste Management Board	Public Works	(317,590)	(108,773)	(73,475)	(73,475)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2159	State of California Other	Public Works	(424,599)	(366,412)	(1,377,809)	(877,809)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2162	Metro Transportation Com: TD	Public Works	-	(104,670)	(171,800)	(171,800)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2163	Metro Transportation Com: Program Grant	Public Works	(360,709)	(848,470)	(556,387)	(556,387)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2164	Congestion Mitigation & Air	Public Works	(218,576)	(218,428)	(91,804)	(91,804)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2166	Bay Area Air Quality Management District	Public Works	(210,974)	(566,752)	-	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2127	Department of Transportation - TIGER II Grant	Public Works	-	-	(1,775,518)	(775,518)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2185	Oakland Redevelopment Agency Grants	Housing and Community Development	(814,314)	-	-	-	Fully reimbursed
2190	Private Grants	Various	(305,049)	(380,107)	(382,939)	(382,939)	Historical negative balance due to Neighborhood law project (City Attorney's Office). This project requires a one-time revenue offset.
2214	ACTIA Reimbursable Grants	Public Works	(100,645)	(88,159)	(265,410)	(265,410)	The remaining deficit balance is from several streetscape projects Staff is continuing to review the ability to receive reimbursement for these projects.
2260	Measure WW: East Bay Regional Parks District Local Grant	Public Works	(698,364)	(283,596)	(1,653,960)	(1,653,960)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor and retention amount.
2415	Development Service Fund	Planning	(607,050)	-	(2,037,216)	(1,537,216)	The fund balance is created by long-term lien receivables not collected through the County and restricted Record Management & Technology Enhancement Fees (PERTS) and General Planning fees. Planning is working diligently to reduce the deficit/negative fund ba
2511	Local Law Enforce Block Grant (LLEBG) 2001	Police	(17,130)	-	-	-	Fund closed in FY 2011
2513	Local Law Enforce Block Grant (LLEBG) 2003	Police	(239,753)	-	-	-	Fund closed in FY 2011
2603	HUD-ESG/SHP/HOPWA (ARRA)	Housing and Community Development			(171)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.

# FINANCIAL SUMMARIES

## NEGATIVE FUNDS (CONT'D)

Fund	Fund Description	Assigned Department	Ending Fund Balance (as of 6/30/10)	Ending Fund Balance (as of 6/30/11)	Ending Fund Balance (as of 6/30/12)	Estimated Fund Balance (as of 6/30/13)	Explanation of negative fund balance
<b>Reimbursable Negative Funds (Cont'd):</b>							
2605	Dept of Health & Human Services	Human Services			(139)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2606	Metro Transportation Commiss	Public Works			(283,138)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2607	Department of Justice-COPS	Police			(1,168,627)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2608	Environmental Protection Agency	Housing and Community Development			(21,438)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2609	Dept of Energy-EECBG Program	Public Works			(187,077)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2610	State Water Control Board-CW	Public Works			(175,264)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2611	HUD-CDBG (ARRA)	Housing and Community Development			(5,525)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2613	Port Security Grant Program	Fire			(15,126)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2822	Title I Loans: Revolving		(30,507)	-	-	-	Fund closed in FY 2011
2824	FHA 203k Loan: Revolving	Housing and Community Development	(17,853)	-	-	-	Fund closed in FY 2011
2990	Public Works Grants	Public Works	(837,789)	(1,062,145)	(651,723)	(652,723)	PWA staff will be continuing efforts to coordinate with responsible departments to move ineligible grant charges to other matching fund sources. The \$886K estimate of unrecoverable costs is made up of historical expenditures (\$856K) and accumulated negative interest of \$32K.
5008	Emergency Response: GOB Series 1992	Public Works	(64,006)	(155,553)	(155,911)	(156,911)	PWA staff will coordinate with responsible departments to move ineligible charges to other funds.
5550	Municipal Capital Improvement: Revenue Bonds	Public Works	(14,443)	(15)	-	-	Fully reimbursed
5673	OBRA Enviromental Remediation	OSRA	-	-	(59,787)	(59,787)	Balance transferred from ORA
6570	JPFA Pooled Assessment: 1996 Revenue Bonds	Non-Departmental			(143,909)	(143,909)	Fund balance to be recovered by assessment.
7760	Grant Clearing	Public Works	(452,558)	-	-	-	Fully reimbursed
1610	Oakland Successor Redevelopment Agency	OSRA	-	-	(2,556)	-	Replace fund 7780. Reimbursement of Housing Agency overhead ended 12/31/2012
7780	Oakland Redevelopment Agency Projects	OSRA	(662,790)	(670,573)	-	-	The fund is currently fully reimbursed after the AB 1x26 Dissolution Act
<b>Total</b>			<b>(22,317,721)</b>	<b>(13,382,153)</b>	<b>(18,692,300)</b>	<b>(14,629,751)</b>	

# FINANCIAL SUMMARIES

## NEGATIVE FUNDS (CONT'D)

Fund	Fund Description	Assigned Department	Ending Fund Balance (as of 6/30/10)	Ending Fund Balance (as of 6/30/11)	Ending Fund Balance (as of 6/30/12)	Estimated Fund Balance (as of 6/30/13)	Explanation of negative fund balance
<b>Non-Reimbursable Negative Funds without Repayment Plan:</b>							
1600	Underground District Revolving Fund	Public Works	(2,484,901)	(886,705)	(965,744)	(965,744)	Fund is no longer being used. This fund was originally set up as a pass thru for undergrounding projects. Very little recovery took place in FY 1999-00 and FY2000-01. The fund has accumulated negative interest of \$721K and all remaining charges are considered un-collectable. This fund requires a one-time revenue off-set.
2992	Parks and Recreation Grants	Parks and Recreation	(2,578,638)	(2,592,622)	(2,590,719)	(2,590,719)	Historical negative balance (FY1993-1994) requires one-time offset. \$161K is related to accumulated negative interest. OPR has confirmed current activity will be reimbursed on a quarterly basis.
5012	JPFA Admin Building: Series 1996	Public Works	(1,606,363)	(1,611,033)	(1,614,742)	(1,614,742)	Historical negative balance (FY2001-2002) is related Admin building projects (Civic Center Complex/City Hall) that are uncollectable. This fund requires a one-time revenue offset.
5500	Municipal Capital Improvement	Budget Office	(5,660,261)	(4,969,515)	(5,471,106)	(5,971,106)	Historical negative balance caused by expenditures exceeding revenues. This fund requires a one-time revenue offset.
5999	Miscellaneous Capital Projects	Budget Office/PWA	(3,979,340)	(3,381,533)	(3,389,318)	(3,389,318)	Historical negative balance related to \$1.3 million in negative interest and \$2.1 million in various project expenditures (e.g. Y2K conversion). This fund requires one-time revenue offset.
6999	Miscellaneous Debt Service	Non-Departmental	(49,642)	-	-	-	Fully reimbursed
7660	Museum Preservation Trust	Museum	(140,902)	-	-	-	Fund closed in FY 2011
7752	Rehabilitation Trust: City Funded	Administrative Services	(1,042,610)	-	-	-	Fund closed in FY 2011
<b>Total</b>			<b>(17,542,656)</b>	<b>(13,441,408)</b>	<b>(14,031,629)</b>	<b>(14,531,629)</b>	
<b>Total Negative Funds</b>			<b>(138,035,851)</b>	<b>(121,203,470)</b>	<b>(111,490,876)</b>	<b>(98,916,834)</b>	

## TEN-YEAR REPAYMENT PLAN FOR FUNDS WITH NEGATIVE BALANCES

Certain funds with negative balances, such as the Kaiser Convention Center Fund and Contract Compliance Fund were put on 10-year repayment schedules during FY 2005-07. The plan involves the GPF amortizing the negative balance in these funds and making annual transfers over a 10-year period.

### TEN-YEAR NEGATIVE FUND REPAYMENT SCHEDULES

#### SELF-INSURANCE FUND (1100) FINANCIAL PROJECTION

Beginning Fund Deficit \$ (21,171,561)	Amount of Transfer							
	Total Revenues	Total Expenditures	Change in Fund Balance	Year- End Fund Balance	GPF Portion	Non-GPF Portion	Change in Transfer	Increase in Subsidy
2013-14	23,129,358	20,771,353	2,358,005	(18,813,556)	19,454,567	3,674,791	2,114,731	10%
2014-15	23,129,358	20,849,803	2,279,555	(16,534,001)	19,454,567	3,674,791	0	0%
2015-16	22,749,422	20,261,247	2,488,175	(14,045,827)	19,337,008	3,412,413	(379,936)	-2%
2016-17	23,707,969	21,219,794	2,488,175	(11,557,652)	20,151,773	3,556,195	958,547	4%
2017-18	24,770,056	22,281,881	2,488,175	(9,069,477)	21,054,547	3,715,508	1,062,087	4%
2018-19	25,728,177	23,240,002	2,488,175	(6,581,303)	21,868,950	3,859,226	958,121	4%
2019-20	26,727,497	24,239,322	2,488,175	(4,093,128)	22,718,372	4,009,125	999,320	4%
2020-21	27,769,788	25,281,613	2,488,175	(1,604,953)	23,604,319	4,165,468	1,042,291	4%
<b>2021-22</b>	<b>28,856,897</b>	<b>26,368,722</b>	<b>2,488,175</b>	<b>883,222</b>	<b>24,528,362</b>	<b>4,328,535</b>	<b>1,087,109</b>	<b>4%</b>

#### KAISER CONVENTION CENTER FUND (1730) FINANCIAL PROJECTION

Beginning Fund Deficit \$ (2,910,991)	Amount of Transfer						
	Total Revenues	Total Expenditures	Change in Fund Balance	Year- End Fund Balance	Amount of Subsidy	Change in Subsidy	Increase in Subsidy
2013-14	579,589	-	579,589	(2,331,402)	579,589	256,947	80%
2014-15	579,589	-	579,589	(1,751,813)	579,589	-	0%
2015-16	583,937	-	583,937	(1,167,876)	583,937	4,348	1%
2016-17	583,937	-	583,937	(583,939)	583,937	-	0%
<b>2017-18</b>	<b>583,937</b>	<b>-</b>	<b>583,937</b>	<b>(2)</b>	<b>583,937</b>	<b>-</b>	<b>-</b>

#### EQUIPMENT FUND (4100) FINANCIAL PROJECTION

Beginning Cash Deficit \$ (7,059,377)	ISF		non-ISF		Change in Fund Balance			Year- End Fund Balance	Impact on GPF	Rate Inc.
	Revenues	Revenue	Revenue	Expenditures	Non GPF	GPF	TOTAL			
2013-14	19,486,990	136,330	19,623,320	18,270,840	662,715	689,765	1,352,480	(5,706,897)	9,826,147	17%
2014-15	19,782,728	136,330	19,919,058	18,443,117	737,971	737,971	1,475,941	(4,230,956)	9,839,829	2%
2015-16	20,376,210	136,330	20,512,540	19,180,842	568,397	484,190	1,331,698	(2,899,258)	10,188,105	3%
2016-17	20,987,496	136,330	21,123,826	19,948,075	540,745	460,635	1,175,751	(1,723,508)	10,493,748	3%
2017-18	21,826,996	136,330	21,963,326	20,745,998	608,476	518,332	1,217,328	(506,180)	10,913,498	4%
<b>2018-19</b>	<b>22,700,076</b>	<b>136,330</b>	<b>22,836,406</b>	<b>21,575,838</b>	<b>733,362</b>	<b>624,715</b>	<b>1,260,568</b>	<b>754,388</b>	<b>11,350,038</b>	<b>4%</b>

# FINANCIAL SUMMARIES

## TEN-YEAR NEGATIVE FUND REPAYMENT SCHEDULES (CONT'D)

### FACILITIES FUND (4400) FINANCIAL PROJECTION

Beginning Cash Deficit \$ (22,455,376)	ISF Revenues	non-ISF Revenue	Total Revenue	Total Expenditures	Change in Fund Balance			Year- End Fund Balance	Impact on GPF	Rate Inc.
					Non GPF	GPF	TOTAL			
2013-14	25,872,472	658,345	26,530,817	25,272,966	528,297	729,554	1,257,851	(21,197,525)	15,013,075	15%
2014-15	27,289,929	658,345	27,948,274	25,779,478	260,256	1,908,540	2,168,796	(19,028,729)	15,835,345	5%
2015-16	28,927,325	658,345	29,585,670	26,552,862	363,937	2,668,871	3,032,807	(15,995,922)	16,310,197	6%
2016-17	30,662,964	658,345	31,321,309	27,349,448	476,623	3,495,238	3,971,861	(12,024,061)	17,778,114	6%
2017-18	32,809,372	658,345	33,467,717	28,169,932	635,734	4,662,051	5,297,785	(6,726,276)	19,911,488	7%
<b>2018-19</b>	35,106,028	658,345	35,764,373	29,015,030	809,921	5,939,422	6,749,343	23,068	22,300,867	7%

### PURCHASING FUND (4550) FINANCIAL PROJECTION

Beginning Cash Deficit \$ (445,288)	ISF Revenues	non-ISF Revenue	Total Revenue	Total Expenditures	Change in Fund Balance	Year- End Fund Balance	Impact on GPF	Rate Inc.
2014-15	715,504	62,461	777,965	777,965	-	(445,288)	74,480	-5%
2015-16	787,054	-	787,054	785,745	1,310	(443,978)	81,928	10%
2016-17	865,760	-	865,760	793,602	72,158	(371,821)	90,121	10%
2017-18	952,336	-	952,336	801,538	150,798	(221,023)	99,133	10%
<b>2018-19</b>	1,057,093	-	1,057,093	809,553	247,539	26,516	110,038	11%

**LONG TERM LIABILITIES****Overview of Long Term Liabilities**

The City has four defined benefit retirement plans: Oakland Police and Fire Retirement System (PFRS), Oakland Municipal Employees' Retirement System (OMERS), and the California Public Employees' Retirement System (PERS) Public Safety Retirement Plan and Miscellaneous Retirement Plan. PFRS and OMERS are closed plans that cover employees hired prior to July 1976 and September 1970, respectively.

The City also has programs in place to partially pay health insurance premiums for certain classes of retirees from City employment. City retirees are eligible for retiree health benefits if they meet certain requirements relating to age and service. The retiree health benefits are described in the labor agreements between the City and Local Unions and in City resolutions.

The table below shows a summary of the long-term liabilities for the City

<b>Unfunded Amount</b>	<b>Descriptions</b>
\$743M	California Public Employees Retirement System (Cal PERS), 75% funded. Unfunded balance as of June 30, 2011
\$216M	Police and Fire Retirement System (PFRS), closed retirement system, unfunded balance as of June 30, 2012 was \$426M; issued a bond in July 2012, the current unfunded balance is \$216M, will start the payment in FY 2017-18, \$24.24M
\$520M	Other Post-Employment Benefits (OPEB) has the unfunded actuarial accrued liability (UAAL) of \$520M as of June 30, 2011
\$29.5M	Accrued leaves are funded at 28.7% level, which leaves approximately \$29.5M unfunded as of June 30, 2012 (unaudited)

# FINANCIAL SUMMARIES

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## Unfunded Pension Liability for CalPERS – Active Retirement Plan

The City has active defined benefit retirement plans for safety and miscellaneous employees with CalPERS. Although the funded ratios of the safety and miscellaneous plan with CalPERS are below 100%, they are within an acceptable range of close to 80% funded, and the City will continue to maintain the required funded ratios through increases in CalPERS' required contributions from the City, which are already accounted for in the cost escalation of current employees' retirement contribution in the fringe benefit line.

## Unfunded Pension Liability for PFRS and OMERS – Closed Retirement Plans

Regarding unfunded pension liability, the City has two close defined benefit retirement plans: the Oakland Police and Fire Retirement System (PFRS), Oakland Municipal Employees' Retirement System (OMERS) and the safety. According to the City's FY 2010-11 Comprehensive Annual Financial Report (CAFR), PFRS' Unfunded Actuarial Accrued Liability (UAAL) was \$426.7M as of July 1, 2011 and OMERS' UAAL was \$743,000 as of July 1, 2010. The City recently issued pension obligation bonds to reduce the PFRS UAAL from approximately \$426M to \$216M. The debt service on the bonds is included in the debt service portion of the forecast. As part of the financing, the City made advanced payments for five years on its obligation to PFRS, and therefore does not need to make any new payment until FY 2017-18. The GPF portion of the UAAL payment beginning in FY 2017-18 is estimated to be \$24.2M. The City is required, by Charter, to fully fund this liability by 2026, so the GPF portion of the payment will continue to be an average of approximately \$21.5M each year through 2026.

## Other Post Employment Benefits (OPEB)

Like many municipalities, the City has accrued significant unfunded long-term liabilities, including for other post employment benefits (OPEB) for police, fire, and miscellaneous employees. Public administration and financial management best practices dictate that the City must begin to make deposits to build assets in order to offset these liabilities. In addition, the Governmental Accounting Standards Board (GASB) now requires that municipalities report these liabilities in their CAFR and other appropriate financial reports.

According to the most recent report from the City's actuary, Aon Hewitt, as of September 13, 2011, the annual required contribution (ARC) for a 30-year amortization (the maximum amortization allowed by GASB) of the police, fire, and miscellaneous OPEB Unfunded Actuarial Accrued Liability (UAAL) was \$20,941,230, \$12,413,116, and \$13,303,004 respectively, totaling over \$46M per year. The City is currently paying for OPEB benefits for its retirees on a pay-as-you-go basis, through which it pays as much each year as is required for just that year's expenses (approximately \$16M per year). The forecast shows what the fiscal picture would be if the City chose to make a net new investment each year to meet the full ARC, dividing the cost between the GPF and all other funds proportionate to the amount of salary paid from each. The table below shows the City's current and forecasted pay-as-you-go amount, ARC, and net new expense. Note that the City's net OPEB obligation increased in FY 2011-12 and will increase again in FY 2012-13 because the City did not make the full ARC payment in those years. As a result, when the City's net OPEB obligation is next calculated by the actuary, the recalculated ARC will likely be higher than that displayed in the table on the following page.

# FINANCIAL SUMMARIES

## Forecasted OPEB Pay-As-You-Go and ARC Contributions

OPEB Contributions	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast
<b>Misc</b>						
Pay as you go	\$6,989,759	\$7,479,042	\$7,927,785	\$8,403,452	\$8,907,659	\$9,442,118
ARC	\$14,000,000	\$14,300,000	\$14,600,000	\$14,900,000	\$15,200,000	\$15,500,000
Net new to achieve ARC	\$7,010,241	\$6,820,958	\$6,672,215	\$6,496,548	\$6,292,341	\$6,057,882
<b>Police</b>						
Pay as you go	\$6,558,564	\$7,017,664	\$7,438,724	\$7,885,047	\$8,358,150	\$8,859,639
ARC	\$23,500,000	\$24,900,000	\$26,300,000	\$27,800,000	\$29,400,000	\$31,000,000
Net new to achieve ARC	\$16,941,436	\$17,882,336	\$18,861,276	\$19,914,953	\$21,041,850	\$22,140,361
<b>Fire</b>						
Pay as you go	\$4,935,189	\$5,280,652	\$5,597,491	\$5,933,341	\$6,289,341	\$6,666,702
ARC	\$13,700,000	\$14,400,000	\$15,000,000	\$15,800,000	\$16,600,000	\$17,400,000
Net new to achieve ARC	\$8,764,811	\$9,119,348	\$9,402,509	\$9,866,659	\$10,310,659	\$10,733,298
<b>Total</b>						
Pay as you go	\$18,483,512	\$19,777,358	\$20,963,999	\$22,221,839	\$23,555,150	\$24,968,459
ARC	\$51,200,000	\$53,600,000	\$55,900,000	\$58,500,000	\$61,200,000	\$63,900,000
Net new to achieve ARC	\$32,716,488	\$33,822,642	\$34,936,001	\$36,278,161	\$37,644,850	\$38,931,541

Note that the City is currently considering using existing fund balance to create a significant OPEB trust using funds restricted for this purpose. If the City does take this step, it will reduce the City's ARC necessary to fully fund this liability. Staff will be bringing forward a recommendation to City Council later this year to begin to invest in the California Employers' Retiree Benefit Trust (CERBT) Fund. Staff will be recommending a substantial deposit of funds (\$20M to \$40M) to fund health and other post-employment benefit costs for City retirees and their beneficiaries. The expenditure forecast related to paying down this liability will be updated in the Five-Year Financial Plan – Service Levels and Budget Strategies report accordingly. Investing in the CERBT will help the City minimize future cost impacts, as the investment returns will pay for the majority of the benefit; it will demonstrate prudent financial management, and bond rating agencies now expect an OPEB plan; and agencies that invest in the CERBT use a higher discount rate, which will lower projected liabilities and the ARC.

## Compensated Absences – Accrued Vacation, Sick Leave, and Compensatory Time

The City's policy and its agreements with employee groups permit employees to accumulate earned but unused vested vacation, sick leave and other compensatory time. All earned compensatory time is accrued when incurred in the government-wide financial statements and the proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they are due and payable. The estimated current liability is \$29.5 million.

**NOTES**

## UPDATED FIVE-YEAR FINANCIAL FORECAST

The City issued a Five-Year Financial Forecast for FY 2013-14 Through FY 2017-18 in October 2012. Based on the best data available at the time and some assumptions, it forecasted the City's General Purpose Fund (GPF) and all funds revenues and expenditures over a future five-year period. The October report noted that the City would issue a revised forecast of revenues and expenditures in the spring. This revised forecast, which incorporates recent information, is presented in the revenue and expenditure sections above and further discussed below.

### Forecast Methodology

City staff followed public administration best practices when designing the forecast methodology. Staff conducted research on best practices by reviewing the past financial forecasting work of Oakland, of peer jurisdictions and other leading municipalities, and by reviewing academic and professional materials on the topic.

Future revenues and expenditures are impacted by cyclical and irregular changes in the City's economy and demography. They can be estimated using a number of techniques including qualitative/judgmental analysis; quantitative analysis such as time series and regression analysis; and hybrid techniques. Qualitative forecasting uses non-statistical techniques that rely on human judgment to arrive at projections. Qualitative forecasting is essential for projecting revenue or expenditure components that are unstable, volatile, or for which there is limited historical information. To facilitate sound qualitative analysis, the City of Oakland seeks input from outside experts in economics, municipal finance, and other relevant fields. For example, the City incorporates information from the League of California Cities and the Legislative Analyst's Office on State legislation's impact on local government finances. Quantitative analysis involves using quantitative methods, primarily statistical analysis, to understand historical trends and causal relationships in order to forecast future conditions. One kind of quantitative analysis is time series analysis in which chronological data can be used to identify multiyear cycles and the nature of long-run trends. Causal analysis is another type of quantitative analysis dealing with interrelationships between two or more variables. One or more predictors influence, directly or indirectly, future revenue or expenditure.

City staff used both qualitative and quantitative analysis as part of this forecast, as described below. Staff conducted an environmental scan and consulted extensively with other City staff to gain their thoughts on events that would impact future revenues and expenditures. Much of the forecast also draws on information provided by outside experts, such as future inflation rates and expected medical insurance premium growth rates. City staff took into account historical experience, as well as the economic uncertainties underlying the revenue and expenditure outlook over the five-year period.

The forecast uses revenues and expenditures from the FY 2013-15 proposed budget as the baseline from which future years are projected.

Note that the majority of the assumptions in this updated forecast are the same as those in the forecast issued in October 2012. There are three important assumptions that are different, beyond simply using more current growth rates. First, this forecast includes one police academy per year in FY 2015-16, FY 2016-17, and FY 2017-18, whereas the original forecast had included two per year. Second, this forecast assumes that two local revenue measures, the Wildfire Prevention Assessment District and the Violence Prevention and Public Safety Act of 2004 (Measure Y), will be extended by voters. As such, the services those revenues support will not have to be eliminated or backfilled by the General Purpose Fund. Third, salaries are conservatively assumed to grow at 1% of total payroll due to step increases.

# FINANCIAL SUMMARIES

## Revenue Forecast

As presented above, the proposed and forecasted General Purpose Fund and all funds revenues are illustrated in the tables below.

<b>GENERAL PURPOSE FUND REVENUE</b>							
<b>Revenue Type</b>	<b>FY 2011-12 Actuals</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>	<b>FY 2015-16 Forecast</b>	<b>FY 2016-17 Forecast</b>	<b>FY 2017-18 Forecast</b>
Property Tax	\$138,796,954	\$125,166,501	\$144,448,852	\$150,928,777	\$154,291,998	\$159,755,472	\$168,026,677
Sales Tax	44,740,906	43,556,223	47,208,326	48,624,575	\$50,569,558	\$52,592,340	\$54,696,034
Business License Tax	58,548,809	51,800,000	58,486,270	60,240,858	\$62,048,084	\$64,530,007	\$67,111,207
Utility Consumption Tax	51,434,031	50,500,000	50,588,732	50,588,732	\$50,588,732	\$50,588,732	\$50,588,732
Real Estate Transfer Tax	30,546,398	28,490,000	39,453,990	40,637,610	\$42,263,114	\$43,953,639	\$45,711,785
Transient Occupancy Tax	10,713,948	10,864,502	12,006,316	12,246,442	\$12,613,835	\$12,992,250	\$13,382,018
Parking Tax	8,616,474	8,103,857	8,531,028	8,701,649	\$8,962,698	\$9,231,579	\$9,508,527
Licenses & Permits	1,158,650	925,570	1,386,726	1,413,858	\$1,456,274	\$1,499,962	\$1,544,961
Fines & Penalties	24,246,700	25,425,535	23,498,995	22,568,807	\$20,650,228	\$18,862,462	\$18,266,540
Interest Income	740,482	800,000	740,482	740,482	\$740,482	\$740,482	\$740,482
Service Charges	45,948,737	43,338,382	43,662,137	43,919,082	\$44,396,175	\$44,729,301	\$44,967,647
Grants & Subsidies	229,107	160,672	-	-	-	-	-
Miscellaneous	32,079,762	2,733,000	1,299,320	4,824,320	\$824,320	\$824,320	\$824,320
Interfund Transfers	1,718,023	3,200,000	-	-	-	-	-
<b>Subtotal Revenue</b>	<b>\$449,519,489</b>	<b>\$395,064,242</b>	<b>\$431,311,174</b>	<b>\$445,435,192</b>	<b>\$449,405,499</b>	<b>\$460,300,547</b>	<b>\$475,368,929</b>
Transfers from Fund Balance*	-	14,282,521	(1,155,562)	11,966,492	-	-	-
<b>Grand Total</b>	<b>\$449,519,489</b>	<b>\$409,346,763</b>	<b>\$430,155,612</b>	<b>\$457,401,684</b>	<b>\$449,405,499</b>	<b>\$460,300,547</b>	<b>\$475,368,929</b>

\* Transfers from Fund Balance were previously combined with Interfund Transfers.

# FINANCIAL SUMMARIES

ALL FUNDS REVENUE							
Revenue Type	FY 2011-12 Actuals	FY 2012-13 Adjusted Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast
Property Tax	\$138,816,699	\$125,354,813	\$144,637,164	\$151,117,089	\$154,485,959	\$159,955,252	\$168,234,449
Sales Tax	55,476,445	53,616,357	57,964,798	59,663,701	\$62,050,249	\$64,532,259	\$67,113,549
Gasoline Tax	5,795,764	6,637,535	6,637,535	6,637,535	\$6,637,535	\$6,637,535	\$6,637,535
Business License Tax	58,548,809	51,800,000	58,486,270	60,240,858	\$62,048,084	\$64,530,007	\$67,111,207
Utility Consumption Tax	51,434,031	50,500,000	50,588,732	50,588,732	\$50,588,732	\$50,588,732	\$50,588,732
Real Estate Transfer Tax	30,546,398	28,490,000	39,453,990	40,637,610	\$42,263,114	\$43,953,639	\$45,711,785
Transient Occupancy Tax	30,546,398	13,827,549	14,969,363	15,209,489	\$15,665,774	\$16,135,747	\$16,619,819
Parking Tax	15,975,931	14,992,135	15,640,428	15,967,449	\$16,446,472	\$16,939,867	\$17,448,063
Other Local Taxes	152,572,913	132,207,099	109,945,104	110,170,793	\$112,374,209	\$114,621,693	\$116,914,127
Licenses & Permits	14,260,718	13,320,000	14,406,356	15,067,488	\$15,519,513	\$15,985,098	\$16,464,651
Fines & Penalties	27,452,800	30,146,129	28,219,589	27,289,401	\$25,039,337	\$22,942,687	\$22,243,803
Interest Income	10,614,818	5,701,950	904,012	894,012	\$894,012	\$894,012	\$894,012
Service Charges	518,190,174	153,856,654	149,247,715	152,052,708	\$154,550,055	\$156,943,652	\$159,283,491
Internal Service Charges	48,122,481	46,189,740	52,045,217	53,758,412	\$54,833,580	\$55,930,252	\$57,048,857
Grants & Subsidies	152,647,545	75,704,081	59,314,176	63,348,963	\$63,348,963	\$63,348,963	\$63,348,963
Miscellaneous*	(194,967,319)	470,829,294	41,793,137	45,488,357	\$41,488,357	\$41,488,357	\$41,488,357
Interfund Tranfers	470,666,394	143,145,048	142,333,740	135,383,060	\$135,383,060	\$135,383,060	\$135,383,060
<b>Subtotal Revenue</b>	<b>\$1,586,701,001</b>	<b>\$1,416,318,385</b>	<b>\$986,587,326</b>	<b>\$1,003,515,657</b>	<b>\$1,013,617,005</b>	<b>\$1,030,810,812</b>	<b>\$1,052,534,461</b>
Transfers from Fund Balance**		40,151,058	66,103,229	68,181,204	-	-	-
<b>Grand Total</b>	<b>\$1,586,701,001</b>	<b>\$1,456,469,443</b>	<b>\$1,052,690,555</b>	<b>\$1,071,696,861</b>	<b>\$1,013,617,005</b>	<b>\$1,030,810,812</b>	<b>\$1,052,534,461</b>

\* Negative Miscellaneous Revenue is due to Port of Oakland Reveue & Expense Clearing

\*\* Tranfers from Fund Balance were previously combined with Interfund Transfers.

# FINANCIAL SUMMARIES

## Expenditure Forecast

The proposed and forecasted General Purpose Fund and all funds expenditures are illustrated in the tables below. Recall that the majority of the assumptions in this updated expenditure forecast are the same as those in the forecast issued in October 2012. Three important assumptions are different: one police academy per year in FY 2015-16, FY 2016-17, and FY 2017-18, rather than two per year; the police and fire services supported by Measure Y do not have to be backfilled by the General Purpose Fund; and salaries are assumed to grow at 1% due to step increases. A second police academy per year would add approximately \$4M in academy costs per year and \$24M per year by FY 2017-18 in start up and ongoing compensation and equipment for 120 new officers. Having to backfill Measure Y police and fire services with the GPF would require approximately \$14.5M in additional expenditures per year.

### General Purpose Fund Expenditures

Expenditure Categories	FY 2013-14 Proposed	FY 2014-15 Proposed	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast
Civilian salaries	\$ 66,331,643	\$ 68,054,143	\$ 68,600,000	\$ 69,300,000	\$ 70,000,000
Civilian fringe	\$ 21,995,075	\$ 23,177,677	\$ 24,500,000	\$ 26,000,000	\$ 27,500,000
Civilian retirement	\$ 16,053,933	\$ 17,043,133	\$ 18,400,000	\$ 19,900,000	\$ 21,500,000
<b>Personnel - Civilian</b>	<b>\$ 104,380,651</b>	<b>\$ 108,274,953</b>	<b>\$ 111,500,000</b>	<b>\$ 115,200,000</b>	<b>\$ 119,000,000</b>
Sworn salaries	\$ 126,734,085	\$ 138,909,176	\$ 138,900,000	\$ 140,300,000	\$ 141,700,000
Sworn fringe	\$ 39,156,172	\$ 45,056,939	\$ 47,000,000	\$ 49,900,000	\$ 52,900,000
Sworn retirement	\$ 36,149,911	\$ 40,766,263	\$ 43,600,000	\$ 47,200,000	\$ 51,100,000
<b>Personnel - Sworn</b>	<b>\$ 202,040,168</b>	<b>\$ 224,732,378</b>	<b>\$ 229,600,000</b>	<b>\$ 237,400,000</b>	<b>\$ 245,700,000</b>
Services and supplies	\$ 15,616,347	\$ 14,631,017	\$ 13,700,000	\$ 13,700,000	\$ 13,700,000
Contract services	\$ 19,697,024	\$ 19,736,539	\$ 19,600,000	\$ 19,600,000	\$ 19,600,000
Internal service/work order	\$ 29,285,594	\$ 30,132,571	\$ 30,800,000	\$ 31,900,000	\$ 33,400,000
Other	\$ 1,823,994	\$ 1,824,364	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
<b>Operations and maintenance</b>	<b>\$ 66,422,959</b>	<b>\$ 66,324,491</b>	<b>\$ 65,800,000</b>	<b>\$ 67,000,000</b>	<b>\$ 68,500,000</b>
Debt service	\$ 35,413,567	\$ 35,033,723	\$ 20,900,000	\$ 20,900,000	\$ 20,900,000
Operating transfers	\$ 35,293,535	\$ 36,237,058	\$ 37,200,000	\$ 37,200,000	\$ 37,200,000
Overhead	\$ (14,278,144)	\$ (14,083,795)	\$ (14,100,000)	\$ (14,100,000)	\$ (14,100,000)
Bank, bond, loan, and other expenditures	\$ 2,220,252	\$ 2,220,252	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Other	\$ (1,337,376)	\$ (1,337,376)	\$ (1,300,000)	\$ (1,300,000)	\$ (1,300,000)
<b>Debt service, operating transfers, other</b>	<b>\$ 57,311,834</b>	<b>\$ 58,069,862</b>	<b>\$ 44,700,000</b>	<b>\$ 44,700,000</b>	<b>\$ 44,700,000</b>
Deposits to reserve for pension and OPEB liabilities			\$ 10,000,000	\$ 10,000,000	\$ -
Required contribution for PFRS			\$ -	\$ -	\$ 24,200,000
<b>Pay down long term liabilities - non-deferred</b>			<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 24,200,000</b>
<b>Subtotal Non-Deferred</b>	<b>\$ 430,155,612</b>	<b>\$ 457,401,684</b>	<b>\$ 461,600,000</b>	<b>\$ 474,300,000</b>	<b>\$ 502,100,000</b>
Land, buildings, infrastructure, furniture			\$ 58,500,000	\$ 58,500,000	\$ 58,500,000
Equipment/vehicles			\$ 4,600,000	\$ 4,600,000	\$ 4,600,000
Other fixed assets/computers and software			\$ 3,800,000	\$ 3,800,000	\$ 3,800,000
<b>Capital acquisitions - deferred</b>			<b>\$ 66,800,000</b>	<b>\$ 66,800,000</b>	<b>\$ 66,800,000</b>
Deposits to GPF reserves			\$ -	\$ -	\$ -
Net new negative fund balance repayment			\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
OPEB - Net new Police to achieve ARC			\$ 17,700,000	\$ 18,700,000	\$ 19,700,000
OPEB - Net new Fire to achieve ARC			\$ 9,100,000	\$ 9,500,000	\$ 9,900,000
OPEB - Net new Misc to achieve ARC			\$ 2,400,000	\$ 2,300,000	\$ 2,300,000
<b>Pay down long term liabilities - deferred</b>			<b>\$ 32,200,000</b>	<b>\$ 33,600,000</b>	<b>\$ 34,900,000</b>
<b>Subtotal Deferred</b>			<b>\$ 99,000,000</b>	<b>\$ 100,400,000</b>	<b>\$ 101,700,000</b>
<b>Grand Total Including Deferred</b>	<b>\$ 430,155,612</b>	<b>\$ 457,401,684</b>	<b>\$ 560,600,000</b>	<b>\$ 574,700,000</b>	<b>\$ 603,800,000</b>

# FINANCIAL SUMMARIES

All Funds Expenditures					
Expenditure Categories	FY 2013-14 Proposed	FY 2014-15 Proposed	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast
Civilian salaries	\$ 170,226,896	\$ 170,379,243	\$ 171,400,000	\$ 173,100,000	\$ 174,800,000
Civilian fringe	\$ 56,451,146	\$ 59,398,702	\$ 62,700,000	\$ 66,400,000	\$ 70,400,000
Civilian retirement	\$ 41,076,011	\$ 43,525,191	\$ 46,900,000	\$ 50,600,000	\$ 54,700,000
<b>Personnel - civilian</b>	<b>\$ 267,754,053</b>	<b>\$ 273,303,136</b>	<b>\$ 280,900,000</b>	<b>\$ 290,200,000</b>	<b>\$ 300,000,000</b>
Sworn salaries	\$ 139,551,088	\$ 153,668,175	\$ 153,900,000	\$ 155,500,000	\$ 157,000,000
Sworn fringe	\$ 42,327,881	\$ 48,123,543	\$ 50,300,000	\$ 53,300,000	\$ 56,600,000
Sworn retirement	\$ 39,357,670	\$ 43,845,661	\$ 47,000,000	\$ 50,800,000	\$ 55,000,000
<b>Personnel - sworn</b>	<b>\$ 221,236,639</b>	<b>\$ 245,637,379</b>	<b>\$ 251,200,000</b>	<b>\$ 259,600,000</b>	<b>\$ 268,600,000</b>
Services and supplies	\$ 70,825,352	\$ 70,116,230	\$ 68,700,000	\$ 68,700,000	\$ 68,700,000
Contract services	\$ 98,349,106	\$ 99,317,103	\$ 99,200,000	\$ 99,200,000	\$ 99,200,000
Internal service/work order	\$ 54,290,850	\$ 55,482,083	\$ 56,700,000	\$ 59,000,000	\$ 62,000,000
Other	\$ 4,367,188	\$ 4,377,390	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000
<b>Operations and maintenance</b>	<b>\$ 227,832,496</b>	<b>\$ 229,292,806</b>	<b>\$ 229,000,000</b>	<b>\$ 231,300,000</b>	<b>\$ 234,300,000</b>
Land, buildings, infrastructure, furniture	\$24,910,286	\$26,512,786	\$26,500,000	\$26,500,000	\$26,500,000
Equipment/vehicles	\$668,755	\$668,755	\$700,000	\$700,000	\$700,000
Other fixed assets/computers and software	\$800,898	\$808,878	\$800,000	\$800,000	\$800,000
<b>Capital acquisitions</b>	<b>\$26,379,939</b>	<b>\$27,990,419</b>	<b>\$28,000,000</b>	<b>\$28,000,000</b>	<b>\$28,000,000</b>
Debt service	\$ 178,328,061	\$ 173,415,117	\$ 145,200,000	\$ 145,200,000	\$ 145,200,000
Operating transfers	\$ 119,138,950	\$ 112,188,270	\$ 116,400,000	\$ 116,400,000	\$ 116,400,000
Overhead	\$ (1,690,003)	\$ (1,675,520)	\$ (1,700,000)	\$ (1,700,000)	\$ (1,700,000)
Overhead - Project Recoveries	\$ (13,674,482)	\$ (14,129,131)	\$ (14,200,000)	\$ (14,200,000)	\$ (14,200,000)
Bank, bond, loan, and other expenditures	\$ 5,329,749	\$ 5,335,749	\$ 5,100,000	\$ 5,100,000	\$ 5,100,000
Other	\$ 8,371,527	\$ 9,225,744	\$ 9,400,000	\$ 9,400,000	\$ 9,400,000
<b>Debt service, operating transfers, other</b>	<b>\$ 295,803,802</b>	<b>\$ 284,360,229</b>	<b>\$ 260,200,000</b>	<b>\$ 260,200,000</b>	<b>\$ 260,200,000</b>
Deposits to reserve for pension and OPEB liabilities			\$ 10,000,000	\$ 10,000,000	\$ -
Required contribution for PFRS			\$ -	\$ -	\$ 24,200,000
<b>Pay down long term liabilities - required</b>			<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 24,200,000</b>
<b>Subtotal Non-Deferred</b>	<b>\$ 1,039,006,929</b>	<b>\$ 1,060,583,969</b>	<b>\$ 1,059,300,000</b>	<b>\$ 1,079,300,000</b>	<b>\$ 1,115,300,000</b>
Land, buildings, infrastructure, furniture			\$ 78,000,000	\$ 78,000,000	\$ 78,000,000
Equipment/vehicles			\$ 10,200,000	\$ 10,200,000	\$ 10,200,000
Other fixed assets/computers and software			\$ 7,500,000	\$ 7,500,000	\$ 7,500,000
<b>Capital acquisitions - deferred</b>			<b>\$ 95,700,000</b>	<b>\$ 95,700,000</b>	<b>\$ 95,700,000</b>
Deposits to GPF reserves			\$ -	\$ -	\$ -
Net new negative fund balance repayment			\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
OPEB - Net new Police to achieve ARC			\$ 19,900,000	\$ 21,000,000	\$ 22,100,000
OPEB - Net new Fire to achieve ARC			\$ 9,900,000	\$ 10,300,000	\$ 10,700,000
OPEB - Net new Misc to achieve ARC			\$ 6,500,000	\$ 6,300,000	\$ 6,100,000
<b>Pay down long term liabilities - deferred</b>			<b>\$ 39,300,000</b>	<b>\$ 40,600,000</b>	<b>\$ 41,900,000</b>
<b>Subtotal Deferred</b>			<b>\$135,000,000</b>	<b>\$136,300,000</b>	<b>\$137,600,000</b>
<b>Grand Total Including Deferred</b>	<b>\$ 430,155,612</b>	<b>\$ 457,401,684</b>	<b>\$ 560,600,000</b>	<b>\$ 574,700,000</b>	<b>\$ 603,800,000</b>

# FINANCIAL SUMMARIES

## Imbalance

Recall that the October 2012 forecast projected a General Purpose Fund shortfall rising over the years to approximately \$48 million in FY 2017-18 for expected expenditures, \$152 million when including deferred expenditures. This updated forecast presents comparable figures. Revenues are expected to be modestly higher. Expenditures are expected to be modestly lower, due primarily to the ongoing nature of expenditure reductions proposed for FY 2013-14 and FY 2014-15, the inclusion of just one police academy per year rather than two, and the assumption that the General Purpose Fund will not have to backfill police and fire services currently funded by Measure Y. It continues to paint a similar picture – natural revenue growth is not expected to catch up with expenditure growth, and is certainly not expected to achieve levels that would enable the City to fully fund deferred expenditures.

General Purpose Fund	FY 2013-14 Proposed	FY 2014-15 Proposed	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast
Revenue	\$ 430,155,612	\$ 457,401,684	\$ 449,405,499	\$ 460,300,547	\$ 475,368,929
Expenditures	\$ 430,155,612	\$ 457,401,684	\$ 461,600,000	\$ 474,300,000	\$ 502,100,000
<b>Surplus/(Shortfall)</b>	\$ -	\$ -	\$ (12,194,501)	\$ (13,999,453)	\$ (26,731,071)
Expenditures - Deferred			\$ 99,000,000	\$ 100,400,000	\$ 101,700,000
<b>Surplus/(Shortfall)</b>	\$ -	\$ -	\$ (111,194,501)	\$ (114,399,453)	\$ (128,431,071)

The updated all funds forecast also projects a future similar to that projected in October 2012. Revenues are expected to be somewhat higher, as are expenditures, resulting in a projected shortfall for expected expenditures of approximately \$63 million in FY 2017-18 and of \$200 million when including deferred expenditures.

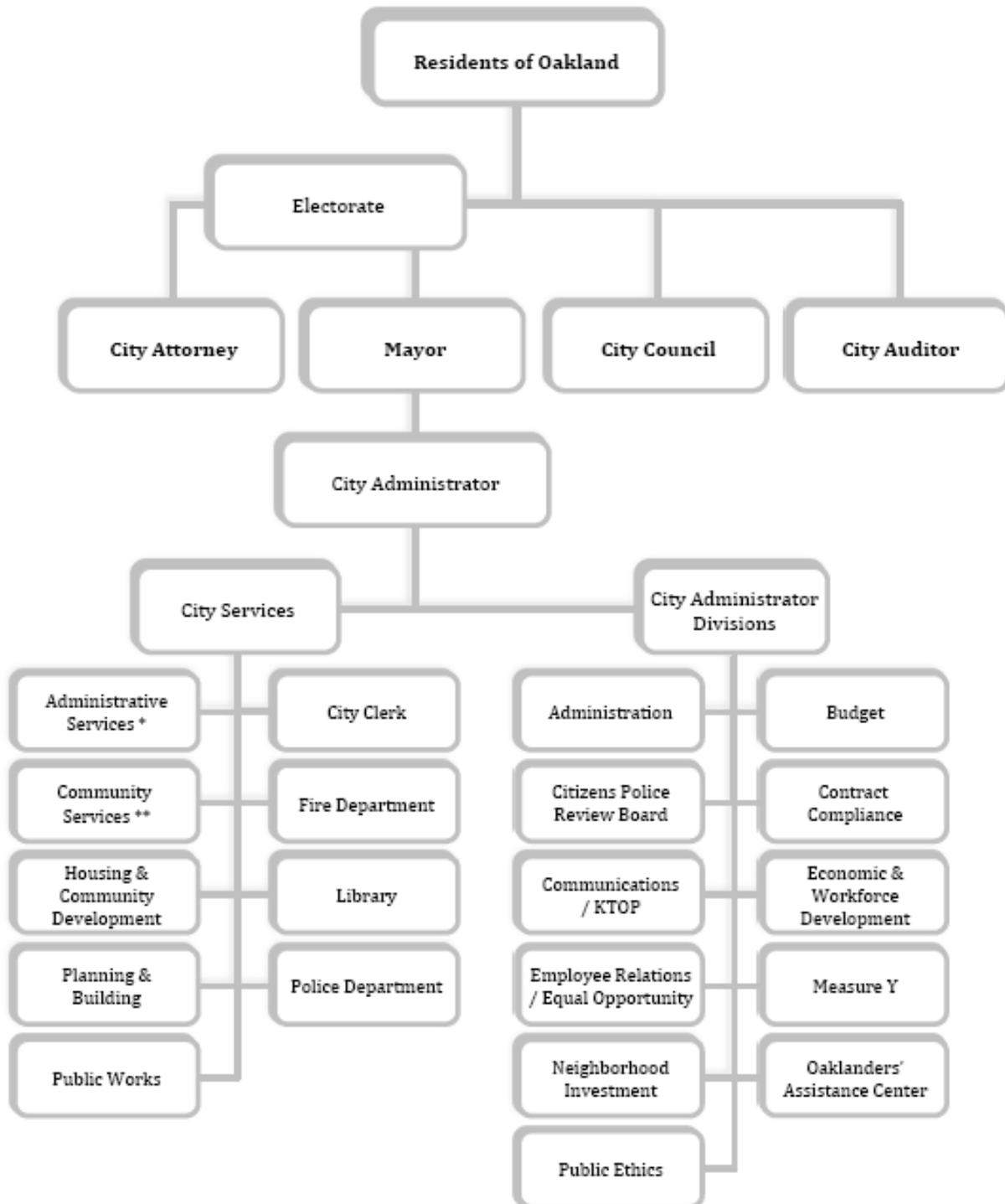
All Funds	FY 2013-14 Proposed	FY 2014-15 Proposed	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast
Revenue	\$ 1,052,690,555	\$ 1,071,696,861	\$ 1,013,617,005	\$ 1,030,810,812	\$ 1,052,534,461
Expenditures	\$ 1,039,006,929	\$ 1,060,583,969	\$ 1,059,300,000	\$ 1,079,300,000	\$ 1,115,300,000
<b>Surplus/(Shortfall)</b>	\$ 13,683,626	\$ 11,112,892	\$ (45,682,995)	\$ (48,489,188)	\$ (62,765,539)
Expenditures - Deferred			\$ 135,000,000	\$ 136,300,000	\$ 137,600,000
<b>Surplus/(Shortfall)</b>	\$ 13,683,626	\$ 11,112,892	\$ (180,682,995)	\$ (184,789,188)	\$ (200,365,539)

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# ORGANIZATIONAL STRUCTURE

## CITY OF OAKLAND ORGANIZATIONAL SUMMARY



\* Administrative Services includes Controller's Office, Revenue, Treasury, Human Resources and Information Technology.

\*\* Community Services includes Neighborhood Services, Parks and Recreation and Human Services.

# ORGANIZATIONAL STRUCTURE

## SUMMARY OF POSITIONS BY AGENCY/DEPARTMENT FY 2007-08 THROUGH FY 2014-15 (In Full Time Equivalents)

Agency/Department	FY 2007-08 Adopted Budget FTE	FY 2008-09 October Revise Budget FTE	FY 2009-10 Amended Budget FTE	FY 2010-11 Midcycle Budget FTE	FY 2011-12 Adopted Budget FTE	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
Mayor	24.00	23.00	13.50	10.00	9.00	9.00	10.00	10.00
City Council	35.50	35.50	35.50	26.46	26.46	26.46	26.46	26.46
City Administrator <sup>1</sup>	84.80	79.30	66.60	61.50	64.30	187.15	113.15	113.15
City Attorney	79.35	77.00	74.00	67.00	61.00	62.00	63.00	63.00
City Auditor	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
City Clerk	13.00	11.50	11.50	11.00	10.00	9.00	9.00	9.00
Contracting & Purchasing <sup>2</sup>	28.00	25.00	23.50	22.50				
Administrative Services <sup>3</sup>						164.50		
Information Technology <sup>1</sup>	100.00	86.00	80.00	68.00	64.00		67.00	67.00
Finance & Management <sup>4</sup>	231.05	228.25	229.30	222.30	215.70			
Controller's Office							36.00	36.00
Treasury							27.00	27.00
Revenue							75.00	75.00
Human Resources <sup>4</sup>	63.00	58.00	42.00	41.00	37.50		36.70	36.70
Police Service	1,180.13	1,166.13	1,159.13	1,084.13	961.65	1,001.85	1,125.85	1,177.85
Fire Service	596.00	594.75	586.45	588.05	589.95	589.95	594.95	595.95
Museum <sup>5</sup>	51.83	44.95	44.95	44.95				
Community Services <sup>3</sup>						506.69		
Neighborhood Services							3.70	3.70
Human Services	286.63	284.27	276.75	273.09	266.06		297.19	296.19
Parks & Recreation	241.32	237.93	220.99	218.49	232.13		230.14	230.14
Library Services	232.24	217.29	211.00	215.04	217.01	215.01	215.79	215.79
Planning, Building & Neighborhood Preservation <sup>6</sup>						127.75	114.75	111.75
Housing & Community Development <sup>6</sup>						48.75	46.25	39.25
Community & Economic Development Agency <sup>6</sup>	457.72	464.62	451.60	263.50	257.00			
Public Works	686.81	644.03	587.35	723.05	732.83	722.58	731.83	731.83
<b>TOTAL FTE</b>	<b>4,401.38</b>	<b>4,287.52</b>	<b>4,124.12</b>	<b>3,950.06</b>	<b>3,754.59</b>	<b>3,680.69</b>	<b>3,833.76</b>	<b>3,875.76</b>

<sup>1</sup> City Administrator assumed the Revenue Division and Parking Revenue Collection from Finance and Management. City Administrator assumed Employee Relations from HRM. City Administrator assumed Office of Economic and Workforce Development and Office of Neighborhood Investment responsibilities from Community and Economic Development Agency with dissolution of the Oakland Redevelopment Agency (ORA) in FY 2011-12. In FY 13-15 the Revenue Division moved back into Administrative Services.

<sup>2</sup> The Department of Contracting and Purchasing and Information Technology were divisions of the Finance and Management Agency through FY 2006-07. The Department of Contracting and Purchasing functions were absorbed by other departments in FY 2011-12.

<sup>3</sup> Administrative Services is created, composed of Information Technology, Finance and Management, and Human Resources Management and Community Services is created composed of Human Services and Parks and Recreation in FY 2012-13. In FY 13-15 the Revenue Division moved back into Administrative Services.

<sup>4</sup> Finance and Management transferred Parking Revenue Collection to City Administrator, Parking Enforcement to Police Department, and Repair Operations to Public Works as part of the restructuring due to the dissolution of the ORA in FY 2011-12. Human Resources was a division of the Finance and Management Agency through the end of FY 2008-09.

<sup>5</sup> City ceased operating the Oakland Museum of California in FY 2011-12

<sup>6</sup> With the dissolution of the ORA in FY 2011-12, the Community and Economic Development Agency was dissolved and new departments, the Department of Planning, Building & Neighborhood Preservation and the Department of Housing & Community Development are created.

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# ORGANIZATIONAL STRUCTURE

## Format of Agency and Department Budgets

The budgets presented for each department of the City have been prepared to provide a large amount of information in a brief and easily understandable format. Adopted budget data reflecting the City Council's action on June 30, 2013 is presented. This section outlines the information presented by each department.

<b>Mission Statement</b>	Each department budget begins with its mission statement and organization chart.
<b>Business Goals</b>	The second section lists the departmental goals for FY 2013-15. Typically, these goals represent the business purpose of a department, in support of its mission statement. Each department in the City fulfills particular needs of the community, and this section outlines those responsibilities.
<b>Programs/Divisions Included in the FY 2013-15 Budget</b>	This section lists all programs/divisions, along with their descriptions, for each department.
<b>Appropriations</b>	<p>The pages display summary information for revenue, expenditures, and positions -- both historical and FY 2013-15 proposed -- associated with operating the department.</p> <p><b>Summary of Historical Expenditure by Fund</b> outlines which funds (i.e., revenue sources) each department uses to carry out its programs. The sources and uses of the City's various funds are described in the Financial Summaries section.</p> <p><b>Summary of Authorized Positions by Program</b> summarizes all positions by program.</p> <p><b>Summary of Amended Budget by Program/Division</b> summarizes revenue and expenditures by program or division depending according to department preference.</p>
<b>Significant Changes to Budget</b>	A table highlighting major changes to the agency/department's appropriations included in the FY 2013-15 Proposed Policy Budget. Changes are presented for the General Purpose Fund and other funds.
<b>Organizational Chart</b>	This chart presents the departments organizational chart by budget program and includes a count of full time equivalent positions.

# ORGANIZATIONAL STRUCTURE

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## NOTES

**MAYOR**

**DUTIES AND RESPONSIBILITIES**

The Mayor’s Office supports the Mayor in carrying out her City Charter duties to achieve the Mayor’s priorities: providing hope and opportunity for Oakland’s youth; strengthening public safety and reducing crime and violence; fostering sustainable economic growth and development of Oakland and Oakland residents; providing Oakland residents the opportunity to lead a healthy life; and providing city services in an effective and efficient manner.

The Mayor’s Office also works to create public/private partnerships, develop inter-governmental relationships with the County and surrounding jurisdictions; collaborate with the state and federal government on legislative and inter-governmental matters, promote a positive image of Oakland and establish partnerships with non-profit and philanthropic groups for the benefit of Oakland and Oakland’s residents.

**PRIORITIES**

- The Mayor shall be responsible for the submission of an annual budget to the Council which shall be prepared by the City Administrator under the direction of the Mayor and Council. The Mayor shall, at the time of the submission of the budget, submit a general statement of the conditions of the affairs of the City, the goals of the administration and recommendations of such measures as she may deem expedient and proper to accomplish such goals.
- The Mayor shall recommend to the Council measures and legislation as she deems necessary and to make such other recommendations to the Council concerning the affairs of the City as she finds desirable.

**SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND**

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$1,302,162	\$2,055,907	\$2,002,220
1610 Successor Redevelopment Agency Reimbursement	94,731	-	-
1760 Telecommunications Reserve	70,549	100,888	103,339
2251 Measure Y: Public Safety Act	79,073	80,710	82,671
<b>TOTAL</b>	<b>\$1,546,515</b>	<b>\$2,237,505</b>	<b>\$2,188,230</b>
GPF Percent to Total Department	84.2%	91.9%	91.5%
GPF Percent to Citywide GPF Expenditures	0.3%	0.5%	0.4%

**AUTHORIZED POSITIONS BY PROGRAM**

Program	FY 2012-13 Midcycle Authorized FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Mayor's Support</b>	<b>9.00</b>	<b>10.00</b>	<b>10.00</b>
1010 - General Purpose Fund (GPF)	7.70	9.10	9.10
1610 - Successor Redevelopment Agency Reimbursement	0.40	-	-
1760 - Telecommunications Reserve	0.50	0.50	0.50
2251 - Measure Y: Public Safety Act 2004	0.40	0.40	0.40
<b>TOTAL</b>	<b>9.00</b>	<b>10.00</b>	<b>10.00</b>

**SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM**

<b>Revenue</b>			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Mayor's Support	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditure</b>			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Mayor's Support	\$1,546,515	\$2,237,505	\$2,188,230
<b>TOTAL</b>	<b>\$1,546,515</b>	<b>\$2,237,505</b>	<b>\$2,188,230</b>

**SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE**

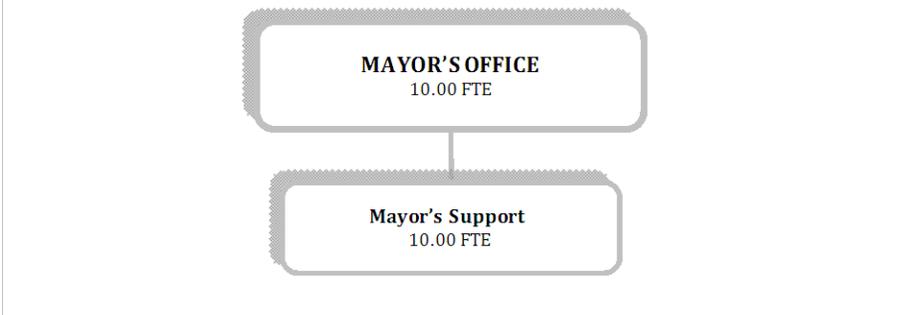
General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Add 1.00 FTE Special Assistant to the Mayor	1.00	\$117,870	\$120,733
Reduction target of 5% in FY 2013-14 and 10% in FY 2014-15.	-	(\$102,002)	(\$209,054)

# MAYOR

## PRIORITIES (CONT'D)

- The Mayor shall encourage programs for the physical, economic, social and cultural development of the City.
- The Mayor shall actively promote economic development to broaden and strengthen the commercial and employment base of the City.
- The Mayor shall appoint the City Administrator, subject to confirmation by the City Council, remove the City Administrator and give direction to the City Administrator. The Mayor shall advise the council before removing the City Administrator.
- The Mayor shall serve as ceremonial head of the City.
- The Mayor shall represent the City in inter-governmental relations as directed by the Council.
- The Mayor shall provide community leadership.

## ORGANIZATIONAL CHART BY PROGRAM



## PRIOR REDUCTIONS

- Elimination of General Fund Pay Go in FY09-10 has resulted in less capital improvement programs around Oakland.
- Staffing in the Mayor's Office has reduced substantially over the past several years, from 18 FTE's in FY07-08 (excludes Oaklander's Assistance Centre) to 9 FTE's in FY 2012-13. One of the positions managed federal, state and local

government relations that coordinated special projects. Other positions were administrative in nature and also assisted with special projects.

## PROGRAM DESCRIPTIONS

### MAYOR'S SUPPORT

This program works directly with the Mayor in implementing her goals and responding to queries and concerns of Oakland citizens, businesses, and elected officials.

# CITY COUNCIL

## DUTIES AND RESPONSIBILITIES

The Oakland City Council consists of eight Councilmembers, with seven nominated and elected from districts and one Citywide (At-Large). All Councilmembers are elected to a term of four years.

The City Council is the governing body of the City. It exercises the corporate powers of the City and, subject to the expressed limitations of the City Charter, is vested with all powers of legislation in municipal affairs adequate to provide a complete system of local government consistent with the Constitution of the State of California. The Council has no administrative powers.

## BUSINESS GOALS

- Improve efficiency and responsiveness to our residents.
- Improve the infrastructure.
- Reduce crime and ensure public safety for every Oakland neighborhood.
- Develop a sustainable city.
- Ensure that all Oakland children through seniors have an opportunity to be successful.
- Expand economic development.

## PRIOR REDUCTIONS

- Elimination of General Fund Pay-Go in FY09-10 has resulted in less capital improvement programs in various districts.
- Elimination of 6 FTE Legislative Analyst's in FY09-10 resulted in dedicated personnel to staff Committees, which reduced the policy analysis and legislative expertise required by Council.
- Reduction of 15% in City Council budget in FY 2011-13 led to the reduction in staff hours, additional voluntary furloughs, reductions in O&M and position eliminations.

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$2,898,046	\$3,547,574	\$3,434,472
1610 Successor Redevelopment Agency Reimbursement	521,368	-	-
<b>TOTAL</b>	<b>\$3,419,414</b>	<b>\$3,547,574</b>	<b>\$3,434,472</b>
GPF Percent to Total Department	84.8%	100.0%	100.0%
GPF Percent to Citywide GPF Expenditures	0.7%	0.8%	0.8%

### AUTHORIZED POSITIONS BY PROGRAM

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Policy Analysis</b>	<b>26.46</b>	<b>26.46</b>	<b>26.46</b>
1010 - General Purpose Fund (GPF)	23.26	26.46	26.46
1610 - Successor Redevelopment Agency Reimbursement	3.20	-	-
<b>TOTAL</b>	<b>26.46</b>	<b>26.46</b>	<b>26.46</b>

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

Revenue			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Policy Analysis	\$0		
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Expenditure			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Policy Analysis	\$3,419,414	\$3,547,574	\$3,434,472
<b>TOTAL</b>	<b>\$3,419,414</b>	<b>\$3,547,574</b>	<b>\$3,434,472</b>

### SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Reduction target of 5% in FY 2013-14 and 10% in FY 2014-15.	-	(\$186,717)	(\$381,610)

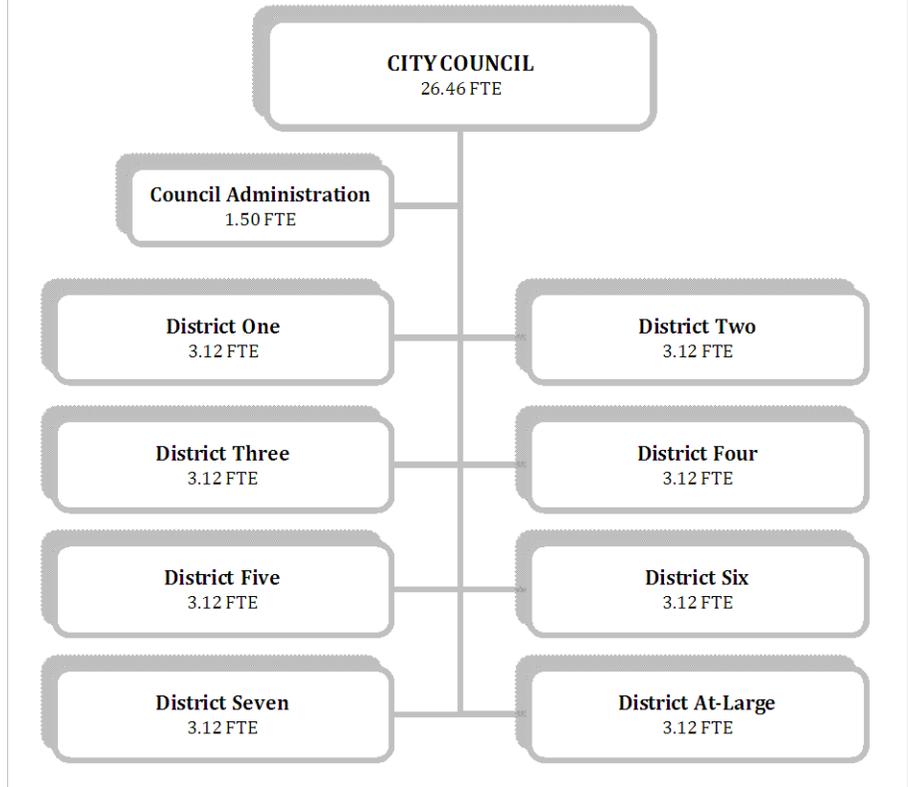
# CITY COUNCIL

## PROGRAM DESCRIPTIONS

### POLICY ANALYSIS

This program analyzes new public policy initiatives and ensures that City of Oakland policy objectives are being met. Also, address constituent concerns and handles legislative follow up unique to Councilmembers and/or Council priorities.

## ORGANIZATIONAL CHART BY DIVISION



## CITY ADMINISTRATOR

### MISSION STATEMENT

The Office of the City Administrator provides strategic leadership that supports the Mayor and City Council and motivates and challenges the organization to deliver efficient and effective services to the community.

### BUSINESS GOALS

- Administer the affairs of the City in an efficient and effective manner.
- Conduct necessary reviews of City operations to improve efficiency and accountability of City government.
- Manage and coordinate citywide service delivery.
- Enforce all applicable laws, ordinances and policies of the City.
- Advance the City's vision and goals and build organizational capacity.
- Provide professional expertise and support to the Mayor and City Council in the formulation, interpretation, and application of public policy.
- Advance the Mayor's and City Council's priorities.

### PRIOR REDUCTIONS

- In the past several years, Equal Employment Opportunity Programs staffing has been reduced by 50%. The unit's ability to meet required deadlines for discrimination complaint investigations, and the number of reasonable accommodation requests have taken longer to process.
- The Citizens Police Review Board budget has been reduced by 60% and staffing by 38% over four years. The time to investigate complaints has doubled for some cases and they are unable to perform mediations and there has been a reduction in the

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$24,517,450	13,537,728	13,790,378
1610 Successor Redevelopment Agency Reimbursement	6,979,859	4,717,093	4,819,796
1700 Mandatory Refuse Program	1,818,282	-	-
1710 Recycling Program	194,178	208,871	212,086
1720 Comprehensive Clean-up	11,859	-	-
1750 Multipurpose Reserve	2,569,098	404,803	405,786
1760 Telecommunications Reserve	1,151,543	1,200,039	1,223,428
1770 Telecommunications Land Use	581,383	479,259	513,005
1820 OPRCA Self Sustaining Revolving Fund	10,274	-	-
2108 HUD-CDBG	470,348	311,719	317,834
2112 Department of Justice	290	-	-
2195 Workforce Investment Act	5,371,837	5,275,111	5,279,141
2241 Measure Q-Library Services Retention & Enhancement	28,204	17,930	17,930
2250 Measure N: Fund	4,579	4,579	4,579
2251 Measure Y: Public Safety Act	516,169	529,953	534,663
2310 Lighting and Landscape Assesment	63,612	25,531	25,531
2412 Measure M: Emergency Dispatch Service	4,542	4,542	4,542
2413 Rent Adjustment Program Fund	440,346	173,336	177,496
2415 Development Service Fund	236,305	255,218	261,397
2417 Excess Litter Fee Fund	440,900	440,900	440,900
2419 Transient Occupancy Tax (TOT) Surcharge	370,381	370,381	370,381
2609 Dept of Energy-EECBG Program (ARRA)	99,414	-	-
3100 Sewer Service Fund	1,063,022	-	-
3200 Golf Course	8,450	8,450	8,450
5130 Rockridge: Library Assessment	3,387	3,387	3,387
5505 Municipal Capital Improvement: Public Arts	276,526	-	-
5610 Central District Projects	-	350,000	350,000
5650 Coliseum Projects	-	100,000	100,000
5671 OBRA: Leasing & Utility	3,120,001	-	25,000
7640 Oakland Public Museum Trust	32,610	-	-
7760 Grant Clearing	46,320	-	-
<b>TOTAL *</b>	<b>\$50,431,169</b>	<b>\$28,418,830</b>	<b>\$28,885,710</b>
GPF Percent to Total Department	48.6%	47.6%	47.7%
GPF Percent to Citywide GPF Expenditures	6.0%	3.1%	3.0%

\* Reduced budget due, in part, to the re-organization of Revenue to Administrative Services.

- number of cases brought to evidentiary hearing.
- Staffing in the Budget Office has reduced over the past several years. The unit has lost essential analytical positions necessary for the preparation, analysis and monitoring of department budgets.
- The position that handled the administration of cabaret, massage parlor and other City wide permits and the Director position in the Neighborhood Services Division were eliminated from CAO Administration. Duties of these positions are now handled by existing staff in the unit.
- Both Neighborhood Investment and Economic Development/Marketing have experienced reductions of more than 50 percent over the past several years, not only due to GPF cuts, but also since the dissolution of redevelopment in 2012. Despite these losses, the programs continue to operate by expanding the duties and workload of remaining staff.

# CITY ADMINISTRATOR

## DIVISION DESCRIPTIONS

### ADMINISTRATION

This program directs and coordinates all City agencies and departments to ensure the goals and policy directives of the City Council and Mayor are implemented and services are delivered to the community in an efficient and cost effective manner.

### BUDGET

The division develops a fiscally responsible budget; develops a budget that meets community priorities; produces accurate and timely analysis of program revenues and expenditures; provides consultative services to ensure programs are efficient and effective; provides thorough legislative analysis to the City Administrator and elected officials to ensure the City remains proactive in its legislative agenda.

### CITIZENS POLICE REVIEW BOARD

This program is the civilian police oversight agency for the City of Oakland, established to review complaints of conduct by police officers, conduct fact-finding investigations of these complaints, and thereafter make advisory reports to the City Administrator. Currently, the funding for Office of Inspector General (OIG) and Internal Affairs Complaint Intake resides in this unit.

### COMMUNICATIONS / KTOP

Facilitates City communications that are timely, accurate, professional, clear, relevant, effective and dependable; manages citywide media relations; oversees development and content of the City web site; and oversees KTOP, the City's government access cable television station. KTOP provides coverage of City Council, Council Committee, and other City Agency meetings, and broadcasting original and acquired programming that connects and engages viewers with their city government, fellow citizens and the world at large.

## AUTHORIZED POSITIONS BY DIVISION

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Administration</b>	<b>20.45</b>	<b>24.75</b>	<b>24.75</b>
1010 - General Purpose Fund (GPF)	11.80	19.73	19.73
1610 - Successor Redevelopment Agency Reimbursement	4.93	1.30	1.30
1750 - Multipurpose Reserve	0.34	0.34	0.34
1760 - Telecommunications Reserve	1.30	1.30	1.30
2413 - Rent Adjustment Program Fund	0.50	0.50	0.50
2415 - Development Service Fund	1.58	1.58	1.58
<b>Budget</b>	<b>4.50</b>	<b>4.00</b>	<b>4.00</b>
1010 - General Purpose Fund (GPF)	3.70	3.60	3.60
1610 - Successor Redevelopment Agency Reimbursement	0.80	0.40	0.40
<b>Citizens' Police Review Board</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
1010 - General Purpose Fund (GPF)	4.00	4.00	4.00
<b>Communications / KTOP</b>	<b>7.90</b>	<b>6.90</b>	<b>6.90</b>
1610 - Successor Redevelopment Agency Reimbursement	0.78	0.20	0.20
1760 - Telecommunications Reserve	7.12	6.70	6.70
<b>Contract Compliance</b>	<b>14.00</b>	<b>13.00</b>	<b>13.00</b>
1010 - General Purpose Fund (GPF)	12.60	12.00	12.00
1610 - Successor Redevelopment Agency Reimbursement	0.40	-	-
2609 - Dept of Energy-EECBG Program (ARRA)	1.00	-	-
5671 - OBRA: Leasing & Utility	-	1.00	1.00
<b>Economic &amp; Workforce Development</b>	<b>22.25</b>	<b>21.50</b>	<b>21.50</b>
1010 - General Purpose Fund (GPF)	10.00	8.50	8.50
1710 - Recycling Program	1.10	1.00	1.00
1720 - Comprehensive Clean-up	0.10	-	-
1820 - OPRCA Self Sustaining Revolving Fund	0.10	-	-
2108 - HUD-CDBG	1.75	1.75	1.75
2195 - Workforce Investment Act	7.00	7.25	7.25
2241 - Measure Q-Library Services Retention &	0.10	-	-
5321 - Measure DD: 2009B Clean Water, Safe Parks & Open	0.50	0.50	0.50
5505 - Municipal Capital Improvement: Public Arts	1.50	1.50	1.50
5671 - OBRA: Leasing & Utility	-	1.00	1.00
7760 - Grant Clearing	0.10	-	-
<b>Employee Relations / Equal Opportunity</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>
1010 - General Purpose Fund (GPF)	7.00	7.00	7.00
<b>Measure Y</b>	<b>0.30</b>	<b>1.00</b>	<b>1.00</b>
1010 - General Purpose Fund (GPF)	-	0.50	0.50
1610 - Successor Redevelopment Agency Reimbursement	-	0.20	0.20
2251 - Measure Y: Public Safety Act 2004	0.30	0.30	0.30
<b>Neighborhood Investment</b>	<b>26.75</b>	<b>27.00</b>	<b>27.00</b>
1010 - General Purpose Fund (GPF)	0.78	0.78	0.64
1610 - Successor Redevelopment Agency Reimbursement	21.22	21.12	21.12
1770 - Telecommunications Land Use	2.00	2.00	2.14
5671 - OBRA: Leasing & Utility	2.75	3.10	3.10
<b>Oaklanders' Assistance Center</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
1010 - General Purpose Fund (GPF)	2.00	2.00	2.00
<b>Public Ethics</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>
1010 - General Purpose Fund (GPF)	1.00	1.50	1.50
2251 - Measure Y: Public Safety Act 2004	-	0.50	0.50
<b>Revenue *</b>	<b>77.00</b>	<b>-</b>	<b>-</b>
1010 - General Purpose Fund (GPF)	57.21	-	-
1700 - Mandatory Refuse Program	15.66	-	-
1750 - Multipurpose Reserve	0.40	-	-
2310 - Lighting and Landscape Assessment District	0.40	-	-
2413 - Rent Adjustment Program Fund	3.00	-	-
7760 - Grant Clearing	0.33	-	-
<b>TOTAL</b>	<b>187.15</b>	<b>113.15</b>	<b>113.15</b>

\* Revenue is proposed to move as a Department within Administrative Services.

## DIVISION DESCRIPTIONS

### CONTRACT COMPLIANCE

This program supports all compliance policies that ensure social equity in public contracting and maximizes employment opportunities on City construction stability of Oakland's diverse community via contracting, procurement and construction employment opportunities.

### ECONOMIC WORKFORCE & DEVELOPMENT

The Economic Development program helps businesses succeed in Oakland by working with businesses and developers one-on-one and by implementing strategic initiatives to create a business-friendly environment.

The Workforce Development program staffs the City's Workforce Investment Board and administering more than \$5,000,000 in grants for Adult, Dislocated Worker, and Youth Service Providers; supports the Mayor's Summer Jobs Program, and leading the development and operation of the new West Oakland Job Resource Center.

The Marketing program produces vital marketing tools to attract business, develop business and revitalize neighborhoods. The message: Oakland is a premier location for business and investment. This unit also facilitates special events, cultural art grants and public art projects.

### EMPLOYEE RELATIONS / EQUAL OPPORTUNITY

Employee Relations represents the City and provides support to City staff on matters concerning employees who are represented by labor unions; negotiates on behalf of the City to set wages, hours, and other conditions of employment; assists City management staff in the interpretation of labor contracts; and investigates and resolves grievances. Equal Opportunity is mandated by federal, state, and local laws and regulations, performs the following functions: investigates Equal Employment Opportunity (EEO) claims of discrimination and harassment via a

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

### Revenue

Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Administration	\$13,657,609	\$7,801,264	\$7,969,763
Citizens' Police Review Board	-	734,000	-
Communications / KTOP	1,085,858	1,575,000	1,581,944
Contract Compliance	-	79,002	79,002
Economic & Workforce Development	8,287,018	6,444,376	6,476,114
Neighborhood Investment	7,829,790	1,949,741	1,983,487
Revenue	13,710,674	-	-
<b>TOTAL *</b>	<b>\$44,570,949</b>	<b>\$18,583,383</b>	<b>\$18,090,310</b>

### Expenditure

Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Administration	\$13,657,609	\$7,176,602	\$7,324,238
Budget	962,062	961,437	978,957
Citizens' Police Review Board	1,312,501	2,090,136	2,104,580
Communications / KTOP	1,085,858	1,017,703	1,036,674
Contract Compliance	1,523,489	1,622,317	1,659,977
Economic & Workforce Development	8,287,018	8,337,841	8,384,112
Employee Relations / Equal Opportunity	1,179,077	1,208,995	1,235,819
Measure Y	498,169	537,690	543,025
Neighborhood Investment	7,829,790	4,962,975	5,103,403
Oaklanders' Assistance Center	184,595	202,087	206,915
Public Ethics	200,327	301,047	308,010
Revenue	13,710,674	-	-
<b>TOTAL *</b>	<b>\$50,431,169</b>	<b>\$28,418,830</b>	<b>\$28,885,710</b>

\* Reduced budget due, in part, to the re-organization of Revenue to Administrative Services.

neutral fact finding process; receives and responds to informal EEO mediation and dispute resolution requests from employees; provides and administers an ADA/FEHA workplace accommodations process for City employees and job applicants; develops and submits EEO statistical reports; conducts sexual harassment education and EEO training programs; monitors hiring practices for EEO compliance and conducts outreach to the Oakland community.

### MEASURE Y

This program provides approximately \$20 million annually for violence prevention and public safety programs managed by the Department of Human Services and the Police Department. Currently, the City Administrator's Office manages the evaluation portion of the program. In addition, the

Department of Human Services contracts with Neighborhood Services to manage the City/County Neighborhood Initiative Program.

### NEIGHBORHOOD INVESTMENT

This program is responsible for winding down affairs of the former Oakland Redevelopment Agency (ORA) and ensuring contractual obligations of the former ORA are met, as well as property disposition and management, negotiation of disposition agreements, strengthening established commercial districts and neighborhood infrastructure support.

Real Estate Services provide a variety of services including property transfers, appraisals, leasing program, telecommunication leasing programs, right of way services, and property maintenance.

# CITY ADMINISTRATOR

## DIVISION DESCRIPTIONS

(CONT'D)

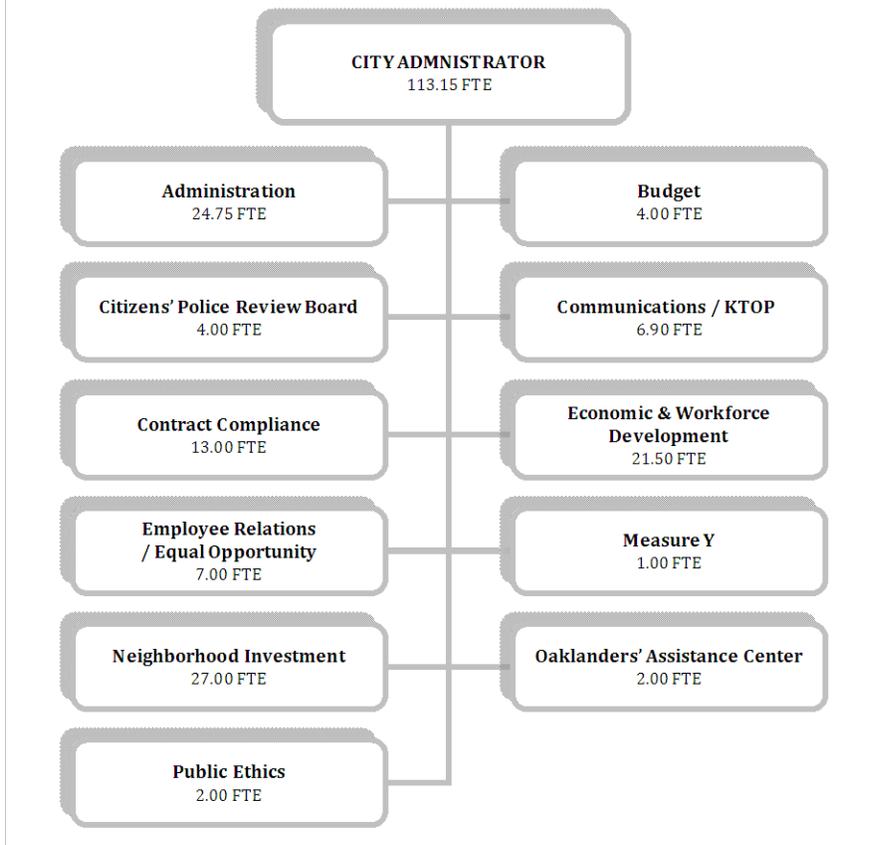
### OAKLANDERS' ASSISTANCE CENTER

This program provides constituent service center for information and troubleshooting various concerns and problems for all Oakland citizens.

### PUBLIC ETHICS

This program was created with the goal of ensuring "fairness, openness, honesty and integrity" in city government. It is responsible for reviewing, administering and enforcing Oakland's Campaign Reform Act (OCRA), Sunshine Ordinance, Limited Public Financing Act, False Endorsement in Campaign Literature Act and the Lobbyist Registration Act, and reviews and adjusts the salaries for the Oakland City Council each year per City Charter.

## ORGANIZATIONAL CHART BY DIVISION



## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Add 1.00 FTE Assistant to the City Administrator in CAO Administration and 0.50 FTE Program Analyst I in Public Ethics	1.50	\$216,360	\$221,514
Downgrade an Administrative Services Manager I in Contracting and Compliance to an Account Clerk III	-	(\$88,935)	(\$91,095)
Add 1.00 FTE City Administrator Analyst in Economic Workforce Development	1.00	\$166,299	\$170,339
Eliminate 0.50 FTE Management Intern, PT in the Budget Office	(0.50)	(\$13,766)	(\$13,766)
Transfer 1.00 Contract Compliance Office Assistant from Dept of Energy ARRA Fund (2609)	1.00	\$108,872	\$111,517
Transfer 1.00 FTE Compliance Officer to Oakland Army Base fund (5671)	(1.00)	(\$136,309)	(\$139,620)
Transfer 1.00 FTE Urban Economic Analyst II to fund 1610. Eliminate 0.50 FTE Graphic Design Specialist from the Office of Neighborhood Investment	(1.50)	(\$176,209)	(\$180,488)
ALL Other Funds	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Add 0.50 FTE Program Analyst I to Public Ethics in Measure Y fund 2251	0.50	\$46,293	\$47,418
Eliminate 1.00 FTE Cable Operations Technician in KTOP in fund 1760	(1.00)	(\$138,932)	(\$142,307)
Eliminate 0.50 FTE Administrative Analyst II PPT and 1.00 FTE Administrative Assistant I in fund 2195 in the Office of Neighborhood Investment	(1.50)	(\$137,239)	(\$140,572)
Eliminate 0.50 FTE Graphic Design Specialist from various funds	(0.50)	(\$57,149)	(\$58,536)

**CITY ATTORNEY**

**MISSION STATEMENT**

The Office of the City Attorney is committed to providing the highest quality legal services to the City of Oakland, its City Council, employees, officers, agencies, departments, boards and commissions; to promoting open government, transparency and accountability to the residents of Oakland in accordance with the letter and spirit of the law; and to apply the law in an innovative and community-oriented manner to improve the quality of life in all Oakland neighborhoods.

**TOP PRIORITIES & GOALS**

- Assist the Mayor, City Council, and City Administrator in achieving their goals for the City by providing sound legal advice.
- Respond efficiently to the needs of the City Council, City officials, departments and boards and commissions by negotiating, drafting and reviewing agreements, legislation, regulations, policies and procedures and helping to shape viable, defensible policies for the City.
- Aggressively defend Oakland’s interests and resources in court and initiate legal action and other initiatives to protect the rights and interests and enhance the quality of life of our residents and community.
- Minimize public liability exposure and reduce claims through effective advocacy, successful risk policies and useful training programs.
- Explore and identify ways to provide highest quality, professional legal services in the most efficient and cost-effective manner possible by restoring and maintaining sufficient in-house staff.
- Continue with the momentum of the Neighborhood Law Corps program to be responsive to residents and proactive in solving

**SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND**

<b>Expenditures by Fund</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
1010 General Purpose Fund (GPF)	\$4,311,203	\$4,406,790	\$4,289,481
1100 Self Insurance Liability	3,240,654	3,256,633	3,335,083
1150 Worker’s Compensation Insurance	447,665	439,309	449,900
1610 Successor Redevelopment Agency Reimbursement	1,887,213	1,349,968	1,382,330
1710 Recycling Program	295,686	294,063	301,157
2108 HUD-CDBG	46,395	45,468	46,564
2211 Measure B: ACTIA	28,814	28,238	28,919
2231 State Gas Tax-Prop 42 Replacement Funds	111,042	116,656	119,457
2413 Rent Adjustment Program Fund	338,882	348,415	356,782
2415 Development Service Fund	610,651	644,633	660,156
3100 Sewer Service Fund	618,023	640,241	655,579
7100 Police and Fire Retirement System	97,717	95,766	98,075
7120 Oakland Municipal Employees’ Retirement System	24,429	23,941	24,519
<b>TOTAL</b>	<b>\$12,058,374</b>	<b>\$11,690,121</b>	<b>\$11,748,002</b>
GPF Percent to Total Department	35.8%	37.7%	36.5%
GPF Percent to Citywide GPF Expenditures	1.1%	1.0%	0.9%

**AUTHORIZED POSITIONS BY DIVISION**

<b>Division</b>	<b>FY 2012-13 Midcycle Budget FTE</b>	<b>FY 2013-14 Proposed Budget FTE</b>	<b>FY 2014-15 Proposed Budget FTE</b>
<b>Advisory</b>	<b>22.00</b>	<b>22.00</b>	<b>22.00</b>
1010 - General Purpose Fund (GPF)	5.23	6.23	6.23
1100 - Self Insurance Liability	4.32	4.32	4.32
1150 - Worker’s Compensation Insurance Claims	0.92	0.92	0.92
1610 - Successor Redevelopment Agency Reimbursement	6.31	5.31	5.31
1710 - Recycling Program	1.00	1.00	1.00
2108 - HUD-CDBG	0.19	0.19	0.19
2211 - Measure B: ACTIA	0.13	0.13	0.13
2231 - State Gas Tax-Prop 42 Replacement Funds	0.25	0.25	0.25
2413 - Rent Adjustment Program Fund	0.90	0.90	0.90
2415 - Development Service Fund	1.15	1.15	1.15
3100 - Sewer Service Fund	1.10	1.10	1.10
7100 - Police and Fire Retirement System	0.40	0.40	0.40
7120 - Oakland Municipal Employees’ Retirement System	0.10	0.10	0.10
<b>City Attorney: Administration</b>	<b>27.00</b>	<b>28.00</b>	<b>28.00</b>
1010 - General Fund: General Purpose	13.29	15.39	15.39
1100 - Self Insurance Liability	7.07	7.07	7.07
1610 - Successor Redevelopment Agency Reimbursement	1.60	0.50	0.50
1710 - Recycling Program	0.50	0.50	0.50
2413 - Rent Adjustment Program Fund	1.00	1.00	1.00
2415 - Development Service Fund	1.60	1.60	1.60
3100 - Sewer Service Fund	1.94	1.94	1.94
<b>Litigation</b>	<b>13.00</b>	<b>13.00</b>	<b>13.00</b>
1010 - General Fund: General Purpose	3.00	3.50	3.50
1100 - Self Insurance Liability	6.80	6.80	6.80
1150 - Worker’s Compensation Insurance Claims	0.99	0.99	0.99
1610 - Successor Redevelopment Agency Reimbursement	0.50	-	-
2231 - State Gas Tax-Prop 42 Replacement Funds	0.20	0.20	0.20
2415 - Development Service Fund	0.75	0.75	0.75
3100 - Sewer Service Fund	0.76	0.76	0.76
<b>TOTAL</b>	<b>62.00</b>	<b>63.00</b>	<b>63.00</b>

\* Three staff are to be added at a cost of \$615,652 from fund 1100 and will achieve saving from expenditure on outside counsel.

# CITY ATTORNEY

## TOP PRIORITIES & GOALS

(CONT'D)

chronic neighborhood problems and addressing public nuisances.

- Promote open government and accountability to the residents of Oakland in accordance with the letter and spirit of the law.

## PRIOR REDUCTIONS

- The adopted budget of the Office of the City Attorney for FY 2011-12 is \$11.63 million which represents a steady decline (\$3.78 million) from the FY 2007-08 budget of \$15.41 million. Over the last decade, due to budget cuts, the City Attorney's office has lost 33 positions (19 attorneys and 14 support staff) which represents more than one-third of the staff.
- 17 of the positions were eliminated by the start of FY 2009-10, with three more rounds of budget reductions occurring in the 2009-11 budget process. The result was a reduction of nine additional attorney positions and seven support positions during the last three years.
- Reductions have required greater reliance on outside counsel for legal advice, litigation support, and transactional work, that could have been performed more efficiently and effectively and at lower cost with in-house counsel.
- The time to complete other functions such as document review, legal opinions, and legislation preparation has increased due to the budget cuts.

## DIVISION DESCRIPTIONS

### ADVISORY SERVICES

Provide legal services covering a wide spectrum of municipal affairs, including but not limited to legal advice and counsel, drafting and reviewing and negotiating contracts, and preparing legislation.

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

Revenue			
Division	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Advisory	\$10,280	\$10,280	\$10,280
Litigation	8,000	22,000	22,000
<b>TOTAL</b>	<b>\$18,280</b>	<b>\$32,280</b>	<b>\$32,280</b>
Expenditure			
Division	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Advisory	\$5,062,085	\$5,013,914	\$5,133,484
City Attorney: Administration	4,581,771	4,331,063	4,213,625
Litigation	2,414,518	2,345,144	2,400,893
<b>TOTAL</b>	<b>\$12,058,374</b>	<b>\$11,690,121</b>	<b>\$11,748,002</b>

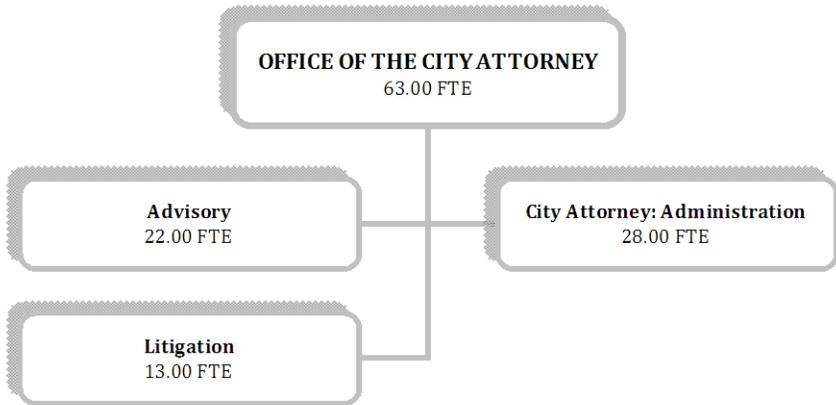
## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Reduction target of 5% in FY 2013-14 and 10% in FY 2014-15.	-	(\$231,936)	(\$476,609)

### ALL Other Funds

Planned addition of 1.00 FTE of City Attorney IV, 1.00 FTE of Special Counsel, and 1.00 FTE of Legal Administrative Assistant to increase staff capacity to address legal and litigation matters from Self-Insurance Fund (1100). As a result, saving for outside counsel expenditure should be achieved. The total staff level will be 66 FTEs. The effectiveness will be evaluated in FY 2014-15. The approximate cost to add these positions is \$0.62 million, and would result in the recalculation of the repayment to the negative fund balance.

## ORGANIZATIONAL CHART BY DIVISION



### LEGAL SUPPORT & OPERATIONS

Manage the budget, personnel and support services of the City Attorney's Office, including but limited to payroll, information technology, and paralegal and legal assistant services.

### LITIGATION SERVICES

Advocate the City's interest in claims and lawsuits filed against and on behalf of the City, its officers, employees and agencies.

**CITY AUDITOR**

**MISSION STATEMENT**

The mission of the Office of the City Auditor is to conduct performance audits that return in-depth and meaningful results to the citizens of Oakland by utilizing a risk-based audit approach to identify and audit the areas of government most vulnerable to fraud, waste, abuse and mismanagement.

**BUSINESS GOALS**

- Identify \$4 of monetary benefit for every \$1 in audit cost.
- Conduct performance audits to improve the economy, efficiency, effectiveness and accountability of City Government.
- Conduct mandated audits of City expenditures.
- Establish an effective whistleblower program to combat fraud, waste, and abuse.
- Follow-up on audit recommendations in accordance with the City Charter.
- Provide a professional, supportive, and effective environment for staff to excel.

**PRIOR REDUCTIONS**

- Reductions in the Whistleblower Program have resulted in the elimination of all special investigations. The City Auditor's Office has very limited flexibility within the program for any follow up or investigative work.
- Trainings reduced to only those necessary for annual professional requirements.

<b>SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND</b>			
<b>Expenditures by Fund</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
1010 General Purpose Fund (GPF)	\$900,535	\$1,556,461	\$1,510,761
<b>TOTAL</b>	<b>\$900,535</b>	<b>\$1,556,461</b>	<b>\$1,510,761</b>
GPF Percent to Total Department	100.0%	100.0%	100.0%
GPF Percent to Citywide GPF Expenditures	0.2%	0.4%	0.3%

<b>AUTHORIZED POSITIONS BY PROGRAM</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget FTE</b>	<b>FY 2013-14 Proposed Budget FTE</b>	<b>FY 2014-15 Proposed Budget FTE</b>
<b>Auditing</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
<i>1010 - General Purpose Fund (GPF)</i>	<i>10.00</i>	<i>10.00</i>	<i>10.00</i>
<b>TOTAL</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

<b>SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM</b>			
<b>Revenue</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Auditing	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditure</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Auditing	\$900,535	\$1,556,461	\$1,510,761
<b>TOTAL</b>	<b>\$900,535</b>	<b>\$1,556,461</b>	<b>\$1,510,761</b>

<b>SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE</b>			
<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Reduction target of 5% in FY 2013-14 and 10% in FY 2014-15.	-	(\$81,919)	(\$167,862)

# CITY AUDITOR

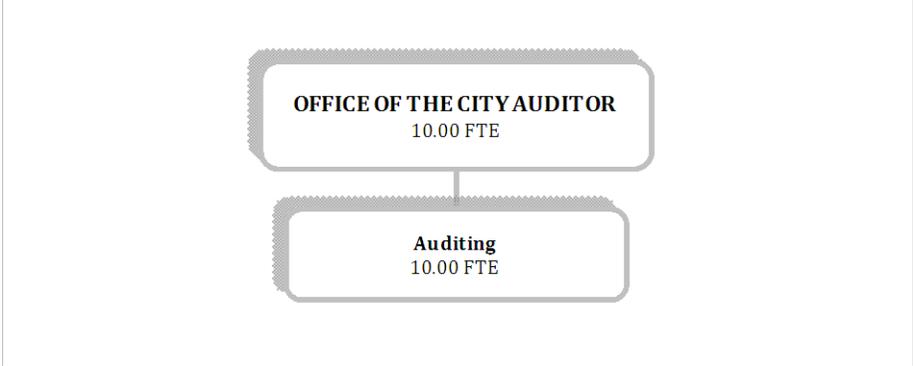
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## PROGRAM DESCRIPTIONS

### AUDITING

This program conducts audits of all departments and agencies of the City in accordance with applicable government auditing standards and in conformity with Section 403 of the Oakland City Charter. Audit services will identify ways to increase the economy, efficiency, effectiveness, and accountability of City government.

## ORGANIZATIONAL CHART BY PROGRAM



## CITY CLERK

### MISSION STATEMENT

The mission of the Office of the City Clerk is to enable the public to fully participate in the governmental process, by providing accurate information and services in a professional manner, and to assist residents in making informed decisions affecting the quality of their lives.

### BUSINESS GOALS

- Support the Mayor, City Council, City Administrator, and Department Directors in achieving their goals for the City through accurate recording of legislative activities and retention / retrieval of City records.
- Enhancement of City-Wide Records Management program to promote accessibility, retention, and timely destruction.
- Continue outreach to encourage citizen participation in government affairs and increase voter participation.

### PRIOR REDUCTIONS

The FY 2012-13 baseline budget of the City Clerk's office reflects a 27.25% reduction in comparison to the adjusted baseline budget for FY 2009-10. The variance to O&M is \$789,768. Operational impacts of the reductions include: elimination of full support to City Boards and Commissions, elimination of Passport Services, elimination of hearing room reservations for City Hall hearing rooms, elimination of front desk/receptionist support, and elimination of part time support for elections administration. Additionally balancing measures included reduction of O&M expenses supporting agenda production, elections administration, and general supplies/equipment replacement.

#### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$1,930,089	\$1,917,527	\$1,873,031
1610 Successor Redevelopment Agency Reimbursement	178,763	49,402	50,588
<b>TOTAL</b>	<b>\$2,108,852</b>	<b>\$1,966,929</b>	<b>\$1,923,619</b>
GPF Percent to Total Department	91.5%	97.5%	97.4%
GPF Percent to Citywide GPF Expenditures	0.5%	0.4%	0.4%

#### AUTHORIZED POSITIONS BY PROGRAM

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Agenda Management</b>	<b>4.40</b>	<b>4.00</b>	<b>4.00</b>
1010 - General Purpose Fund (GPF)	3.60	3.70	3.70
1610 - Successor Redevelopment Agency Reimbursement	0.80	0.30	0.30
<b>Customer Services &amp; Public Relations</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
1010 - General Purpose Fund (GPF)	1.00	1.00	1.00
<b>Elections &amp; Political Compliance</b>	<b>1.20</b>	<b>2.00</b>	<b>2.00</b>
1010 - General Purpose Fund (GPF)	1.00	1.90	1.90
1610 - Successor Redevelopment Agency Reimbursement	0.20	0.10	0.10
<b>Records Management</b>	<b>2.40</b>	<b>2.00</b>	<b>2.00</b>
1010 - General Purpose Fund (GPF)	2.00	2.00	2.00
1610 - Successor Redevelopment Agency Reimbursement	0.40	-	-
<b>TOTAL</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>

#### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

Revenue			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Agenda Management	\$1,870	\$0	\$0
Customer Services & Public Relations	3,840	-	-
<b>TOTAL</b>	<b>\$5,710</b>	<b>\$0</b>	<b>\$0</b>
Expenditure			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Agenda Management	\$1,113,529	\$1,016,993	\$1,047,272
Customer Services & Public Relations	154,244	140,746	143,640
Elections & Political Compliance	468,902	469,957	387,597
Records Management	372,177	339,233	345,110
<b>TOTAL</b>	<b>\$2,108,852</b>	<b>\$1,966,929</b>	<b>\$1,923,619</b>

# CITY CLERK

## PROGRAM DESCRIPTIONS

### AGENDA MANAGEMENT

Manages and performs processes to prepare and issue City Council legislative agendas and materials in advance to the public, members of the Council, and executive staff; facilitate opportunities for public comment during the meeting; record official actions taken by the Council, the Oakland Redevelopment Successor Agency, JPA, and certain other governing bodies (Legally Mandated).

### CUSTOMER SERVICE AND PUBLIC RELATIONS

Manage general operations for the department: finance, budget, payroll, personnel, workers comp; process Domestic Partnership Registration Applications; coordinate facilities needs; and Equal Access.

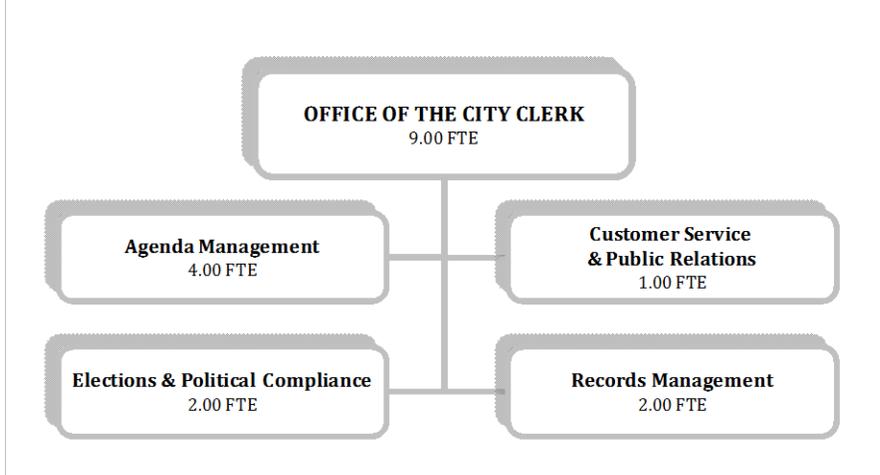
### ELECTIONS & POLITICAL COMPLIANCE

Administer and Coordinate election services for the selection of City and OUSD officers, approval of Initiatives, City Measures, Referendums, and Recalls; Serve as Filing Officer and Filing Official for the issuance, filing, review, and audit of required Fair Political Practices Commission (FPPC) Political Reports, i.e. Campaign Disclosure Statements and Statements of Economic Interest (Form 700) (Legally Mandated).

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Reduce O&M for elections	-	(\$84,509)	(\$171,565)

## ORGANIZATIONAL CHART BY PROGRAM



### RECORDS MANAGEMENT

Maintain minutes, ordinances, resolutions, motions, and contracts adopted and approved by the City Council; provide ready access to records city-wide; set policy and establish procedures to guide the care,

preservation, retention, and disposition of all city records and information; manage access to and contract for offsite storage facility; coordinate records requests; manages records' disposition processes; processes discovery requests for litigation requests.

## POLICE DEPARTMENT

### MISSION STATEMENT

The Mission of the Oakland Police Department is to provide the people of Oakland an environment where they can live, work, play, and thrive free from crime and the fear of crime.

### BUSINESS GOALS

- Provide effective leadership and administrative support by providing comprehensive oversight of internal operations, maintaining sound fiscal practices, implementing and utilizing up-to-date technology, and providing effective supervision and training.
- Promote public trust and confidence through the efficient and effective investigation of complaints involving violations of law or policy against police personnel.
- Provide effective and efficient criminal investigation of adult and juvenile crimes through consistent training, intelligent analysis of crime data, the identification of career criminals, prosecution of offenders, and the utilization of advanced forensic evidence analysis.
- Provide timely state-of-the-art forensic analytical services and analysis of physical evidence from crimes, while making full, systematic use of forensic science databases and contemporary technologies to solve crimes and apprehend perpetrators.  
Effectively address crime and public safety issues by increasing police crimes, while making full, systematic use of forensic science databases and contemporary technologies to solve crimes and apprehend perpetrators.
- Effectively address crime and public safety issues by increasing police personnel's capacity to

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$168,711,136	\$178,790,549	\$192,780,324
1100 Self Insurance Liability	7,374,480	6,576,750	6,576,750
1150 Worker's Compensation Insurance	276,057	281,286	287,654
1720 Comprehensive Clean-up	702,702	-	-
1760 Telecommunications Reserve	-	144,721	148,237
2112 Department of Justice	156,435	7,834	7,834
2159 State of California Other	178,194	101,787	101,788
2172 Alameda County: Vehicle Abatement Authority	352,240	400,550	412,615
2251 Measure Y: Public Safety Act	11,636,551	12,327,243	12,848,543
2411 False Alarm Reduction Program	1,977,532	1,312,904	1,339,193
2416 Traffic Safety Fund	2,266,815	2,360,960	2,391,149
2995 Police Grants	20,000	20,000	20,000
2999 Miscellaneous Grants	1,300,000	1,300,000	1,300,000
<b>TOTAL</b>	<b>\$194,952,142</b>	<b>\$203,624,584</b>	<b>\$218,214,087</b>
GPF Percent to Total Department	86.5%	87.8%	88.3%
GPF Percent to Citywide GPF Expenditures	41.2%	41.6%	42.1%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Bureau of Field Operations</b>	<b>596.85</b>	<b>710.85</b>	<b>769.85</b>
1010 - General Purpose Fund (GPF)	501.92	627.20	686.20
1720 - Comprehensive Clean-up	12.28	-	-
2172 - Alameda County: Vehicle Abatement Authority	2.00	2.00	2.00
2251 - Measure Y: Public Safety Act 2004	63.00	63.00	63.00
2411 - False Alarm Reduction Program	-	1.00	1.00
2416 - Traffic Safety Fund	17.65	17.65	17.65
<b>Bureau of Risk Management</b>	<b>79.00</b>	<b>80.00</b>	<b>80.00</b>
1010 - General Purpose Fund (GPF)	79.00	80.00	80.00
<b>Bureau of Services</b>	<b>144.00</b>	<b>147.00</b>	<b>146.00</b>
1010 - General Purpose Fund (GPF)	135.50	138.50	137.50
1150 - Worker's Compensation Insurance Claims	2.00	2.00	2.00
2112 - Department of Justice	1.00	-	-
2411 - False Alarm Reduction Program	5.50	6.50	6.50
<b>Criminal Investigation Division</b>	<b>172.00</b>	<b>174.00</b>	<b>168.00</b>
1010 - General Purpose Fund (GPF)	146.00	148.00	154.50
2113 - Department of Justice - COPS Hiring	-	25.00	12.50
2159 - State of California Other	1.00	1.00	1.00
2607 - Department of Justice-COPS Hiring Recovery	25.00	-	-
<b>Office of the Chief of Police</b>	<b>10.00</b>	<b>14.00</b>	<b>14.00</b>
1010 - General Purpose Fund (GPF)	10.00	13.00	13.00
1760 - Telecommunications Reserve	-	1.00	1.00
<b>TOTAL</b>	<b>1,001.85</b>	<b>1,125.85</b>	<b>1,177.85</b>

# POLICE DEPARTMENT

## BUSINESS GOALS (CONT'D)

provide a higher quality of service to the community by providing basic and in-service training to improve their skills and abilities.

- Provide targeted investigation of prostitution activity with a priority on intervention with minors and the prosecution of adults involved in human trafficking. Collaborate with the Department of Human Services, Alameda County judges, the District Attorney's Office, and the Alameda County Probation Department to establish a process to place juvenile offenders into a Measure Y Program or Juvenile Hall and to develop system to monitor all referrals and outcomes for juvenile offenders.
- Reduce violence caused by career criminals and maintain involvement in youth development.
- Improve traffic safety and community safety through enforcement of traffic codes, public education, and the removal of traffic hazards and abandoned vehicles from City streets.

## PRIOR REDUCTIONS

Since 2008-09 adopted budget, approximately 225 full time equivalents (FTE) have been eliminated from OPD's budget. This represents a 24% reduction in sworn staffing and a 20% reduction in professional staff. OPD has reduced spending on employee services (salaries & benefits) by \$40 million, since 2008-09 – a 19% reduction. Prior to the adoption of Measure BB, budget reductions had come exclusive from within professional staff positions. For example, in the FY 2003-05 budget, twenty (20) dispatcher positions were eliminated. The impacts of these cuts to service delivery are:

- Slower response times for 911 calls for service
- Dramatic reduction in investigative staffing, which results in a lower

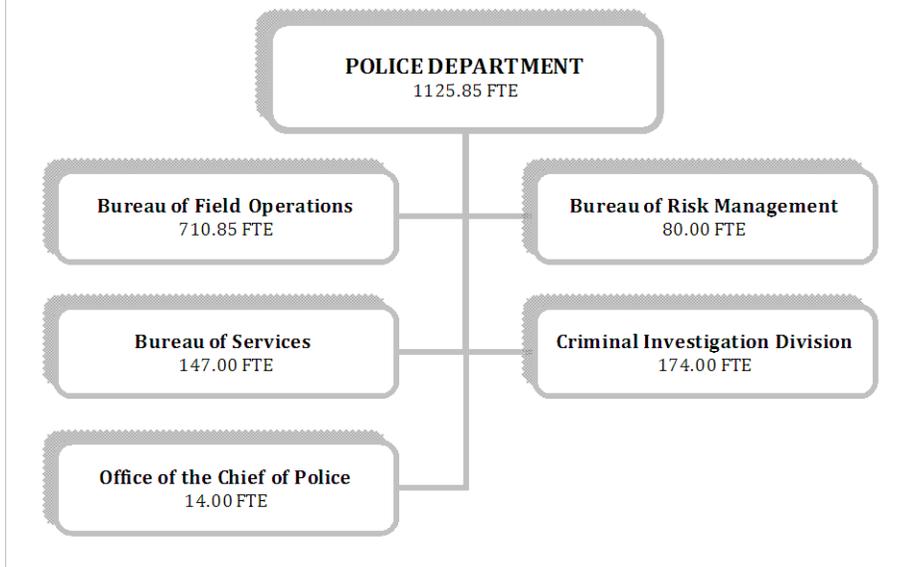
## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

<b>Revenue</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Bureau of Field Operations	\$7,394,765	\$6,843,453	\$11,062,379
Bureau of Risk Management	45,000	33,912	33,912
Bureau of Services	3,353,858	1,706,054	1,717,550
Criminal Investigation Division	145,773	154,565	154,565
Office of the Chief of Police	1,914,164	1,437,149	1,474,789
<b>TOTAL</b>	<b>\$12,853,560</b>	<b>\$10,175,133</b>	<b>\$14,443,195</b>

<b>Expenditure</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Bureau of Field Operations	\$101,346,764	\$111,557,073	\$123,696,186
Bureau of Risk Management	12,513,986	13,549,497	14,045,747
Bureau of Services	19,535,740	19,679,140	19,448,028
Criminal Investigation Division	26,208,348	26,654,440	28,305,699
Office of the Chief of Police	35,347,304	32,184,434	32,718,427
<b>TOTAL</b>	<b>\$194,952,142</b>	<b>\$203,624,584</b>	<b>\$218,214,087</b>

## ORGANIZATIONAL CHART BY DIVISION



# POLICE DEPARTMENT

## PRIOR REDUCTIONS (CONT'D)

clearance rate for identifying suspects in crimes

- Increases in violent crime, notably robberies, in areas where it had not normally occurred in Oakland
- Property crime has become much more pervasive throughout the city, because people are able to commit property crimes with relative impunity
- Increased overtime spending to maintain basic service levels
- Slower response times to answer queries for records from the public and from other governmental agencies
- Administrative work assigned to police officers

## DIVISION DESCRIPTIONS

### OFFICE OF THE CHIEF OF POLICE

The Office of the Chief of Police consists of two areas: The Chief's Immediate Office and the Media Relations Office. The Media Relations Office handles media inquiries and responds to questions and comments from the public.

### BUREAU OF FIELD OPERATIONS

This division encompasses Patrol, Special Operations, Traffic, Support Operations, and Animal Services. Police patrol provides general investigation, community policing, and crime prevention. The Special Operations unit includes the Helicopter and SWAT teams. The Traffic unit promotes traffic safety, investigates traffic complaints, and enforces traffic and vehicular laws. Support Operations includes school police, neighborhood service coordinators, and reserves.

### CRIMINAL INVESTIGATIONS DIVISION

This division investigates criminal activity and develops cases for the prosecution of crimes. This also includes the criminalistics unit that analyzes and documents evidence for the prosecution of crimes as well as analyzing crime statistics and recommending plans for the effective deployment and use of resources.

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Add 169th Police Academy in FY 2014-15 (pre-academy costs in FY 2013-14)	40.00	\$1,119,983	\$4,179,623
Add 170th Police Academy in FY 2014-15 (Academy from December - May. Salaries and benefits for the new officers for the month of June only).	40.00	-	\$2,619,813
Add 50.00 FTE Police Officer Trainees for the 169th and 170th Academy (6 months for each new academy)	50.00	-	\$3,966,086
Transfer 1.00 FTE Police Officer and 1.00 FTE Police Communications Dispatcher to the False Alarm Fund (2411)	(2.00)	(\$290,649)	(\$302,667)
Transfer 1.00 FTE Public Information Officer to Telecommunications Reserve Fund (1760)	(1.00)	(\$144,721)	(\$148,237)
Freeze 2.00 FTE Account Clerk II's	(2.00)	(\$148,564)	(\$152,174)
Eliminate 1.00 FTE Accountant II	(1.00)	(\$116,631)	(\$119,465)
Add 1.00 FTE Payroll Personnel Clerk III	1.00	\$79,954	\$81,896
Eliminate 1.00 FTE Administrative Analyst I	(1.00)	(\$103,680)	(\$106,199)
Add 1.00 FTE Accountant III	1.00	\$120,267	\$123,189
Freeze 1.00 FTE Animal Control Officer	(1.00)	(\$73,777)	(\$75,569)
Add 5.00 FTE Police Communications Dispatchers	5.00	\$553,092	\$566,529
Realign Internal Service Fund charges to other funds	-	(\$329,580)	(\$329,580)
Move 25.00 FTE to 1010 from the Department of Justice COPS Fund upon expiration of grant funding (6 months in FY 2014-15)	25.00	-	\$1,832,432
ALL Other Funds	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Transfer 1.00 FTE Police Officer and 1.00 FTE Police Communications Dispatcher from 1010 to the False Alarm Fund (2411)	2.00	\$290,649	\$302,667
Realign Internal Service Fund charges to other funds from 1010	-	\$329,580	\$329,580
Freeze 1.00 FTE Grants Coordinator	(1.00)	(\$137,557)	(\$140,899)
Transfer 1.00 FTE Public Information Officer to Telecommunications Reserve Fund (1760) from 1010	1.00	\$144,721	\$148,237
Move 25.00 FTE to 1010 from the Department of Justice COPS Fund upon expiration of grant funding (6 months in FY 2014-15)	(25.00)	-	(\$1,832,432)

### BUREAU OF RISK MANAGEMENT

The Bureau of Risk Management oversees policy compliance efforts at the top of the organization to ensure that OPD reaches compliance with the NSA memorandum of understanding and policies. The bureau is composed of four divisions: Internal Affairs, Office of Inspector General, Criminalistics Division, PAS Administration Unit, and the Training Section.

### BUREAU OF SERVICES

This bureau is made of four functional areas: Communications, Fiscal Services, Personnel, and Records. The Animal This Communications section manages the emergency 911 call system and all calls for service and dispatches appropriate emergency response personnel. Fiscal Services is responsible for providing

administrative support for the Oakland Police Department in the following areas: accounting, accounts payable, accounts receivable, audits, budget, contracting and purchasing, financial reporting, and grants. The Personnel Division is responsible for daily processing of all personnel-related matters, and maintains individual personnel files for everyone who works for OPD. It is divided into four units: Personnel Administration, Medical Unit, Payroll Unit, and Recruiting and Background. The Records Division maintains all non-traffic police crime-related reports and records, answers public record requests, manages the City's tow contract, performs warrant verification, and inputs data into the Department's public safety records management software.

**NOTES**

## FIRE DEPARTMENT

### MISSION STATEMENT

The proud men and women of the Oakland Fire Department are committed to providing the highest quality and highest level of courteous and responsive services to the citizens of Oakland.

This is accomplished by implementing comprehensive strategies and training in fire prevention, fire suppression, emergency medical services, and all risk mitigation, including: human-caused and natural disasters, emergency preparedness, 9-1-1 services and community-based fire services.

### BUSINESS GOALS

- Provide leadership to all aspects of the Department's operation, especially strategic planning, fiscal management, personnel management and labor relations.
- Deliver high quality services when responding to emergency calls within 7 minutes, 90% of the time - from when dispatch first receives the call to arrival on the scene.
- Create 9-1-1 incidents in the Dispatch system within 90 seconds for the annual volume of 60,000 emergency calls; maintain Computer Aided Dispatch/Records Management System (CAD/RMS); complete the Center of Excellence accreditation, which will enable the Oakland Fire Department to compete for Emergency Medical Services (EMS) dispatch contracts.
- Provide Citizens of Oakland Respond to Emergencies (CORE) training and public education; continue to implement the National Incident Management System (NIMS) and National Response Plan (NRP); provide basic and advanced training to elected officials, management, and key staff to ensure an effective

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$95,082,296	\$95,480,831	\$109,836,720
1100 Self Insurance Liability	1,491,890	943,902	943,902
1150 Worker's Compensation Insurance	128,051	20,813	21,287
1710 Recycling Program	48,870	48,870	48,870
1720 Comprehensive Clean-up	86,740	86,740	86,740
1740 Hazardous Materials Inspections	817,543	969,148	987,798
2123 US Dept of Homeland Security	(72,087)	1,466,257	1,498,069
2124 Federal Emergency Management Agency	429,150	505,549	514,302
2146 California State Emergency Services	55,063	61,218	62,661
2160 County of Alameda: Grants	1,004,205	1,010,925	1,010,925
2190 Private Grants	24,732	24,960	24,960
2250 Measure N: Fund	1,556,334	1,745,051	1,768,114
2251 Measure Y: Public Safety Act	4,000,000	4,000,000	4,000,000
2321 Wildland Fire Prevention Assessment	1,850,518	2,127,812	2,121,871
2330 Werner Court Vegetation Mgmt District	6,200	6,200	6,200
2412 Measure M: Emergency Dispatch Service	1,743,515	1,909,393	1,954,240
3100 Sewer Service Fund	256,388	283,400	289,161
<b>TOTAL</b>	<b>\$108,509,408</b>	<b>\$110,691,069</b>	<b>\$125,175,820</b>
GPF Percent to Total Department	87.6%	86.3%	87.7%
GPF Percent to Citywide GPF Expenditures	23.2%	22.2%	24.0%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Fire Chief Office &amp; Fiscal/Administration Services</b>	<b>11.00</b>	<b>12.00</b>	<b>12.00</b>
1010 - General Purpose Fund (GPF)	9.70	11.30	11.30
1150 - Worker's Compensation Insurance Claims	0.80	0.20	0.20
1740 - Hazardous Materials Inspections	0.10	0.10	0.10
2123 - US Dept of Homeland Security	0.10	0.10	0.10
2124 - Federal Emergency Management Agency (FEMA)	0.10	0.10	0.10
2250 - Measure N: Fund	0.10	0.10	0.10
2412 - Alameda County: Emergency Dispatch Service	0.10	0.10	0.10
<b>Field Operations Bureau</b>	<b>500.45</b>	<b>500.45</b>	<b>500.45</b>
1010 - General Purpose Fund (GPF)	498.00	498.00	498.00
2124 - Federal Emergency Management Agency (FEMA)	2.25	2.25	2.25
2190 - Private Grants	0.20	0.20	0.20
<b>Medical Services, Communication &amp; IT Services Division</b>	<b>35.00</b>	<b>35.00</b>	<b>35.00</b>
1010 - General Purpose Fund (GPF)	15.00	15.25	15.25
2124 - Federal Emergency Management Agency (FEMA)	1.00	1.00	1.00
2250 - Measure N: Fund	7.00	6.75	6.75
2412 - Alameda County: Emergency Dispatch Service	11.00	11.00	11.00
3100 - Sewer Service Fund	1.00	1.00	1.00
<b>Emergency Management Services Division</b>	<b>12.00</b>	<b>17.00</b>	<b>17.00</b>
1010 - General Purpose Fund (GPF)	2.75	2.75	2.75
2123 - US Dept of Homeland Security	8.00	13.00	13.00
2146 - California State Emergency Services	0.25	0.25	0.25
2160 - County of Alameda: Grants	1.00	1.00	1.00
<b>Fire Prevention &amp; Support Services Bureau</b>	<b>31.50</b>	<b>30.50</b>	<b>31.50</b>
1010 - General Purpose Fund (GPF)	23.50	22.50	23.50
1740 - Hazardous Materials Inspections	6.00	6.00	6.00
2321 - Wildland Fire Prevention Assess District	1.00	1.00	1.00
3100 - Sewer Service Fund	1.00	1.00	1.00
<b>TOTAL</b>	<b>589.95</b>	<b>594.95</b>	<b>595.95</b>

# FIRE DEPARTMENT

## BUSINESS GOALS (CONT'D)

- Emergency Operations Center (EOC).
- Review 98-100% of all plans, sprinkler, fire alarm, evacuation, hood and duct (Tenant Improvements (TI), and Tenant Parcel Maps (TPMs) within fifteen business days; ensure public and private buildings are in compliance with the Californian Fire Code; enforce the state-required Certified Unified Program Agency (CUPA) program and hazardous materials regulations; develop and implement online permitting with an online payment option; develop and implement new inspection and billing database.
- Continue to maintain an effective and efficient Fiscal and Administration Services Division to ensure minimal vacancies with effective recruitment and exam processes. In addition, ensure employee safety and health, which will result in increased productivity and reduced workers' compensation claims. Partner with PWA to provide logistical support to the Oakland Fire Department 's facilities, apparatus, and equipment, including developing and instituting reasonable maintenance schedules to ensure CAL-OSHA compliance;
- Continue to explore revenue opportunities, such as grant funds and cost-recovery fees; streamline the billing process to maximize revenue collection.
- Continue to meet all mandated training, exercise and drill requirements needed to respond to emergency incidents related to airport, water rescue, confined space rescue, heavy rescue and hazardous material response, natural and human-made disasters and Urban Search and Rescue.
- Improve the entire Oakland Fire Department Recruit Academy training curriculum with established, OFD-specific, time

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

<b>Revenue</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Fire Chief Office & Fiscal/Administration Services	\$100,000	\$36,119	\$36,685
Field Operations Bureau	5,373,311	5,125,276	5,131,587
Medical Services, Communication & IT Services Division	4,422,184	4,857,452	4,927,521
Emergency Management Services Division	112,409	1,384,997	1,417,969
Fire Prevention & Support Services Bureau	5,223,069	5,218,838	5,236,453
<b>TOTAL</b>	<b>\$15,230,973</b>	<b>\$16,622,682</b>	<b>\$16,750,215</b>

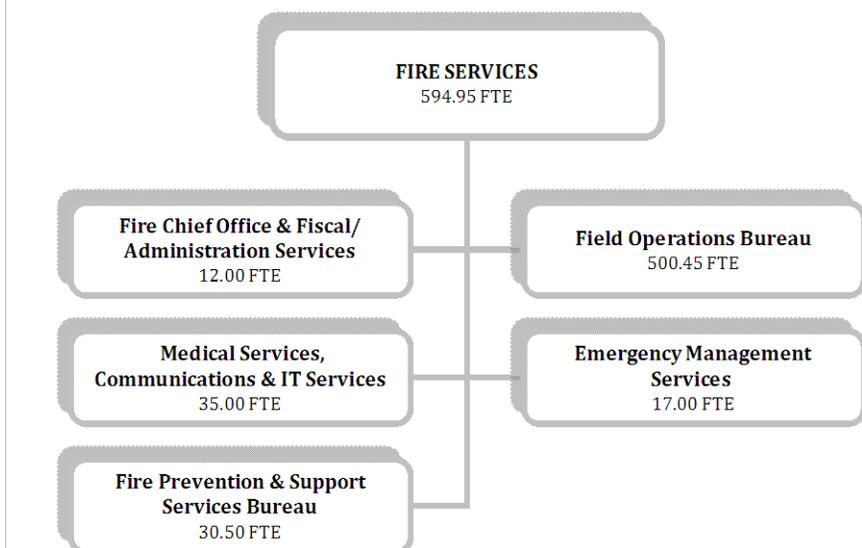
  

<b>Expenditure</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Fire Chief Office & Fiscal/Administration Services	\$3,371,383	\$2,222,935	\$2,308,319
Field Operations Bureau	88,090,222	87,997,638	101,781,485
Medical Services, Communication & IT Services Division	7,539,217	8,016,431	8,137,527
Emergency Management Services Division	508,538	2,090,777	2,133,877
Fire Prevention & Support Services Bureau	9,000,048	10,363,288	10,814,612
<b>TOTAL</b>	<b>\$108,509,408</b>	<b>\$110,691,069</b>	<b>\$125,175,820</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Charge 24.0 FTE Firefighters to the SAFER Grant fund 2124.	-	(\$3,900,000)	(\$3,900,000)
Freeze 1.00 FTE Fire Prevent Bureau Inspect, Civil	(1.00)	(\$125,001)	(\$127,948)

## ORGANIZATIONAL CHART BY DIVISION



# FIRE DEPARTMENT

## BUSINESS GOALS (CONT'D)

performance standards. Continue to assess the feasibility of the Joint Oakland Fire and Police Department Regional Training Center. Enhance training capacity and efficiency by utilizing online, web-based training.

## PRIOR REDUCTIONS

- Implemented rotation brown out for two out of thirty-two fire companies daily since July 2012
- Deleted one of two Fire Protection Engineers
- With the exception of two full time staff, vegetation management staffing was reduced from year-around to seasonal.
- All sworn personnel reduced salary pay by 8.85% and vacation allotment by two 48 hours
- Civilians took up to 20 furlough days per year or 9% of productive work hours resulting in backlog of apparatus repairs and preventative maintenance
- Reduced take-home vehicles
- Eliminated the GPF support to the fire boat program, which left \$25K annually from the Port of Oakland for minimum fire boat maintenance

## DIVISION DESCRIPTIONS

### FIRE CHIEF OFFICE & FISCAL/ADMINISTRATION SERVICES

Responsible for providing effective leadership to the Department's operations through, strategic planning, financial reporting, performance measures, payroll and benefits, staff development and training; serves as the liaison among citizens, department staff, city management, the Mayor and City Council. Manages entry-level and promotional recruitments, exams, testing, workers' compensation, grievances, disciplines and labor relations; provides training in labor law and practices to supervisory and executive-level staff; administers contracts and grants.

### FIELD OPERATIONS BUREAU

Responsible for emergency medical services, fire suppression, mitigation of disasters, rescue activities and our FEMA sponsored Type 1 Urban Search and Rescue team. Largest division employs 11 Battalion Chiefs and over 430 suppression personnel. The Field Operations Bureau handles over 60,000 emergency incidents a year which includes fire, rescue, medical aid and other calls for service. Manages all major disaster responses and staffs 25 engine companies and seven truck companies. In addition to emergency response, firefighters inspect commercial, multi-residential facilities and vegetation management inspections on an annual basis. Special Operation Division operates under the direction of the Field Operations Bureau and is comprised of four highly trained, specialized response teams; Aircraft Rescue and Firefighting Response Team (ARFF), Hazardous Materials Response Team, Technical Rescue Team and the Water Rescue Response Team. Each team is required to undergo extensive preparatory training and annual refresher training in order to remain certified in their respective specialties.

### MEDICAL SERVICES, COMMUNICATION & IT SERVICES DIVISION

Provides voter-mandated emergency medical services to the citizens, businesses and visitors of Oakland; manages programs related to all 9-1-1 medical emergencies, including continuous paramedic training in accordance with local, state and federal guidelines; provides oversight and management for the Metropolitan Medical Response System (MMRS); maintains inventory of equipment for Basic/Advanced Life Support; develops preventive health programs for the community; provides EMT and Paramedic-related classes, such as CPR, First Aid and Automatic Emergency Defibrillation for citizens and businesses. Dispatch Communication Center provides dispatch service support for emergency calls and maintains all Fire Department communications equipment and media support; coordinates with the Department of Information Technology and Oakland Police Department to

implement and maintain the City's Integrated Public Safety System (IPSS).

### EMERGENCY MANAGEMENT SERVICES DIVISION

Implements and strengthens the City's emergency prevention, mitigation, preparedness, response and recovery efforts in alignment with state and federal emergency management legislation, including California's Standardized Emergency Management System (SEMS), the federal National Incident Management System (NIMS) and the National Response Framework Plan (NPF) or (NRFPP); develops and provides community disaster preparedness training and planning, which includes public education and the CORE Program. Maintains and manages the City's Emergency Operations Center (EOC); provides training for City staff to ensure compliance with SEMS, NIMS and to ensure management and staff emergencies; respond for the readiness to respond during major emergencies; responsible for the City's Homeland Security Program.

### FIRE PREVENTION & SUPPORT SERVICES BUREAU

Manages and directs all fire prevention functions to benefit the overall health and safety of the Oakland community through public education, fire investigations, and inspections of public facilities and enforcement of hazardous materials management plans through the Certified Unified Program Agency (CUPA) program. Fire Prevention supports businesses and building development through fire engineering plan check, engineering services, major building development project coordination and consulting services. Support Services manages the timely and cost-effective purchase, acquisition, coordination, maintenance and/or repair of Fire Department facilities, fire apparatus, personal protective safety gear, tool and equipment, while the training division provides training to existing and new recruit personnel that meets or exceeds all city, state and federal mandates.

**NOTES**

## ADMINISTRATIVE SERVICES

The Administrative Services Department provides comprehensive financial services for the City; provides timely and accurate financial reports; maintains integrity of information in the City's financial systems and monitors internal controls; processes payments; processes payroll and maintains inventory of critical supplies (warehousing); collects deposits and records City revenues; procures materials, supplies and services for City departments; manages the City's investments; issues and restructures City's and Redevelopment Successor Agency bond issues and debt; plans, directs and administers all risk management, insurance and safety activities.

The Administrative Services Department includes merging the Finance & Management Agency, Human Resources, and Information Technology to form the following divisions:

- Office of the Controller
- Revenue Management
- Treasury
- Human Resources
- Information Technology

The goal is to establish a single Administrative Unit to ensure uniform processes, procedures, training, and standard protocols for administrative tasks within the department.

### DIVISION DESCRIPTIONS

#### ADMINISTRATION

This division provides administrative support, oversight and leadership to the five divisions in Administrative Services. The Division's primary responsibility is managing the department's general operations to ensure efficient and effective service delivery.

#### OFFICE OF THE CONTROLLER

This division is responsible for financial reporting. This includes timely and accurate financial information and reports to the City Administrator, the

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$17,192,769	\$28,132,845	\$27,111,004
1150 Worker's Compensation Insurance	1,342,754	1,508,585	1,533,283
1610 Successor Redevelopment Agency Reimbursement	894,200	829,405	844,620
1700 Mandatory Refuse Program	272,477	2,118,825	2,172,735
1750 Multipurpose Reserve	715,045	2,219,905	2,221,180
1760 Telecommunications Reserve	98,934	104,406	106,940
2105 HUD-EDI Grants	99,750	-	-
2108 HUD-CDBG	207,570	164,600	167,741
2195 Workforce Investment Act	111,415	100,011	102,419
2211 Measure B: ACTIA	34,969	32,832	33,629
2241 Measure Q-Library Services Retention & Enhancement	363,239	231,871	237,503
2251 Measure Y: Public Safety Act	30,830	22,975	23,640
2310 Lighting and Landscape Assessment	-	42,456	43,458
2411 False Alarm Reduction Program	170,026	159,647	163,526
2413 Rent Adjustment Program Fund	220	277,382	283,868
2415 Development Service Fund	343,328	377,737	386,914
3100 Sewer Service Fund	42,313	3,321,941	3,497,277
4100 Equipment	5,521	5,521	5,521
4200 Radio / Telecommunications	3,491,399	3,517,719	3,557,381
4210 Telephone Equipment and Software	87,376	308,530	308,530
4300 Reproduction	1,412,391	1,410,937	1,433,684
4500 Central Stores	309,637	339,843	348,358
4550 Purchasing	777,965	782,813	800,643
6520 Fire Area - Redemption	50,000	-	-
6587 2012 Refunding Reassessment Bonds-Debt Service	-	55,971	57,331
7100 Police and Fire Retirement System	2,425,498	2,967,874	3,480,418
7120 Oakland Municipal Employees' Retirement System	238,639	222,059	225,643
7130 Employee Deferred Compensation	191,355	229,935	232,736
7760 Grant Clearing	-	153,098	156,788
<b>TOTAL</b>	<b>30,909,620</b>	<b>\$49,639,723</b>	<b>\$49,536,770</b>
GPF Percent to Total Department	55.6%	56.7%	54.7%
GPF Percent to Citywide GPF Expenditures	4.2%	6.5%	5.9%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2011-15 Proposed Budget FTE
Administration	4.00	-	-
Controller's Office	35.00	36.00	36.00
Revenue *	-	75.00	75.00
Treasury	26.00	27.00	27.00
Human Resources	37.50	36.70	36.70
Information Technology	62.00	67.00	67.00
<b>TOTAL</b>	<b>164.50</b>	<b>241.70</b>	<b>241.70</b>

\* Revenue Division is being moved from the City Administrator's Office.

### SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Eliminate 1.00 FTE Administrative Services Manager II and 1.00 FTE Executive Assistant to the Agency Director.	(2.00)	(\$311,605)	(\$318,993)

# ADMINISTRATIVE SERVICES

## DIVISION DESCRIPTIONS

### OFFICE OF THE CONTROLLER (CONT'D)

Mayor and Council, agencies and the public; maintaining the integrity of information in the City's financial management systems; and the designing and monitoring of internal controls that safeguards the assets of the City. In addition, the Division provides inter departmental and outgoing United States mail service. The Division also handles the processing of payment requests, issues and distributes vendor checks. The Division also manages a centralized billing and receivable system that keep track of all accounts receivables. The Budget, Analysis and Operations section produces accurate and timely analysis of program revenues and expenditures; provides consultative services to ensure programs are efficient and effective; develops a fiscally responsible budget.

### REVENUE

This division collects records and reports on City revenues; deposits Citywide collections; enforces and monitors compliance with the provisions of the City ordinances and complies with the State of California reporting requirements, pertaining to the following taxes: Business License, Parking Tax, Utility Consumption, Real Estate Transfer, Transient Occupancy Tax, Sales Tax and Mandatory Garbage; identifies and brings into compliance non registered and delinquent tax accounts; acts as the collection agent for all City Agencies and departments and represents the City in Small Claims Court.

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

<b>Revenue</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration	\$3,030,294	\$3,497,141	\$3,978,988
Controller's Office	1,203,803	1,203,803	1,203,803
Revenue	-	3,415,638	3,417,230
Treasury	432,613,358	453,767,842	464,134,686
Human Resources	202,685	467,586	470,387
Information Technology	7,715,392	7,635,453	7,635,453
<b>TOTAL</b>	<b>\$444,765,532</b>	<b>\$469,987,463</b>	<b>\$480,840,547</b>
<b>Expenditure</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration	\$1,765,474	\$1,126,910	\$1,178,508
Controller's Office	4,951,376	5,484,674	5,611,583
Revenue	3,550	16,771,814	16,890,606
Treasury	6,257,179	6,631,941	7,217,221
Human Resources	5,132,191	5,454,601	5,562,302
Information Technology	12,799,850	14,169,783	13,076,550
<b>TOTAL</b>	<b>\$30,909,620</b>	<b>\$49,639,723</b>	<b>\$49,536,770</b>

### TREASURY

This division is responsible for Cash Management (for the City and Port of Oakland) i.e. manage investments; Debt Management for City of Oakland, including issuing new debt, maintaining and restructuring debt; Cash related services including, cash collection, banking services, asset management and petty cash management; The and timely process for payroll and timely payments, including benefits and taxes; and maintains database for historical data for various reporting.

### HUMAN RESOURCES

This division provides City agencies and departments with a high quality, skilled, diverse workforce through active outreach, recruitment, hiring, and promotion of qualified candidates; to maintain a comprehensive classification plan; to administer the Equal Access Program; to administer the City's employee benefits plans; and to oversee the Risk Management Program for the City.

## CONTROLLER'S OFFICE

### MISSION STATEMENT

The mission of the Controller's Office is to provide timely and accurate financial information that support and enhances the effective, responsive and courteous delivery of services to the citizens and residents of Oakland, businesses, the Mayor, City Administrator, City Agencies and Departments. The Division maintains strong internal controls, ensuring transparency, adhering to established financial policies and procedures and complying with legal fiscal reporting requirements. Services include: financial reporting, budget development, implementation and operational analysis, procurement of goods and services, accounts payable processing, centralized billing and accounts receivable tracking, inter-departmental and outgoing United States mail and parcel service.

### BUSINESS GOALS

- To safeguard the City's financial and material assets by maintaining strong internal controls, ensuring equity and transparency in Agency processes, adhering to established financial policies and procedures, and complying with all legal fiscal reporting requirements.
- To develop more efficient and effective internal controls for the City
- To improve and streamline the City year-end audit process
- To improve and streamline the Public Sector Budgeting (PSB) module
- To improve and streamline the City procurement process

### PRIOR REDUCTIONS

- Since July 2008, a total of four positions have been eliminated in the Controller's Office.
- Reductions have resulted in delays in many accounting functions such as

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$2,986,720	\$3,506,507	\$3,587,075
1610 Successor Redevelopment Agency Reimbursement	461,421	319,975	327,714
2108 HUD-CDBG	151,408	164,600	167,741
2195 Workforce Investment Act	111,415	100,011	102,419
2211 Measure B: ACTIA	34,969	32,832	33,629
2251 Measure Y: Public Safety Act	30,000	22,145	22,810
2415 Development Service Fund	60,528	67,333	68,970
3100 Sewer Service Fund	27,313	31,982	32,758
4500 Central Stores	309,637	339,843	348,358
4550 Purchasing	777,965	782,813	800,643
7100 Police and Fire Retirement System	-	81,643	83,626
7120 Oakland Municipal Employees' Retirement System	-	34,990	35,840
<b>TOTAL</b>	<b>\$4,951,376</b>	<b>\$5,484,674</b>	<b>\$5,611,583</b>
GPF Percent to Total Department	60.3%	63.9%	63.9%
GPF Percent to Citywide GPF Expenditures	0.7%	0.8%	0.8%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Accounting Administration</b>	<b>2.00</b>	<b>3.00</b>	<b>3.00</b>
1010 - General Purpose Fund (GPF)	1.80	2.80	2.80
1610 - Successor Redevelopment Agency Reimbursement	0.20	0.20	0.20
<b>Accounts Payable</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>
1010 - General Purpose Fund (GPF)	4.50	4.50	4.50
<b>Budget Analysis &amp; Operations</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>
1010 - General Purpose Fund (GPF)	5.15	5.35	5.35
1610 - Successor Redevelopment Agency Reimbursement	0.60	0.40	0.40
2211 - Measure B: ACTIA	0.25	0.25	0.25
<b>General Ledger Accounting</b>	<b>12.00</b>	<b>13.00</b>	<b>13.00</b>
1010 - General Purpose Fund (GPF)	6.55	7.90	7.90
1610 - Successor Redevelopment Agency Reimbursement	2.70	1.52	1.52
2108 - HUD-CDBG	1.00	1.00	1.00
2195 - Workforce Investment Act	1.00	0.83	0.83
2415 - Development Service Fund	0.50	0.50	0.50
3100 - Sewer Service Fund	0.25	0.25	0.25
7100 - Police and Fire Retirement System	-	0.70	0.70
7120 - Oakland Municipal Employees' Retirement System	-	0.30	0.30
<b>Mailroom</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>
4500 - Central Stores	2.50	2.50	2.50
<b>Purchasing</b>	<b>8.00</b>	<b>7.00</b>	<b>7.00</b>
4550 - Purchasing	8.00	7.00	7.00
<b>TOTAL</b>	<b>35.00</b>	<b>36.00</b>	<b>36.00</b>

# ADMINISTRATIVE SERVICES

## PRIOR REDUCTIONS (CONT'D)

monthly closing of books, account reconciliations, and year-end audits.

- Due to the prompt payment ordinance, delays in payables processing has resulted, thereby incurring interest penalties.
- Staffing in the Budget Office has reduced over the past several years. The unit has lost essential analytical positions necessary for the preparation, analysis and monitoring of department budgets.

## DIVISION DESCRIPTIONS

### ACCOUNTS PAYABLE

This Section processes the City department payables, thereby ensuring that vendors are paid timely and departments are able to procure supplies and services needed to perform their functions and deliver their services in a timely fashion. The Section handles the sales tax reporting to the State Board of Equalization and 1099 Miscellaneous reporting for City vendors to the Internal Revenue Service.

### BUDGET, ANALYSIS & OPERATIONS

This Section develops a fiscally responsible budget; develops a budget that meets council priorities and community needs; produces timely and accurate analysis of program revenues and expenditures; provides consultative services to ensure programs are efficient and effective. Compiles and produces the Biennial Proposed Budget and prepares the Adopted Policy Budget.

### GENERAL LEDGER / ACCOUNTS RECEIVABLE

This Section provides accounting, fiscal monitoring, and financial and specialized reporting for all City departments, thereby allowing them to perform timely grant draw downs, and securing new grants. Plans and coordinates the year-end audit process and prepares the Comprehensive Annual Financial Report (CAFR), the Single Audit Report and completes several legislative mandated measures year end audits. It completes the State-Mandated Cost Claim Report and the

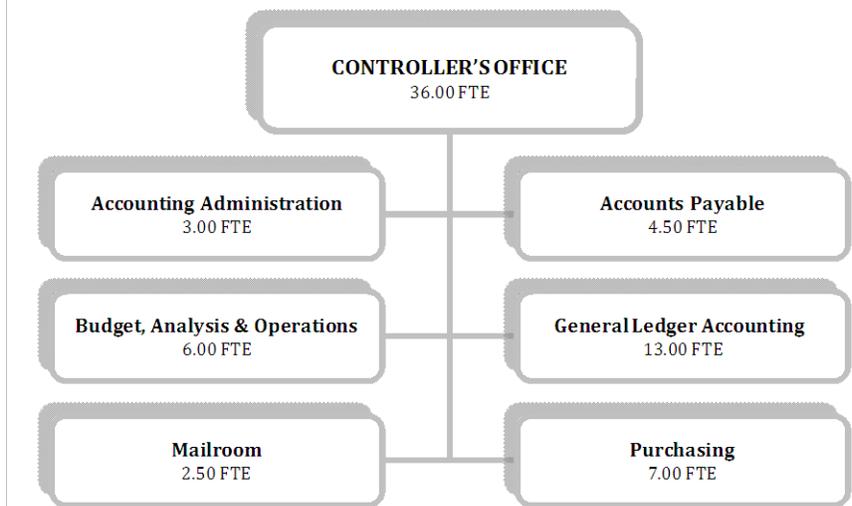
## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

Revenue			
Division	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Mailroom	\$425,838	\$425,838	\$425,838
Purchasing	777,965	777,965	777,965
<b>TOTAL</b>	<b>\$1,203,803</b>	<b>\$1,203,803</b>	<b>\$1,203,803</b>
Expenditure			
Division	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Accounting Administration	\$508,460	\$607,018	\$619,391
Accounts Payable	450,826	499,789	511,781
Budget Analysis & Operations	856,306	844,620	863,702
General Ledger / Accounts Receivable	2,048,182	2,411,271	2,468,388
Mailroom	309,637	339,843	348,358
Purchasing	777,965	782,133	799,963
<b>TOTAL</b>	<b>\$4,951,376</b>	<b>\$5,484,674</b>	<b>\$5,611,583</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Add 1.00 FTE City Administrator Analyst.	1.00	\$117,870	\$120,733
Eliminate 1.00 FTE Accountant III	(1.00)	(\$137,894)	(\$141,244)
Freeze 1.00 Accounting Supervisor	(1.00)	(\$136,744)	(\$140,066)
Transfer 1.00 FTE Office Assistant II in fund 4550 to fund 1010.	1.00	\$59,209	\$60,649
ALL Other Funds	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Eliminate 1.00 FTE Administrative Assistant II and Add 1.00 FTE Buyer in Purchasing fund 4450.	-	\$9,590	\$9,822
Transfer 1.00 FTE Office Assistant II in fund 4450 to fund 1010.	(1.00)	(\$59,209)	(\$60,649)

## ORGANIZATIONAL CHART BY DIVISION



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# ADMINISTRATIVE SERVICES

## DIVISION DESCRIPTIONS

### GENERAL LEDGER / ACCOUNTS RECEIVABLE (cont'd)

State Controller's Report. This Section provides a centralized billing and collection support to City departments, thus enabling the departments to realize their revenues and hence enabling them to maintain a balanced budget.

### MAILROOM

This Section receives sorts and distributes incoming mail from the United States Postal Service; processes outgoing mail and handles shipping of packages for City departments. Handles the metered postage billing and reconciliation process.

### PURCHASING

This Section supports the procurement of materials, equipment and services essential to providing governmental services for the citizens of Oakland. The Section promotes the most effective use of City funds in the acquisition of commodities, procurement of supplies and services for City departments. The Section prepares specifications and requests for formal bids and request for proposals in collaboration with City departments.

# ADMINISTRATIVE SERVICES

## REVENUE

### MISSION STATEMENT

The Revenue Division is committed to the delivery of quality, courteous and responsive services, treating all citizens with fairness, dignity and respect. We seek to achieve an optimal level of effectiveness and compliance in the administration and collection of local taxes, fines, and fees, to ensure equity and transparency in the application of applicable laws and policies.

### BUSINESS GOALS

- General operations to ensure efficient and effective service delivery
- Safeguard the City's financial and material assets by maintaining strong internal controls, ensuring equity and transparency in division's processes.
- Enforces provisions of the California State Vehicle and Oakland Municipal Codes.

### PRIOR REDUCTIONS

Since July 2009, the Revenue Division which was formerly under the Finance and Management Agency has incurred approximately -\$250,000 in staff reductions of (-3) FTEs, two positions from Parking and one (1) position from Revenue. Reductions have resulted in delays in processing correspondence, collection of parking meters and collection of revenues.

### DIVISION DESCRIPTIONS

#### ADMINISTRATION

The Division's primary responsibility is collection of local taxes, fines and managing the department's general operations to ensure efficient and effective service delivery. Preserves the City's financial and material assets by maintaining strong internal controls, ensuring equity and transparency in division's processes. Also, it adheres to established financial policies and

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget *	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$8,293,649	\$9,218,448	\$9,119,151
1700 Mandatory Refuse Program	1,818,282	1,881,182	1,922,068
1750 Multipurpose Reserve	2,198,100	2,204,860	2,206,135
2310 Lighting and Landscape Assessment	38,081	42,456	43,458
2413 Rent Adjustment Program Fund	263,494	277,162	283,648
3100 Sewer Service Fund	1,063,022	3,108,048	3,275,554
7760 Grant Clearing	36,046	39,658	40,592
<b>TOTAL</b>	<b>\$13,710,674</b>	<b>\$16,771,814</b>	<b>\$16,890,606</b>
GPF Percent to Total Department	60.5%	55.0%	54.0%
GPF Percent to Citywide GPF Expenditures	2.0%	2.1%	2.0%

\* For comparison only. In FY 012-13 Revenue was part of the City Administrator's Office.

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE*	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Administration</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
1010 - General Purpose Fund (GPF)	3.94	4.34	4.34
1700 - Mandatory Refuse Program	0.66	0.66	0.66
1750 - Multipurpose Reserve	0.40	-	-
<b>Audit/Compliance</b>	<b>10.00</b>	<b>13.00</b>	<b>13.00</b>
1010 - General Purpose Fund (GPF)	5.80	10.00	10.00
1700 - Mandatory Refuse Program	2.67	2.00	2.00
2310 - Lighting and Landscape Assessment District	0.20	-	-
2413 - Rent Adjustment Program Fund	1.00	1.00	1.00
7760 - Grant Clearing	0.33	-	-
<b>Business Tax</b>	<b>15.00</b>	<b>14.00</b>	<b>14.00</b>
1010 - General Purpose Fund (GPF)	9.57	8.30	8.30
1700 - Mandatory Refuse Program	4.43	4.17	4.17
2310 - Lighting and Landscape Assessment District	-	0.20	0.20
2413 - Rent Adjustment Program Fund	1.00	1.00	1.00
7760 - Grant Clearing	-	0.33	0.33
<b>Collections/Mandatory Garbage</b>	<b>13.00</b>	<b>11.00</b>	<b>11.00</b>
1010 - General Purpose Fund (GPF)	6.90	6.60	6.60
1700 - Mandatory Refuse Program	5.90	4.40	4.40
2310 - Lighting and Landscape Assessment District	0.20	-	-
<b>Strategic Support</b>	<b>11.00</b>	<b>8.00</b>	<b>8.00</b>
1010 - General Purpose Fund (GPF)	8.00	3.47	3.47
1700 - Mandatory Refuse Program	2.00	3.33	3.33
2310 - Lighting and Landscape Assessment District	-	0.20	0.20
2413 - Rent Adjustment Program Fund	1.00	1.00	1.00
<b>Parking Citation Assistance Center</b>	<b>15.00</b>	<b>16.00</b>	<b>16.00</b>
1010 - General Purpose Fund (GPF)	15.00	15.60	15.60
1750 - Multipurpose Reserve	-	0.40	0.40
<b>Parking Meter Collection</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>
1010 - General Purpose Fund (GPF)	8.00	8.00	8.00
<b>TOTAL</b>	<b>77.00</b>	<b>75.00</b>	<b>75.00</b>

\* For comparison only. In FY 012-13 Revenue was part of the City Administrator's Office.

# ADMINISTRATIVE SERVICES

## DIVISION DESCRIPTIONS

### ADMINISTRATION (CONT'D)

procedures complying with all legal fiscal reporting requirements. Additionally, it directs and enforces provisions of the California State Vehicle and Oakland Municipal Codes. The division's sections/units include: Business Tax (BT), Audit/Compliance, Collections/Mandatory Garbage, Strategic Support, Parking Citation Assistance Center (PCAC) and Parking Meter collections.

### AUDIT / COMPLIANCE

The Revenue Audit Section audits and reviews all the revenue sources such as:

- Business Tax
- Transient Occupancy Tax
- Parking Tax
- Utility Consumption Tax
- Real Property Transfer Tax
- Sales Tax

The primary function and goal of the Revenue Audit Section is to confirm the taxpayer's accurate filing of tax information and payment of taxes due while ensuring the proper application of respective revenue ordinances by both staff and taxpayers. The Compliance section ensures that all businesses conducting business in Oakland are in compliance with the rules and regulations set forth in Oakland Municipal Code and have current business tax certificates for conducting business in the City.

### BUSINESS TAX

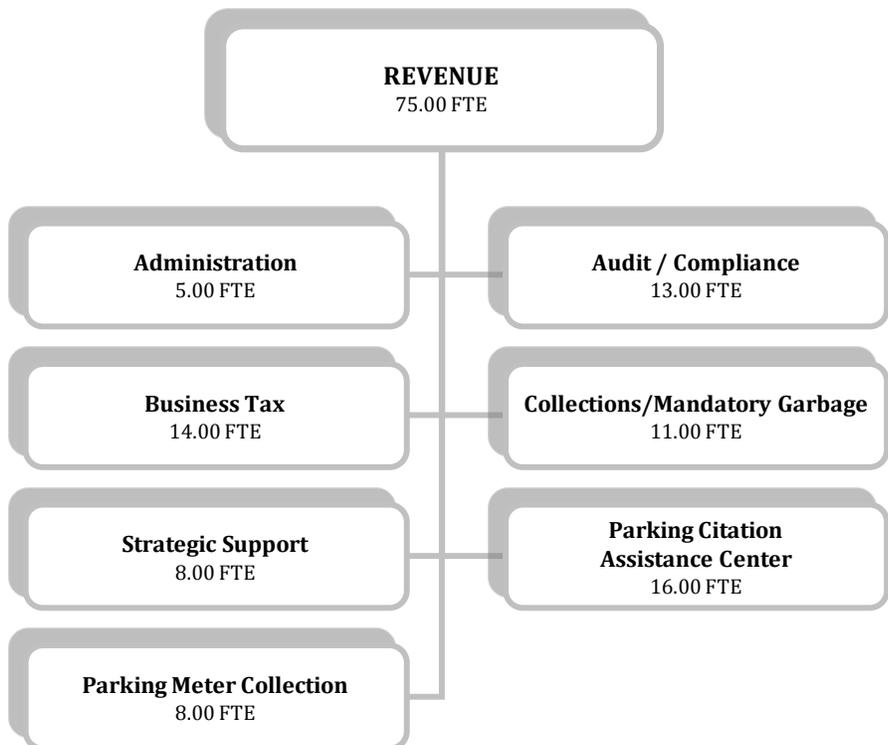
Reviews of tax and fee ordinances to ensure equitable and fair application of taxes and fees paid to the City by the residential and commercial community. This section collects, records and reports on all City revenues; enforces and monitors the provisions of the City's ordinances; Complies with the State of California reporting requirements pertaining to the following taxes & Fees:

- Business Tax
- Utility Users' Tax
- Real Estate Transfer,
- Parking Tax Transient
- Occupancy Tax
- Rental Adjustment Program (RAP)
- Excess Liter Fee (ELF)
- Business Improvement District (BID)

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

Revenue			
Division	FY 2012-13 Midcycle Budget *	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Administration	\$0	\$220,020	\$221,517
Audit/Compliance	2,406,949	2,424,549	2,424,549
Business Tax	-	16,400	16,400
Collections/Mandatory Garbage	158,600	\$264,591	\$264,591
Strategic Support	440,900	455,300	455,300
Parking Citation Assistance Center	-	34,778	34,873
<b>TOTAL</b>	<b>\$3,006,449</b>	<b>\$3,415,638</b>	<b>\$3,417,230</b>
Expenditure			
Division	FY 2012-13 Midcycle Budget *	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Administration	\$2,037,645	\$4,282,083	\$4,766,133
Audit/Compliance	1,215,129	1,669,019	1,706,779
Business Tax	1,474,694	1,686,308	1,562,327
Collections/Mandatory Garbage	1,408,202	1,337,486	1,366,448
Strategic Support	1,516,768	1,282,586	1,303,027
Parking Citation Assistance Center	2,095,502	2,434,566	2,466,758
Parking Meter Collection	3,962,734	4,079,766	3,719,134
<b>TOTAL</b>	<b>\$13,710,674</b>	<b>\$16,771,814</b>	<b>\$16,890,606</b>

\* For comparison only. In FY 012-13 Revenue was part of the City Administrator's Office.



# ADMINISTRATIVE SERVICES

## DIVISION DESCRIPTIONS (CONT'D)

### COLLECTIONS/MANDATORY GARBAGE

Acts as the collection agent for all City Agencies and departments; represents the City in Small Claims Court, collects on delinquent garbage bills. The primary responsibilities of Mandatory Garbage is to collect delinquent Mandatory Garbage invoices, issue Demand Letters and Release of Lien documents for Mandatory Garbage, Business Tax, and Code Enforcement, and bring into compliance delinquent businesses which have not registered according to the provisions of the Business Tax Ordinance.

### STRATEGIC SUPPORT

This section of the division supports and maintains the integrity of the Business Tax licensing system. It is responsible for printing & mailing of Business Tax (BT) Renewals, Notice of Determinations (NODs) and BT certificates. It also,

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Add O&M for BT Online System	-	\$176,000	\$16,000
Add O&M for HDL Contract	-	\$22,000	\$22,000
Add O&M for Hearing Officers	-	\$150,000	\$150,000

handles and processes lockbox payments for BT, Rental Adjustment Program (RAP), Transient Occupancy Tax (TOT), Utility Users' Tax (UUT) and Parking Tax (PT). The BT liens for both residential and commercial rental accounts are also handled by this section.

### PARKING CITATION ASSISTANCE CENTER

The Parking Citation Assistance Center (PCAC) processes all parking violation citations, and posts various citation payments. The citation payments are handled either by direct cashier services

or through the mail. PCAC staff also provides direct in-person or telephone assistance to citizens regarding various parking related issues including the Residential Permit Parking.

### PARKING METER COLLECTIONS

Parking Meter Collections is responsible for collecting parking meter revenue from the on and off-street parking meters. They also perform counting, sorting, bagging of the coins for different coin denominations and Brink's pick up.

## TREASURY

### MISSION STATEMENT

The mission of the Treasury Division is to promote the conditions for fiscal prosperity and stability in Oakland and provide support services to all City departments. Treasury Division services include: financial management and maintenance of the City's financial and payroll systems, manage portfolio for City, Port and Successor Agency; debt management for City and Successor Agency; and administer the City's retirement systems.

### BUSINESS GOALS

- To provide oversight for all City financial interests as Treasurer of the City and the Successor Agency, and Board Member of the Oakland Municipal Employees Retirement System.
- To safeguard the City and Successor's investments by maintaining strong internal controls, ensuring equity and transparency, adhering to established financial policies and procedures (investments and debt policy).
- To ensure the stability of City financial resources through effective debt financing, maintenance of the City's bond ratings that reflect a deep, stable, and diversified economic base with management practices that are considered strong by rating agencies; and effective debt management.
- To maintain investor's relation and attract potential investors by demonstrating strong financial management and condition in order to promote City's financings to ensure lowest interest costs to the City.
- To administer and oversee audits and retirement benefits; ensures compliance; and protect and ensure prudent investing of the pension funds (OMERS and PFRS) for the benefit of the retirees and beneficiaries.

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$2,333,225	\$2,938,342	\$2,997,461
1610 Successor Redevelopment Agency Reimbursement	276,312	468,894	475,387
1750 Multipurpose Reserve	700,000	-	-
2105 HUD-EDI Grants	99,750	-	-
2108 HUD-CDBG	56,162	-	-
2415 Development Service Fund	40,232	44,756	45,843
3100 Sewer Service Fund	15,000	15,000	18,000
4200 Radio / Telecommunications	34,250	38,100	39,026
6520 Fire Area - Redemption	50,000	-	-
6587 2012 Refunding Reassessment Bonds-Debt Service	-	55,971	57,331
7100 Police and Fire Retirement System	2,414,771	2,884,971	3,395,532
7120 Oakland Municipal Employees' Retirement System	237,477	185,907	188,641
<b>TOTAL</b>	<b>\$6,257,179</b>	<b>\$6,631,941</b>	<b>\$7,217,221</b>
GPF Percent to Total Department	37.3%	44.3%	41.5%
GPF Percent to Citywide GPF Expenditures	0.6%	0.7%	0.7%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Administration</b>	<b>1.00</b>	<b>1.60</b>	<b>1.60</b>
1010 - General Purpose Fund (GPF)	0.65	1.50	1.50
1610 - Successor Redevelopment Agency Reimbursement	0.10	0.10	0.10
2105 - HUD-EDI Grants	0.15	-	-
2108 - HUD-CDBG	0.10	-	-
<b>Cash &amp; Operations</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
1010 - General Purpose Fund (GPF)	1.00	1.00	1.00
<b>Debt Issuance &amp; Investment</b>	<b>7.00</b>	<b>6.00</b>	<b>6.00</b>
1010 - General Purpose Fund (GPF)	4.70	4.95	4.95
1610 - Successor Redevelopment Agency Reimbursement	1.30	0.65	0.65
2105 - HUD-EDI Grants	0.40	-	-
2108 - HUD-CDBG	0.20	-	-
6520 - Fire Area - Redemption	0.40	-	-
6587 - 2012 Refunding Reassessment Bonds-Debt Service	-	0.40	0.40
<b>Payroll</b>	<b>12.00</b>	<b>13.00</b>	<b>13.00</b>
1010 - General Purpose Fund (GPF)	10.27	11.17	11.17
1610 - Successor Redevelopment Agency Reimbursement	0.90	1.00	1.00
2415 - Development Service Fund	0.50	0.50	0.50
4200 - Radio / Telecommunications	0.33	0.33	0.33
<b>Retirement</b>	<b>5.00</b>	<b>5.40</b>	<b>5.40</b>
1010 - General Purpose Fund (GPF)	1.00	0.90	0.90
7100 - Police and Fire Retirement System	3.00	3.80	3.80
7120 - Oakland Municipal Employees' Retirement System	1.00	0.70	0.70
<b>TOTAL</b>	<b>26.00</b>	<b>27.00</b>	<b>27.00</b>

# ADMINISTRATIVE SERVICES

## PRIOR REDUCTIONS

- Since July 2011, the Treasury Division has incurred reductions totaling \$ 1.2 million – including staff reductions of 5 FTE’s and 2 FTE downgrades
- Reductions have resulted in delays in debt restructuring, payroll processing, processing and handling city’s revenue, payroll system updates and other administrative treasury functions.

## DIVISION DESCRIPTIONS

### CASH & OPERATIONS

This section receive and deposit timely of City, Successor and Port’s entire revenue stream; account for, verify and allocate recovered monies to appropriate funds and accounts for all city departments and programs; perform general banking and depository services and safekeeping.

### DEBT ISSUANCE & INVESTMENT

This section deals with all of the City’s and Successor Agency’s debt expectations and needs including issuing new debt maintaining and restructuring debt; and managing day to day investment portfolios.

### PAYROLL

This section processes and distributes bi-weekly payroll in a timely efficient way including benefits and taxes, maintains and upgrades payroll systems, and processes year-end reports and production of W-2’s and 1099R’s.

### RETIREMENT

This section administers all three of the City’s retirement systems (CalPERS, OMERS and PFRS). It oversees the administration of audits and retirement benefits and ensures compliance for two closed systems (PFRS and OMERS). The Retirement staff ensures accurate and timely pension payments, facilitating all Retiree medical, administering the various Pension Boards and Committees, and oversight responsibility of a wide range of pension Investment portfolios held in trust.

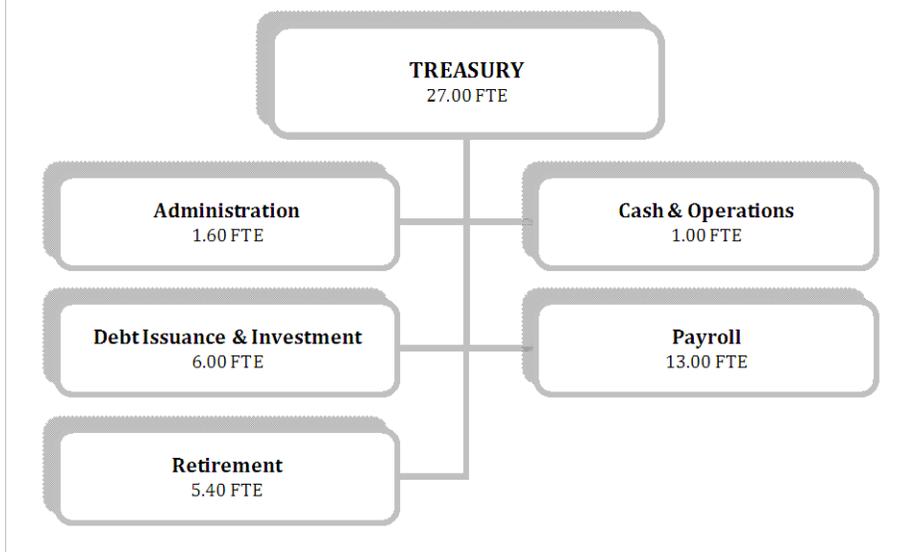
## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

<b>Revenue</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Debt Issuance & Investment	\$432,613,358	\$453,287,986	\$463,163,123
Retirement	-	479,856	971,563
<b>TOTAL</b>	<b>\$432,613,358</b>	<b>\$453,767,842</b>	<b>\$464,134,686</b>
<b>Expenditure</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration	\$251,504	\$456,852	\$463,030
Cash & Operations	57,709	60,782	62,259
Debt Issuance & Investment	1,803,742	1,391,122	1,415,777
Payroll	1,265,368	1,576,298	1,614,126
Retirement	2,878,856	3,146,887	3,662,029
<b>TOTAL</b>	<b>\$6,257,179</b>	<b>\$6,631,941</b>	<b>\$7,217,221</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Eliminate 1.00 FTE Human Resources Manager	(1.00)	(\$201,649)	(\$206,547)
Reallocate Treasury Manager split funding - net transfer 0.15 FTE to various funds	(0.15)	(\$43,615)	(\$44,660)
Reduce O&M	-	(\$36,225)	(\$38,321)
<b>ALL Other Funds</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Reallocate Treasury Manager split funding - net transfer 0.15 FTE to various funds	0.15	\$43,615	\$44,660

## ORGANIZATIONAL CHART BY DIVISION



## HUMAN RESOURCES

### MISSION STATEMENT

The mission of the Department of Human Resources is to manage a comprehensive personnel system based on merit and to provide City agencies and departments with a competitive workforce through training, active outreach, recruitment, hiring, and the promotion of qualified candidates, particularly Oakland residents.

### BUSINESS GOALS

To provide City agencies and departments with a high quality, skilled, diverse workforce through active outreach, recruitment, hiring, and promotion of qualified candidates; to maintain a comprehensive classification plan; to administer the Equal Access Program; to administer the City's employee benefits plans; and to oversee the Risk Management Program for the City.

### PRIOR REDUCTIONS

- Since July 2008, the Department of Human Resources Management has incurred staff reductions of 26.50 FTEs (-42%).
- Reductions have resulted in delays in recruitments and classification studies, decreased support for customer service activities, and limited oversight of the performance appraisal processes. Currently, recruitments are delayed four weeks and classification studies are delayed three months.
- Revisions to the City's classification plan have been severely reduced and human resource trainings have also been greatly limited.

### DIVISION DESCRIPTIONS

#### ADMINISTRATION

Provides direction and support to all of the Human Resources Management units; advises the Mayor, Council, and City Administrator on Human

#### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$3,555,576	\$3,711,524	\$3,790,743
1150 Worker's Compensation Insurance	1,298,832	1,464,663	1,489,361
1610 Successor Redevelopment Agency Reimbursement	69,018	40,536	41,519
4100 Equipment	5,521	5,521	5,521
7100 Police and Fire Retirement System	10,727	1,260	1,260
7120 Oakland Municipal Employees' Retirement System	1,162	1,162	1,162
7130 Employee Deferred Compensation	191,355	229,935	232,736
<b>TOTAL</b>	<b>\$5,132,191</b>	<b>\$5,454,601</b>	<b>\$5,562,302</b>
GPF Percent to Total Department	69.3%	68.0%	68.2%
GPF Percent to Citywide GPF Expenditures	0.9%	0.9%	0.8%

#### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Administration</b>	<b>5.00</b>	<b>4.00</b>	<b>4.00</b>
1010 - General Purpose Fund (GPF)	5.00	3.70	3.70
1150 - Worker's Compensation Insurance Claims	-	0.20	0.20
7130 - Employee Deferred Compensation	-	0.10	0.10
<b>Recruitment &amp; Classification</b>	<b>21.50</b>	<b>22.70</b>	<b>22.70</b>
1010 - General Purpose Fund (GPF)	21.10	22.60	22.60
1610 - Successor Redevelopment Agency Reimbursement	0.40	0.10	0.10
<b>Risk &amp; Benefits</b>	<b>11.00</b>	<b>10.00</b>	<b>10.00</b>
1010 - General Purpose Fund (GPF)	2.70	1.80	1.80
1150 - Worker's Compensation Insurance Claims	7.00	7.00	7.00
1610 - Successor Redevelopment Agency Reimbursement	0.20	0.20	0.20
7100 - Police and Fire Retirement System	0.10	-	-
7130 - Employee Deferred Compensation	1.00	1.00	1.00
<b>TOTAL</b>	<b>37.50</b>	<b>36.70</b>	<b>36.70</b>

#### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

##### Revenue

Division	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Administration	\$202,685	\$467,586	\$470,387
<b>TOTAL</b>	<b>\$202,685</b>	<b>\$467,586</b>	<b>\$470,387</b>

##### Expenditure

Division	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Administration	750,933	779,098	793,285
Recruitment & Classification	2,713,002	2,965,586	3,028,560
Risk & Benefits	\$1,668,256	\$1,709,917	\$1,740,457
<b>TOTAL</b>	<b>\$5,132,191</b>	<b>\$5,454,601</b>	<b>\$5,562,302</b>

# ADMINISTRATIVE SERVICES

## DIVISION DESCRIPTIONS

### ADMINISTRATION (CONT'D)

Resources issues; develops and facilitates the implementation of action plans to address current and future City human resources needs. Department director is the Secretary to the Civil Service Board.

### RISK & BENEFITS

Manage all employee benefits programs including the Employee Assistance Program. Provide staff support to the Deferred Compensation Committee and Disability Retirement Board. Administer all protected leave (CFRA, FMLA, and PDL) programs and disability related programs including Workers' Compensation and FEHA/ADA. Administer Employee Medical Services and programs requiring medical services. Provide Occupational Safety & Health services to departments. Manage the Commercial Insurance and Self-Insurance portfolios and represent City on insurance pool boards and committees. Monitor vendor contracts for Compliance with Risk Management related requirements. Extend other Risk Management and/or employment liability services to departments as needed..

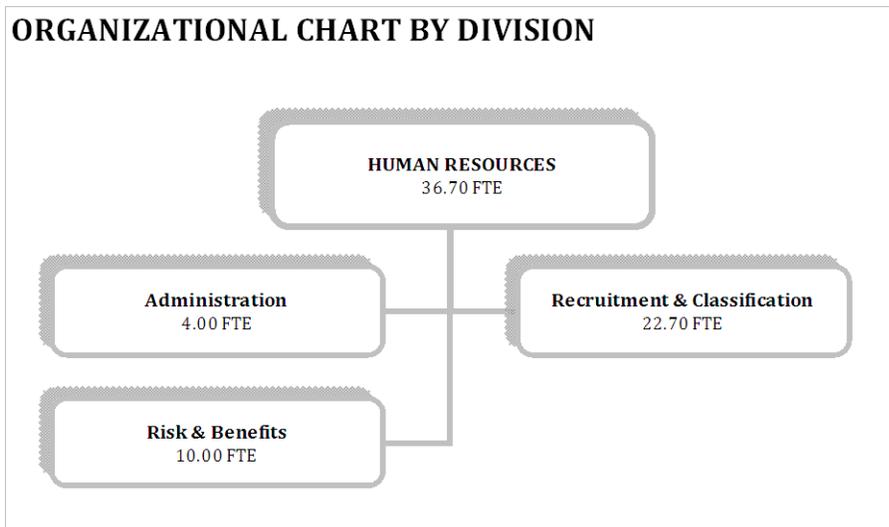
### RECRUITMENT & CLASSIFICATION

Responsible for all aspects of recruiting and for retaining the most qualified candidates for employment. Maintains a competitive classification and compensation system; recruits local, statewide and national candidates who reflect the City's diversity objectives. Provides staff support to the Civil Service Board. This division also houses the Equal Access Program which seeks to ensure resident access to City services in accordance with the Equal Access to Services Ordinance (Ordinance No.12324 C.M.S.).

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Transfer 0.30 FTE Director of Personnel Resource Management to the worker's compensation fund 1150 and the deferred comp fund 7130.	(0.30)	(\$76,889)	(\$78,725)
ALL Other Funds	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Transfer 0.30 FTE Director of Personnel Resource Management from fund 1010 to the worker's compensation fund 1150 and the deferred comp fund 7130.	0.30	\$76,889	\$78,725

## ORGANIZATIONAL CHART BY DIVISION



## INFORMATION TECHNOLOGY

### MISSION STATEMENT

The Department of Information Technology is committed to providing the timely delivery of strategic, responsive, cost-effective technology solutions and quality services to meet the goals defined by the Mayor, City Council and Oakland's citizens. We are dedicated to maintaining the highest standards of excellence in our technical skills by providing total quality workmanship and expertise; by understanding the needs of the customer to facilitate the accomplishment of common objectives; and by always treating customers and staff with respect and dignity.

### BUSINESS GOALS

- Improve customer service for internal clients, businesses and the community by providing an overall Information Technology (IT) vision and strategic plan that includes the re-engineering and re-architecting of the City's existing IT environment and associated services.
- Install, maintain and support the mission critical public safety applications and infrastructure. Provide technical resources for business needs analysis, technology acquisition, solution designing, contract negotiations, project management, and support services.
- Provide a pro-active, stable and highly reliable intra/internet environment that supports and enhances E-Commerce, E-Oakland, Citywide GIS, Crime Watch and migration of City applications to the Web.
- Enable and publish City Data for the use of City Agencies and Departments and provide access to this resource to Residents and Businesses.

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$6,901,267	\$7,928,774	\$6,748,750
1610 Successor Redevelopment Agency Reimbursement	66,900	-	-
1760 Telecommunications Reserve	98,934	104,406	106,940
2241 Measure Q-Library Services Retention & Enhancement	363,239	231,871	237,503
2411 False Alarm Reduction Program	170,026	159,647	163,526
2415 Development Service Fund	242,568	265,648	272,101
3100 Sewer Service Fund	-	166,911	170,965
4200 Radio / Telecommunications	3,457,149	3,479,619	3,518,355
4210 Telephone Equipment and Software	87,376	308,530	308,530
4300 Reproduction	1,412,391	1,410,937	1,433,684
7760 Grant Clearing	-	113,440	116,196
<b>TOTAL</b>	<b>\$12,799,850</b>	<b>\$14,169,783</b>	<b>\$13,076,550</b>
GPF Percent to Total Department	53.9%	56.0%	51.6%
GPF Percent to Citywide GPF Expenditures	1.7%	1.8%	1.5%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Administration &amp; Customer Services</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
1010 - General Purpose Fund (GPF)	3.40	3.80	3.80
1610 - Successor Redevelopment Agency Reimbursement	0.40	-	-
4200 - Radio / Telecommunications	1.20	1.20	1.20
4300 - Reproduction	5.00	5.00	5.00
<b>Enterprise Application Services</b>	<b>18.00</b>	<b>20.00</b>	<b>20.00</b>
1010 - General Purpose Fund (GPF)	15.50	15.50	15.50
1760 - Telecommunications Reserve	0.34	0.34	0.34
2415 - Development Service Fund	0.33	0.33	0.33
3100 - Sewer Service Fund	-	1.10	1.10
4200 - Radio / Telecommunications	1.83	1.83	1.83
7760 - Grant Clearing	-	0.90	0.90
<b>Enterprise Network &amp; Computing Services</b>	<b>21.00</b>	<b>22.00</b>	<b>22.00</b>
1010 - General Purpose Fund (GPF)	16.55	18.75	18.75
1610 - Successor Redevelopment Agency Reimbursement	0.20	-	-
2241 - Measure Q-Library Services Retention &	3.00	2.00	2.00
4200 - Radio / Telecommunications	1.25	0.25	0.25
7760 - Grant Clearing	-	1.00	1.00
<b>Public Safety Systems Services</b>	<b>13.00</b>	<b>15.00</b>	<b>15.00</b>
1010 - General Purpose Fund (GPF)	5.60	6.60	6.60
1760 - Telecommunications Reserve	0.40	0.40	0.40
2411 - False Alarm Reduction Program	1.00	1.00	1.00
2415 - Development Service Fund	1.00	1.00	1.00
4200 - Radio / Telecommunications	5.00	6.00	6.00
<b>TOTAL</b>	<b>62.00</b>	<b>67.00</b>	<b>67.00</b>

# ADMINISTRATIVE SERVICES

## PRIOR REDUCTIONS (CONT'D)

- Provide national standards based Interoperable communications infrastructure to the City's Public Safety Agencies and to surrounding jurisdictions.
- Improve the availability, reliability and speed of the City's fixed and wireless network connectivity.

## DIVISION DESCRIPTIONS

### ADMINISTRATION & CUSTOMER SERVICES

This division provides general administrative support for the Department of Information Technology as well as: telephone and radio billing, cable television complaints and printing / duplicating services for all City departments.

### ENTERPRISE APPLICATION SERVICES

This division maintains and supports enterprise applications and databases, to include Oracle's Public Sector Budgeting (PSB), Internet Recruitment, Internet Procurement, Internet Supplier, Financials, Payroll, Contract Management, and Internet Sourcing; designs, develops and implements program solutions for enterprise applications; provides support for performance monitoring of enterprise resources and performance capacity planning. It also provides GIS information to users; researches GIS database accuracy and completeness; develops web applications to access various resources; maintains intranet applications including web content management. performance capacity planning. It also provides GIS information to users; researches GIS database accuracy and completeness; develops web applications to access various resources; maintains intranet applications including web content management.

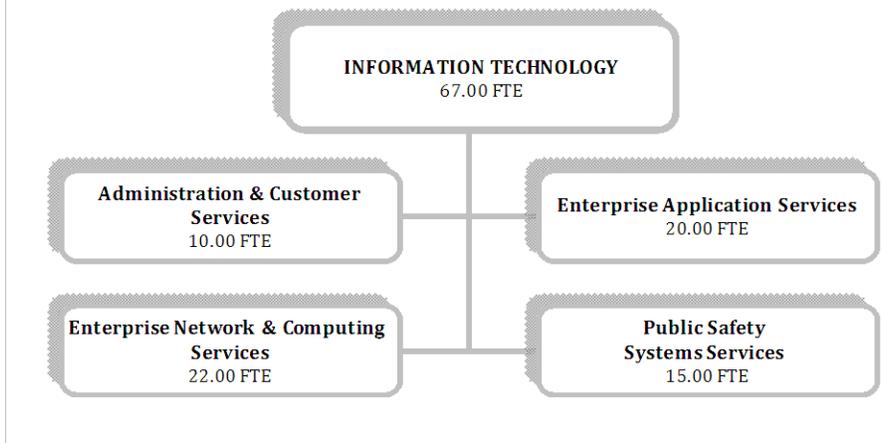
## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

<b>Revenue</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration & Customer Services	\$7,710,642	\$7,630,703	\$7,630,703
Enterprise Application Services	4,750	4,750	4,750
<b>TOTAL</b>	<b>\$7,715,392</b>	<b>\$7,635,453</b>	<b>\$7,635,453</b>
<b>Expenditure</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration & Customer Services	\$4,905,499	\$5,140,617	\$3,837,555
Enterprise Application Services	3,283,245	3,714,566	3,795,584
Enterprise Network & Computing Services	2,724,852	3,034,796	3,108,489
Public Safety Systems Services	1,886,254	2,279,804	2,334,922
<b>TOTAL</b>	<b>\$12,799,850</b>	<b>\$14,169,783</b>	<b>\$13,076,550</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Eliminate 1.0 FTE Telecommunications Systems Engineer.	(1.00)	(\$137,894)	(\$141,244)
<b>ALL Other Funds</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Freeze 1.0 FTE Microcomputer Systems Specialist in fund 2241.	(1.00)	(\$137,501)	(\$140,842)

## ORGANIZATIONAL CHART BY PROGRAM



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# ADMINISTRATIVE SERVICES

## **DIVISION DESCRIPTIONS (CONT'D)**

### **ENTERPRISE NETWORK & COMPUTING SERVICES**

This division supports and provides daily maintenance of the citywide area IT Network infrastructure that provides voice and data network/telecommunications services. This section also provides microcomputer and server support including email support for all Agencies/Departments throughout the City. It prepares short and long range network, server and desktop client strategies, is responsible for the development of the City's desktop, server and network access

security policies, standards, and technical specifications.

This section also provides microcomputer support (both advice and assistance) for most of the Agencies/Departments throughout the City. The Desktop and Server Support Section is responsible for the development and maintenance of microcomputer hardware and software standards.

### **PUBLIC SAFETY SYSTEMS SERVICES**

This division is the One-Stop Shop for the citywide Public Safety operational

needs and technology initiatives. The program components include support for all the mission critical public safety applications and infrastructure including 911 Computer Aided Dispatch (CAD) system, Records Management System (RMS), OPD Internal Personnel Assessment System (iPAS), Citywide Two-way radio system, Microwave Backbone network, mobile applications, fire station alerting systems and public safety end-users equipment in the police and fire vehicles. This program also includes the on-going maintenance and support of various third-party as well as in-house developed applications and databases.

# ADMINISTRATIVE SERVICES

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## NOTES

## NEIGHBORHOOD SERVICES

### MISSION STATEMENT

The mission of the Neighborhood Services Division is to strive to organize residential & business neighborhoods, work in partnership to problem solve to improve their neighborhood, provide trainings & workshops to educate the community, and strengthen relationships by engaging everyone to host community events i.e. National Night Out.

### BUSINESS GOALS

- The Neighborhood Services Division coordinates fifteen programs, events and functions that involve residents and merchants in the City's community-policing program.
- Serves as a liaison between the community, the Police, & other City departments to assist residents in accessing the resources necessary to reduce crime, address issues, and increase the quality of life in their neighborhoods
- Provides training and support for grassroots neighborhood leadership as community members work in partnership with the police & other City departments to solve problems. Neighborhood Services fosters resident and merchant participation at three levels: on the block, in the neighborhood and citywide.

### PRIOR REDUCTIONS

- In 2008 the Division consisted of: 1 Manager, 4 Supervisors, 17 Neighborhood Services Coordinators (NSCs), 5 Police Service Technicians (PSTs), 2 Community Building Coordinators, and 1 Administrative Assistant for a total of 30 FTEs.
- Currently the Division consists of: 3 Supervisors (one acting as Manager), 9 NSCs, 2 PSTs, and 1 CBC, with a vacant CBC position to be filled, and part-time student intern, for a total of 15.5 FTEs, totaling a 48% workforce reduction.

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$236,293	\$325,514	\$332,264
2251 Measure Y: Public Safety Act	45	-	-
<b>TOTAL</b>	<b>\$236,338</b>	<b>\$325,514</b>	<b>\$332,264</b>
GPF Percent to Total Department	100.0%	100.0%	100.0%
GPF Percent to Citywide GPF Expenditures	0.1%	0.1%	0.1%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Neighborhood Services Division</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>
1010 - General Purpose Fund (GPF)	1.50	2.00	2.00
2251 - Measure Y: Public Safety Act 2004	2.20	1.70	1.70
<b>TOTAL</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>

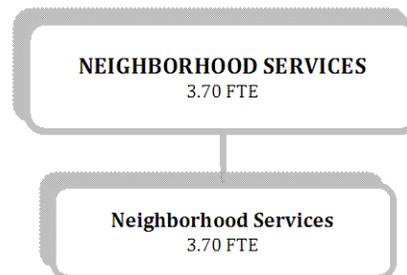
### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

Revenue			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Neighborhood Services Division	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Expenditure			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Neighborhood Services Division	\$236,338	\$325,514	\$332,264
<b>TOTAL</b>	<b>\$236,338</b>	<b>\$325,514</b>	<b>\$332,264</b>

### SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
None			

### ORGANIZATIONAL CHART BY PROGRAM



# COMMUNITY SERVICES

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## **PRIOR REDUCTIONS (CONT'D)**

- The reductions has increased staff workload with NSCs covering an average of 6-8 Community Policing Beats (versus 3 in 2008), fewer Neighborhood Watch trainings take place, no Spanish Speaking PST is on staff to conduct trainings in Spanish, and all administrative tasks have been absorbed by existing staff.

## **PROGRAM DESCRIPTIONS**

### **NEIGHBORHOOD WATCH**

Residents and merchants are encouraged to form Neighborhood Watch or Merchant Watch groups to meet each other, learn crime prevention techniques, and work together to solve block-level problems. Police Services Technician II (PSTs) provides training to new groups on an ongoing basis. Currently there are over 800 organized Neighborhood Watch Block Groups citywide.

### **NEIGHBORHOOD CRIME PREVENTION COUNCILS/NEIGHBORHOOD COUNCILS**

45 Neighborhood Crime Prevention Councils are organized by beat for the purpose of bringing everyone together to work in partnership to address community concerns. Everyone is encouraged to participate in their Neighborhood Crime Prevention Council (NCPC). They generally meet monthly, bi-monthly, & quarterly. City representatives including the Oakland Police Department attend NCPC meetings and works with residents to address selected priorities.

## **CRIME PREVENTION EDUCATION**

Businesses, schools, groups and organizations can request special presentations on personal safety and other topics of concern including Senior Safety, Youth Safety, and Home or Business Security. A Police Services Technician II from the Division conducts home and business safety inspections with individual property owners.

## **THE CITY-COUNTY NEIGHBORHOOD INITIATIVE (CCNI)**

This Measure Y funded program is a partnership with the Alameda County Public Health Department that helps community members work together to solve problems and create a better standard of living for themselves. CCNI works in two targeted neighborhoods: Sobrante Park in East Oakland and the Hoover Historic District in West Oakland.

## **CITIZENS' POLICE ACADEMY AND ALUMNI ASSOCIATION**

This 14-week program provides community members with an overview of the Police Department functions and a forum for police-citizen dialogue. Graduates of the Citizens' Police Academy continue their association with Police Department through the Citizens' Police Alumni Association where they participate in special projects such as Officer Appreciation Day and Christmas Escorts for Oakland shoppers.

## **COMMUNITY POLICING ADVISORY BOARD (CPAB)**

The role of the Community Policing Advisory Board (CPAB) is to oversee and ensure the successful implementation of Oakland's community policing policy articulated in City Council Resolution No. 72727. The appointed board conducts monthly meetings, provides guidance to the City's 53 NCPCs and gives input to OPD on issues related to Community Policing efforts by the department. The Division provides staff support to the CPAB.

## **NEIGHBORHOOD WATCH STEERING COMMITTEE**

This citywide group meets monthly to work with Block Captains and staff to strengthen and build the Neighborhood Watch Program through policy guidance, trainings, and collaboration.

## **NATIONAL NIGHT OUT (NNO)**

National Night Out is held annually on the first Tuesday in August. It is a unique worldwide event that is the nationally night out against crime. National Night Out promotes neighborhood unity & and police-community partnerships. The Neighborhood Services Division coordinates this annual event.

**PARKS AND RECREATION**

**MISSION STATEMENT**

The Office of Parks & Recreation is committed and dedicated to offering quality services, activities, and programs open to all Oakland residents and visitors. Our goal is to cultivate awareness about the availability and accessibility of Parks and Recreation services. We offer fun activities in a clean, safe, and healthy environment that provides opportunities for personal growth and skills development. We strive to offer community ownership and launch best practice standards to operate and maintain our facilities, playgrounds, and parks to preserve the beauty and legacy of the City of Oakland.

**BUSINESS GOALS**

- Establish a solid foundation that defines our purpose at every recreation center and ensure all programs are equitable citywide for children, youth, teens, adults and seniors.
- Create vibrant and welcoming environments that encourage healthy living and physical play in our parks, on our trails, at our golf courses, recreation centers, ball fields, tennis courts and open space for citizens of all abilities.
- Enhance recreation experiences for Oakland residents through the introduction and expansion of water sports for ages 0 and up from progressive learn-to-swim lessons, sailing, kayaking and sailing into science.
- Provide specialized enrichment programs that embody character development, health consciousness, art appreciation, life skills, civic duty, and environmental responsibility in every program offering.
- Increase OPR's visibility to be recognized as an essential service and community resource through

<b>SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND</b>			
<b>Expenditures by Fund</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
1010 General Purpose Fund (GPF)	\$12,142,017	\$12,787,013	\$13,057,703
1100 Self Insurance Liability	290,170	354,607	354,607
1780 Kid's First Oakland Children's Fund	109,973		
1820 OPRCA Self Sustaining Revolving Fund	4,646,270	5,353,327	5,402,771
2310 Lighting and Landscape Assessment	4,091,501	4,110,610	4,320,097
2996 Parks and Recreation Grants 2001	16,847	16,847	16,847
3200 Golf Course	882,192	494,715	497,404
7999 Miscellaneous Trusts	69,270	69,270	69,270
<b>TOTAL</b>	<b>\$22,248,240</b>	<b>\$23,186,389</b>	<b>\$23,718,699</b>
GPF Percent to Total Department	54.6%	55.1%	55.1%
GPF Percent to Citywide GPF Expenditures	3.0%	3.0%	2.9%

<b>AUTHORIZED POSITIONS BY PROGRAM</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget FTE</b>	<b>FY 2013-14 Proposed Budget FTE</b>	<b>FY 2014-15 Proposed Budget FTE</b>
<b>Adult &amp; Community Sports</b>	<b>25.56</b>	<b>6.23</b>	<b>6.23</b>
1010 - General Purpose Fund (GPF)	5.63	4.14	4.14
1820 - OPRCA Self Sustaining Revolving Fund	19.93	2.09	2.09
<b>After School Programs</b>	<b>16.58</b>	<b>18.83</b>	<b>18.83</b>
1010 - General Purpose Fund (GPF)	15.83	15.08	15.08
1820 - OPRCA Self Sustaining Revolving Fund	-	3.00	3.00
3200 - Golf Course	0.75	0.75	0.75
<b>Aquatics Boating</b>	<b>9.68</b>	<b>10.43</b>	<b>10.43</b>
1010 - General Purpose Fund (GPF)	5.75	5.32	5.32
1820 - OPRCA Self Sustaining Revolving Fund	3.93	5.11	5.11
<b>Aquatics Pools</b>	<b>20.93</b>	<b>19.60</b>	<b>19.60</b>
1010 - General Purpose Fund (GPF)	20.23	17.98	17.98
1820 - OPRCA Self Sustaining Revolving Fund	0.70	1.62	1.62
<b>Ball Fields</b>	<b>8.10</b>	<b>8.10</b>	<b>8.10</b>
1010 - General Purpose Fund (GPF)	1.81	1.81	1.81
2310 - Lighting and Landscape Assessment District	6.29	6.29	6.29
<b>Camps</b>	<b>1.00</b>	<b>2.00</b>	<b>2.00</b>
1010 - General Purpose Fund (GPF)	1.00	1.00	1.00
1820 - OPRCA Self Sustaining Revolving Fund	-	1.00	1.00
<b>Central Administration</b>	<b>15.38</b>	<b>16.38</b>	<b>16.38</b>
1010 - General Purpose Fund (GPF)	15.38	14.88	14.88
1820 - OPRCA Self Sustaining Revolving Fund	-	1.50	1.50
<b>Central Reservations</b>	<b>13.65</b>	<b>11.65</b>	<b>11.65</b>
1010 - General Purpose Fund (GPF)	1.00	-	-
1820 - OPRCA Self Sustaining Revolving Fund	12.65	11.65	11.65
<b>Contract Management</b>	<b>3.00</b>	<b>-</b>	<b>-</b>
1010 - General Purpose Fund (GPF)	1.00	-	-
1820 - OPRCA Self Sustaining Revolving Fund	2.00	-	-
<b>Cultural Arts</b>	<b>13.45</b>	<b>13.12</b>	<b>13.12</b>
1010 - General Purpose Fund (GPF)	6.02	5.31	5.31
1820 - OPRCA Self Sustaining Revolving Fund	7.43	7.81	7.81
<b>Davies Tennis &amp; Citywide Tennis</b>	<b>4.28</b>	<b>4.28</b>	<b>4.28</b>
1820 - OPRCA Self Sustaining Revolving Fund	4.28	4.28	4.28
<b>Recreation Programs</b>	<b>98.52</b>	<b>119.52</b>	<b>119.52</b>
1010 - General Purpose Fund (GPF)	55.43	55.03	55.03
1780 - Kid's First Oakland Children's Fund	1.25	-	-
1820 - OPRCA Self Sustaining Revolving Fund	40.84	63.49	63.49
2310 - Lighting and Landscape Assessment District	1.00	1.00	1.00
<b>TOTAL</b>	<b>230.13</b>	<b>230.14</b>	<b>230.14</b>

# COMMUNITY SERVICES

## BUSINESS GOALS (CONT'D)

- citywide events, such as concerts, creative partnerships, sporting events, and street festivals, with the end result of increasing annual participation in recreation.
- Oakland Parks and Recreation aspires to ensure that all citizens have an opportunity to explore the arts. Art forms should include: Drama, Dance, Fine Arts, Crafts, Music, Architecture Drawing, Painting, and Sculpting. OPR intends to reinstitute the Art Exchange program at Malonga to ensure our children and youth at the recreation facilities continue to be exposed to the above art forms.
  - Provide a minimum of five days a week of consistent recreational services to the community Monday –Friday.
  - Expand the adult programs/services to become fully self-sustaining through the expansion of leagues and non-traditional programs and classes.
  - Increase department revenue in self sustaining programs and services including the enterprise centers, through the upgrading and renewing of all contracts that have or are expiring.
  - Provide ongoing training for OPR employees at all level to ensure we are developing a strong leadership team for the 21<sup>st</sup> century.
  - Administrative staff reductions have impacted monitoring of collections, outstanding payable and program tracking.
  - Increase the development skills for our Counselors in Training, through onsite assessments, skill/drill training and active participation.
  - Implement STRIDE (Striving to Redirect Individuals in a Difficult Environment) Job Training program for youth ages 16-21 citywide through leverage services of CDBG, OFCY and Corporate Grants.

## PROGRAM DESCRIPTIONS

### ADULT & COMMUNITY SPORTS

Provide vibrant and welcoming environments and programs that

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

<b>Revenue</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Adult & Community Sports	\$965,861	\$1,094,823	\$1,097,948
After School Programs	300,580	300,580	300,580
Aquatics - Boating	227,767	247,922	248,084
Aquatics - Pools	162,140	216,272	216,272
Central Administration	69,270	77,842	78,013
Central Reservations	1,097,721	1,097,721	1,097,721
Contract Management	1,018,000	618,000	618,000
Cultural Arts	528,330	528,330	528,330
Davies Tennis and Citywide Tennis	147,250	150,960	150,960
Recreation Programs	1,833,958	2,356,641	2,402,960
<b>TOTAL</b>	<b>\$6,350,877</b>	<b>\$6,689,091</b>	<b>\$6,738,868</b>
<b>Expenditure</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Adult & Community Sports	\$1,662,123	\$819,555	\$846,280
After School Programs	759,846	889,176	896,215
Aquatics - Boating	588,042	607,878	615,989
Aquatics - Pools	1,504,031	1,445,369	1,480,859
Ball fields	442,487	471,917	478,224
Camps	107,856	118,257	120,756
Central Administration	4,771,826	3,430,786	3,466,048
Central Reservations	865,098	758,922	773,142
Contract Management	1,425,805	810,690	811,873
Cultural Arts	1,090,101	1,057,701	1,068,975
Davies Tennis and Citywide Tennis	174,114	193,752	195,905
Recreation Programs	8,856,911	12,582,386	12,964,433
<b>TOTAL</b>	<b>\$22,248,240</b>	<b>\$23,186,389</b>	<b>\$23,718,699</b>

encourage healthy living and physical play in our parks, on our trails, at our golf courses, recreation centers, ball fields, tennis courts and open space for citizens of all abilities.

### AFTER SCHOOL PROGRAMS

Provide specialized enrichment programs that embody character development, health consciousness, art appreciation, life skills, civic duty, and environmental responsibility in every program offering for elementary, middle school and high school youth within OUSD and at all OPR program offerings.

### AQUATICS - BOATING

Provide recreation experiences for Oakland residents through the exposure

of water sports for ages 5 and up from sailing, kayaking, dragon boating, sailing into science education component for 5th graders and tall ships.

### AQUATICS - POOLS

Provide recreation experiences for Oakland residents through the introduction of water sports for ages zero and up in progressive learn-to-swim lessons, swim teams, lifeguard training, and lap swim.

### BALL FIELDS

Provide for safe, clean and well-maintained ball fields citywide that create a vibrant and welcoming environment encouraging healthy living, and physical play in our ball fields for citizens of all abilities.

# COMMUNITY SERVICES

## PROGRAM DESCRIPTIONS

(CONT'D)

### CAMPS

Serve as OPR's "Schools-out Rec's-in" fee base program for OUSD non-instruction days including fall, winter, spring and summer breaks. Camps provide specialized enrichment programs that embody, character development, health consciousness, art appreciation and life skills in an educational environment.

### CENTRAL ADMINISTRATION

Serve as the departmental management infrastructure including fiscal oversight, staff training and development that enables OPR to increase visibility to be recognized as an essential service and community resource, with the end result of increasing revenue, public trust and services.

### CENTRAL RESERVATIONS

Serve as a critical program in meeting Oaklanders rental space needs while contributing to the department self-sustaining fund through our enterprise centers and rental of parks.

### CONTRACT MANAGEMENT

Maintain over 30 contracts with major stakeholders such as the Oakland Zoo, Children's Fairyland, Feather River Camp, Woodminster Amphitheater, Sequoia Nursery School, Metropolitan Horsemen Association, and OUSD.

### CULTURAL ARTS

Provide cultural experiences that ensure all children, youth, adults and seniors have an opportunity to explore the arts. The art forms include: Drama, Dance, Fine Arts, Crafts, Music, Architecture Drawing, Painting, and Sculpting.

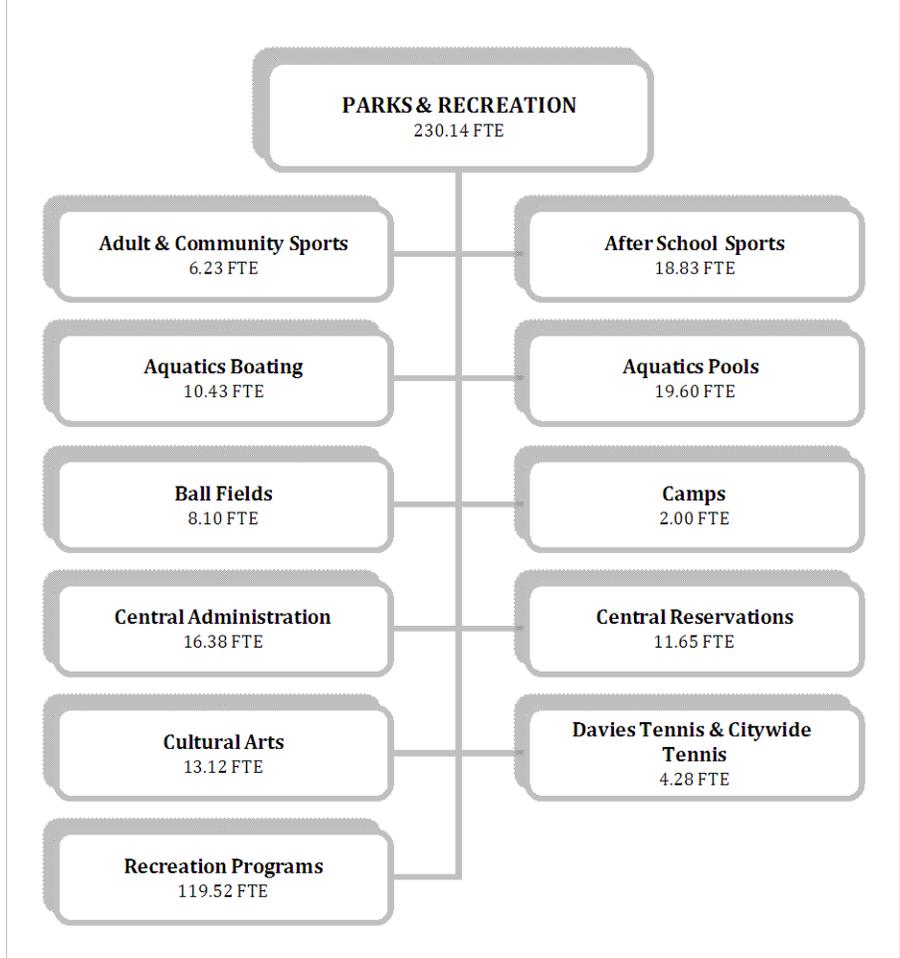
### DAVIES TENNIS AND CITYWIDE TENNIS

Offer tennis instruction and tournaments for children, youth, adults and seniors that encourage healthy living and physical play.

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Transfer 5.54 FTE to OPRCA Self-Sustaining Fund	(5.54)	(\$386,612)	(\$389,111)
Add 1.00 Student Trainee, PT	1.00	\$23,679	\$23,679
10% reduction in the subsidy for Oakland Zoo, Chabot Space & Science Center, Hacienda Peralta and the Asian Cultural Center	-	(\$94,025)	(\$94,025)
Reduce 1.62 FTE each of a Recreation Leader I, PT and Recreation Leader II, PT	(3.24)	(\$106,653)	(\$106,653)
ALL Other Funds	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Transfer 5.54 FTE to OPRCA Self-Sustaining Fund	5.54	\$386,612	\$389,111

## ORGANIZATIONAL CHART BY PROGRAM



### RECREATION PROGRAMS

Provide a solid foundation of recreation services that defines our purpose at every open recreation center and

program offering ensuring programs are equitable citywide for children, youth, teens, adults and seniors.

# COMMUNITY SERVICES

## HUMAN SERVICES

### MISSION STATEMENT

The Department of Human Services builds strong communities by enriching the quality of life for individuals and families in Oakland.

### BUSINESS GOALS

- Provide high quality, effective programs for children, youth, families, seniors and other adults through direct services, grant making, and close collaboration and coordination with other public and community based agencies.
- Develop new resources and leverage existing resources to maintain and expand programs that promote social equity for Oakland residents.
- Develop and support collaborations that improve community health and safety with an emphasis on violence prevention and community building.
- Identify, plan and recommend proactive policy and programmatic responses to community needs and social issues that impact the health and well-being of Oakland residents.
- Create opportunities for community engagement and education through volunteerism and involvement with Boards, Commissions and community groups.
- Sustain the Department's efficient fiscal and program operations and improve and enhance service accountability through expanded performance monitoring, evaluation and continuous quality improvement.
- Foster staff development and acknowledgement.

### PRIOR REDUCTIONS

- Reduction in support for OUSD Academies has led to 100 fewer high school students annually participating in job training.

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$4,912,556	\$5,077,316	\$5,150,220
1720 Comprehensive Clean-up	-	60,000	60,000
1780 Kid's First Oakland Children's Fund	10,756,257	11,763,186	12,125,533
2102 Department of Agriculture	1,079,936	1,095,000	1,095,000
2103 HUD-ESG/SHP/HOPWA	6,041,278	6,331,930	6,331,131
2108 HUD-CDBG	1,049,771	919,243	954,269
2112 Department of Justice	-	(17,884)	(17,884)
2114 Department of Labor	1,197,113	981,426	981,426
2120 Federal Action Agency	322,939	338,693	277,802
2128 Department of Health and Human Services	17,753,149	20,999,741	20,999,741
2138 California Department of Education	1,174,283	937,472	937,472
2159 State of California Other	549,761	310,002	310,001
2160 County of Alameda: Grants	413,835	431,262	431,262
2195 Workforce Investment Act	120,000	113,882	113,596
2213 Measure B: Paratransit - ACTIA	929,860	1,068,580	1,068,580
2251 Measure Y: Public Safety Act	6,423,451	6,601,959	6,711,570
2994 Social Services Grants	56,000	76,000	76,000
<b>TOTAL</b>	<b>\$52,780,189</b>	<b>\$57,087,808</b>	<b>\$57,605,719</b>
GPF Percent to Total Department	9.3%	8.9%	8.9%
GPF Percent to Citywide GPF Expenditures	1.2%	1.2%	1.1%

### AUTHORIZED POSITIONS BY DIVISION

Division	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Empowering Seniors &amp; People with Disabilities</b>	<b>103.20</b>	<b>89.86</b>	<b>89.11</b>
1010 - General Purpose Fund (GPF)	18.65	19.06	18.47
2114 - Department of Labor	63.35	52.85	52.85
2120 - Federal Action Agency	0.78	1.01	0.60
2128 - Department of Health and Human Services	12.10	9.60	9.60
2159 - State of California Other	1.62	0.94	1.19
2160 - County of Alameda: Grants	1.06	1.06	1.06
2195 - Workforce Investment Act	1.23	0.93	0.93
2213 - Measure B: Paratransit - ACTIA	4.41	4.41	4.41
<b>Fostering Safe &amp; Healthy Communities</b>	<b>18.28</b>	<b>16.61</b>	<b>16.11</b>
1010 - General Purpose Fund (GPF)	7.73	6.81	6.81
2103 - HUD-ESG/SHP/HOPWA	0.81	0.78	0.78
2108 - HUD-CDBG	4.71	3.89	3.89
2112 - Department of Justice	-	0.50	0.25
2128 - Department of Health and Human Services	4.00	4.00	4.00
2159 - State of California Other	1.00	0.60	0.35
2160 - County of Alameda: Grants	0.03	0.03	0.03
<b>Measure Y-Prevention</b>	<b>6.65</b>	<b>8.15</b>	<b>8.40</b>
2251 - Measure Y: Public Safety Act 2004	6.65	8.15	8.40
<b>Oakland Fund for Children &amp; Youth</b>	<b>6.41</b>	<b>6.21</b>	<b>6.21</b>
1010 - General Purpose Fund (GPF)	0.51	0.31	0.31
1780 - Kid's First Oakland Children's Fund	5.90	5.90	5.90
<b>Strengthening Children, Youth &amp; Their Families</b>	<b>138.32</b>	<b>176.36</b>	<b>176.36</b>
1010 - General Purpose Fund (GPF)	1.72	2.07	2.07
2102 - Department of Agriculture	6.50	6.50	6.50
2128 - Department of Health and Human Services	130.10	167.79	167.79
<b>TOTAL</b>	<b>272.86</b>	<b>297.19</b>	<b>296.19</b>

## PRIOR REDUCTIONS (CONT'D)

- Elimination of the Senior Services Set-Aside program reduced the availability of services to meet the unmet needs of Oakland's frail and low-income seniors (approximately 4,000 units of direct services per year).
- Elimination of the Senior Shuttle (approximately 250 seniors impacted).
- Reduction in programming for 5,000 seniors that use Oakland senior centers each year. Restored in FY12/13.
- Reduction in programming for 2,300 seniors that use contracted senior centers each year. Has not been restored.
- Elimination of the Sr. Services Administrator (1.00 FTE) overseeing the Senior Centers and Senior Services Set-Aside Program. Has not been restored.
- Elimination of Pathways to Change: replaced with Measure Y funds.
- Reduction of Head Start Contribution: replaced with grantor ARRA funds.
- Reduction in services of the Oakland Army Base Temporary Winter Shelter.
- Reduction of outreach and blight abatement via Homeless Mobile Outreach Program services.
- Elimination of Linkages grant match in conjunction with discontinuance of State funding.
- Elimination of the Youth Commission, Program Analyst I (.50 FTE). Restored in FY12/13.
- Elimination of the DHS Executive Assistant.

## DIVISION DESCRIPTIONS

### EMPOWERING SENIORS AND PEOPLE WITH DISABILITIES

Provide a comprehensive and coordinated network of support services, information and referrals, and activities for seniors and persons with disabilities. Programs include: the Multipurpose Senior Services Program (MSSP) which supports frail seniors and persons with disabilities to remain independent; Senior Companion and

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

<b>Revenue</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Empowering Seniors & People with Disabilities	\$4,628,716	\$4,200,660	\$4,191,768
Fostering Safe & Healthy Communities	7,622,113	8,182,670	8,182,670
Oakland Fund for Children & Youth	10,954,613	11,763,186	12,125,533
Strengthening Children, Youth & Their Families	17,722,809	20,496,571	20,496,571
<b>TOTAL</b>	<b>\$40,928,251</b>	<b>\$44,643,087</b>	<b>\$44,996,542</b>
<b>Expenditure</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Empowering Seniors & People with Disabilities	\$7,121,542	\$7,212,090	\$7,198,722
Fostering Safe & Healthy Communities	10,195,839	10,509,573	10,565,510
Measure Y-Prevention	6,434,891	6,613,399	6,723,010
Oakland Fund for Children & Youth	10,832,538	11,831,726	12,195,448
Strengthening Children, Youth & Their Families	18,195,379	20,921,020	20,923,029
<b>TOTAL</b>	<b>\$52,780,189</b>	<b>\$57,087,808</b>	<b>\$57,605,719</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Freeze 1.00 FTE Community Services Director	(1.00)	(\$233,394)	(\$238,963)
Eliminate 1.00 FTE Program Analyst I (Youth Commission)	(1.00)	(\$93,556)	(\$95,829)
Eliminate 0.59 FTE Senior Services Supervisor in FY 2014-15	(0.59)	\$0	(\$81,385)
Reduce & Transfer 0.91 FTE Accountant II to various funds	(0.91)	(\$106,428)	(\$109,013)
Transfer 0.68 FTE Accountant II from various funds	0.68	\$79,310	\$81,237
Transfer 1.00 FTE Family Advocate from Head Start Fund	1.00	\$63,895	\$65,448
Reduce funding for Vietnamese Community Development, Vietnamese American Community Center and OUSD Academies	-	(\$9,297)	(\$9,297)
Reduce O&M in Senior Centers	-	(\$14,200)	(\$10,000)
<b>ALL Other Funds</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Eliminate 0.41 FTE Senior Services Supervisor in FY 2014-15 in the Federal Action Agency Fund	(0.41)	\$0	(\$56,555)
Reduce O&M in various funds	-	(\$246,429)	(\$193,657)
Eliminate 1.00 FTE Case Manager II from the Multipurpose Senior Services Program (MSSP)	(1.00)	(\$97,995)	(\$100,375)
Eliminate 3.00 FTE Family Advocate from the Head Start Fund, and transfer 1.00 FTE Family Advocate to 1010	(4.00)	(\$232,036)	(\$237,537)
Eliminate 2.00 FTE Headstart Program Coordinator from the Head Start Fund	(2.00)	(\$197,494)	(\$202,294)
Eliminate 1.00 FTE Nurse Case Manager from MSSP	(1.00)	(\$97,995)	(\$100,375)
Eliminate 1.00 FTE Senior Services Supervisor in FY 2014-15 from MSSP	(1.00)	(\$134,668)	(\$137,939)
Add 1.00 FTE Outreach Developer in the Measure Y Fund	1.00	\$119,060	\$121,952

Foster Grandparent (SC/FG) Programs which offer volunteer opportunities for seniors to work with frail-elderly and at-risk children; and the ASSETS program which provides low income seniors with employment training services and job

placement. Oakland Paratransit for the Elderly and Disabled (OPED) provides paratransit services which augment the County's paratransit program. OPED is funded by Alameda County Measure B Transportation Initiative. Additionally,

# COMMUNITY SERVICES

## DIVISION DESCRIPTIONS

### EMPOWERING SENIORS AND PEOPLE WITH DISABILITIES (CONT'D)

City-sponsored Senior Centers offer culturally appropriate and accessible social, nutrition, education and wellness programming for seniors throughout the City. Rental of City-owned senior facilities.

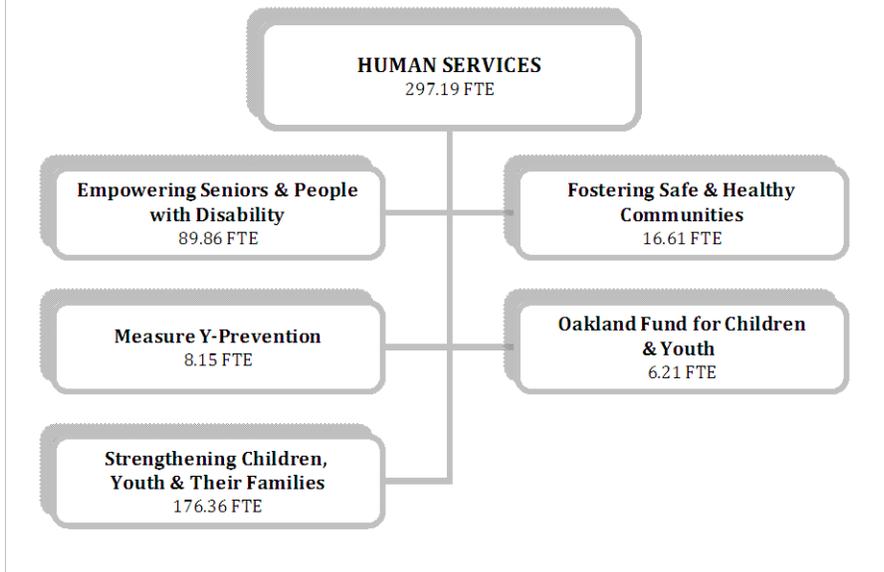
### FOSTERING SAFE AND HEALTHY COMMUNITIES

Encompasses DHS services specifically designed to make residents safer and to support individuals and families in key areas such as housing and income supports that contribute to the overall well-being of the Oakland community. Included is A Safe Walk to School program which provides neighborhood monitors at select schools to ensure children travel safely to/from school; the Youth Commission gives youth the opportunity to build leadership skills and participate in civic activities; Community Housing Services which serves people in Oakland who are homeless, hungry, HIV/AIDS positive, or living on extremely low incomes by providing food and hot meal programs, housing (both emergency and transitional), and support services. The Alameda County – Oakland Community Action Partnership (AC-OCAP) provides funding and staff support to programs designed to eliminate poverty in the community. The OUSD Academies program provides on-the-job work experience for high school students.

### MEASURE Y-PREVENTION

Measure Y: the Violence Prevention and Public Safety Act of 2004 provides approximately \$6 million annually for violence prevention programs to neighborhoods and youth and young adults most at risk for committing or being victims of violence. The Measure Y funds a variety of services in 4 key areas: 1) outreach, case management, employment and other services for youth who are chronically truant, dropped out or on probation; 2) special services for families experiencing domestic violence and youth exposed to violence including sexually exploited minors; 3) Diversion and reentry services and employment for

## ORGANIZATIONAL CHART BY DIVISION



youth and young adults on probation and parole; and 4) School-based services including case management, mental health, violence prevention curriculum and peer conflict mediation. The fund also supports special initiatives that address emerging issues such as gang prevention and intervention.

### OAKLAND FUND FOR CHILDREN AND YOUTH

The Oakland Fund for Children & Youth (OFCY) fosters the development of young people ages 0 to 20 by providing grant funds for services and programs that improve Committee provides policy recommendations to the City Council and oversees strategic planning, evaluation and grant-making through a competitive proposal process. A City Charter amendment (1996 Measure K – Kids First! voter initiative) established OFCY as a mandated set aside of funds calculated at 2.5% of the General Purpose revenues annually with 92% of the funds allocated to private non-profit and public agencies “to help young people become healthy, productive, and honorable adults,” and 8% for administration and evaluation of OFCY. . In November 2008, Oakland voters passed Measure OO, the Kids First 2 initiative, which took effect July 1, 2009. Measure OO changed the required

funding amount from 2.5% of unrestricted General Fund revenues to 1.5% (July 2009 – June 2011) and 2.5% (after July 2011) of revenues, with the funding coming solely from the unrestricted General Fund. Measure D modified Measure OO, which requires a 3% percent set-aside of city unrestricted general fund revenues for children's programs. Legislation requires completion of an OFCY Strategic Plan every four years and a comprehensive evaluation of OFCY annually.

### STRENGTHENING CHILDREN, YOUTH AND THEIR FAMILIES

Provides services that improve the health, development and quality of life for children, youth and their families. Head Start, Early Head Start and Summer Food Service programs offer opportunities for comprehensive early child development and education; parenting support and parent/child interactive literacy activities; healthy nutritious lunches for low income school-aged children during the summer months; and other ancillary services to Food Program, and must comply with applicable federal and state regulations regarding funded activities and facilities.

## OAKLAND PUBLIC LIBRARY

### MISSION STATEMENT

The Oakland Public Library informs, inspires and delights our diverse community as a resource for information, knowledge, and artistic and literary expression, providing the best in traditional services, new technologies and innovative programs.

### BUSINESS GOALS

- To increase circulation and in-library usage of library materials and services by providing relevant and popular collections (e-books, best sellers, DVD, etc.) and superior customer service through a well-trained and diverse staff.
- To enhance services and programs for children and teens by offering story times for preschool children to encourage early literacy; and teen programming that expands their expectations of libraries through arts, gaming, civic engagement and volunteer opportunities that help develop leadership skills and workplace preparedness.
- To increase the public's ability to access statewide collections by fuller integration of Link+, a new service that makes over 60 libraries' collections, including academic and public, available to Oakland residents for borrowing.
- To increase the public's access to our neighborhood branches by implementing a change in schedules.
- To increase access to the Tool Lending Library by expanding from 4-day service to 5-day service.
- To develop a public relations strategic plan that markets and brands the Oakland Public Library through a continuously, connected campaign that publicizes the Library's vast resources to all members of the community.

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$9,059,989	\$9,060,667	\$9,060,466
2148 California Library Services	65,421	64,654	64,654
2163 Metro Transportation Com: Program Grant	68,713	71,924	71,924
2241 Measure Q-Library Services Retention & Enhancement	15,044,503	16,593,578	17,129,566
2242 Measure Q Reserve- Library Services Retention & Enhancement	-	-	715,050
2993 Library Grants	250,000	250,000	250,000
7540 Oakland Public Library Trust	110,879	110,879	110,879
<b>TOTAL</b>	<b>\$24,599,505</b>	<b>\$26,151,702</b>	<b>\$27,402,539</b>
GPF Percent to Total Department	36.8%	34.6%	33.1%
GPF Percent to Citywide GPF Expenditures	3.7%	3.9%	3.7%

### AUTHORIZED POSITIONS BY PROGRAM

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>African American Museum &amp; Library at Oakland</b>	<b>6.40</b>	<b>4.90</b>	<b>4.90</b>
1010 - General Purpose Fund (GPF)	1.00	1.00	1.00
2241 - Measure Q-Library Services Retention & Enhancement	5.40	3.90	3.90
<b>Branch Library Services</b>	<b>98.38</b>	<b>96.86</b>	<b>96.86</b>
1010 - General Purpose Fund (GPF)	36.45	28.45	28.45
2163 - Metro Transportation Com: Program Grant	0.27	0.27	0.27
2241 - Measure Q-Library Services Retention & Enhancement	61.66	68.14	68.14
<b>Library System Wide Support</b>	<b>59.41</b>	<b>66.05</b>	<b>66.05</b>
1010 - General Purpose Fund (GPF)	24.07	28.37	27.37
2241 - Measure Q-Library Services Retention & Enhancement	35.34	37.68	38.68
<b>Literacy Programs</b>	<b>5.08</b>	<b>5.08</b>	<b>5.08</b>
1010 - General Purpose Fund (GPF)	1.00	-	-
2148 - California Library Services	1.08	1.08	1.08
2241 - Measure Q-Library Services Retention & Enhancement	3.00	4.00	4.00
<b>Main Library Services</b>	<b>45.74</b>	<b>42.90</b>	<b>42.90</b>
1010 - General Purpose Fund (GPF)	12.20	9.79	8.79
2241 - Measure Q-Library Services Retention & Enhancement	33.54	33.11	34.11
<b>TOTAL</b>	<b>215.01</b>	<b>215.79</b>	<b>215.79</b>

- To provide Oakland residents access to materials and collections of the African American cultural and historical experience in Northern California, along with programs, lectures, films, and exhibits that speak to the social, historical, and political conditions of the African American Diaspora by operating the African American Museum and Library at Oakland (AAMLO).
- To further develop new Models of Service (e.g. self-check, online fines payment, floating collections) for the Oakland Public Library that will allow

services to be delivered to the public in a more efficient, customer-friendly manner.

- To develop Service Models that allow more of our library staff to perform outreach and develop collaborative partnerships with schools, community organizations and agencies to promote and provide library services to groups unfamiliar with library resources.
- To increase the level of support to the Oakland Public Library from volunteers and donors through outreach and stewardship activities.

# OAKLAND PUBLIC LIBRARY

## PRIOR REDUCTIONS

Since FY 2007-09 the Library has reduced Branch Library days from 6 days to 5 days. The Main Library continues to operate 7 days per week. The reduced hours (and city wide furlough shutdown days) have impacted the public's ability to gather for programs, after school activities, teens and pre-teens gathering time, and increased usage of computers with fewer days. As well, elimination of Bookmobile service and reductions in Second Start Adult Literacy has impacted outreach services to the community provided by OPL.

## PROGRAM DESCRIPTIONS

### AFRICAN AMERICAN MUSEUM & LIBRARY AT OAKLAND (AAMLO)

This program represents the public services provided at AAMLO through collections and archives on the culture and history of African Americans in Northern California and the Bay Area.

### BRANCH LIBRARY SERVICES

This program represents the public services provided at the 16 Branch Libraries located throughout Oakland, and Branch Administration.

### LIBRARY SYSTEM-WIDE SUPPORT

This program represents the system-wide services provided by the Finance and Administrative Unit, Teen Services, Children's Services, Community Relations, Materials Unit, Computer Services Unit, and the Acquisitions and Cataloging Unit.

### LITERACY PROGRAMS

This program represents the Literacy services provided by the Second Start Literacy Center.

### MAIN LIBRARY SERVICES

This program represents the public services provided at the Main Library. These include General Reference services, Main Library Administration, the Oakland History Room, Art/History and Literature, Magazines and Newspapers, Science, Business and Sociology, Children's Room, Computer Center, etc.

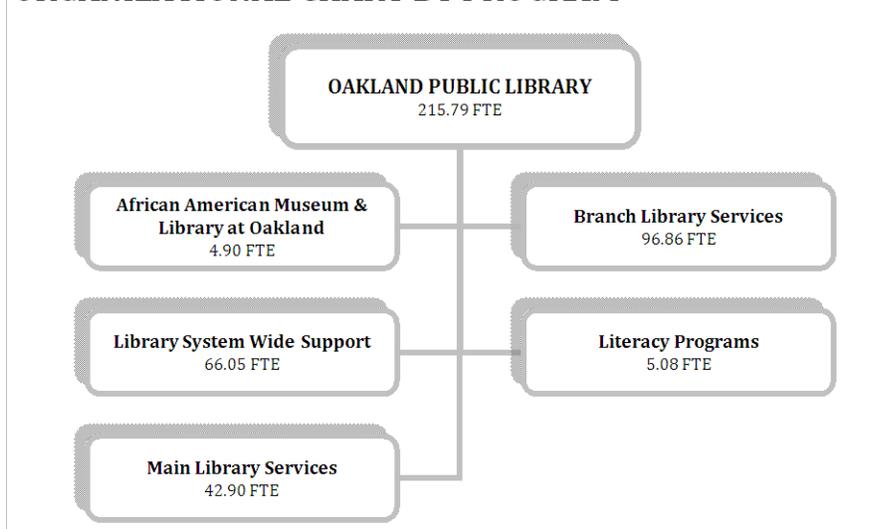
## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

<b>Revenue</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Branch Library Services	\$72,719	\$72,719	\$72,719
Library System Wide Support	16,587,487	17,944,048	19,210,162
Literacy Programs	68,392	68,392	68,392
<b>TOTAL</b>	<b>\$16,728,598</b>	<b>\$18,085,159</b>	<b>\$19,351,273</b>
<b>Expenditure</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
African American Museum & Library at Oakland	\$938,341	\$874,462	\$902,599
Branch Library Services	9,882,143	10,329,433	10,571,352
Library System Wide Support	9,053,435	10,044,253	10,892,287
Literacy Programs	370,155	397,846	405,503
Main Library Services	4,355,431	4,505,708	4,630,798
<b>TOTAL</b>	<b>\$24,599,505</b>	<b>\$26,151,702</b>	<b>\$27,402,539</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Transfer 3.00 FTE Librarian II's to fund 2241.	(3.00)	(\$363,424)	(\$372,037)
Transfer 1.00 FTE Senior Librarian to fund 2241 in FY2014-15.	(1.00)	-	(\$137,777)
Transfer 1.00 FTE Librarian Assistant, Senior to fund 2241 in FY2014-15.	(1.00)	-	(\$114,383)
Transfer 3.00 FTE Librarian Supervisors to fund 2241.	(3.00)	(\$447,136)	(\$457,765)
Transfer 3.00 FTE Library Assistant and 1.0 FTE Office Assistant I to fund 2241.	(4.00)	(\$337,399)	(\$345,345)
<b>ALL Other Funds</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Transfer 3.00 FTE Librarian II's to fund 2241 from 1010	3.00	\$363,424	\$372,037
Transfer 1.00 FTE Senior Librarian to fund 2241 in FY2014-15 from 1010	1.00	-	\$137,777
Transfer 1.00 FTE Librarian Assistant, Senior to fund 2241 in FY2014-15 from 1010	1.00	-	\$114,383
Transfer 3.00 FTE Librarian Supervisors to fund 2241 from 1010	3.00	\$447,136	\$457,765
Transfer 3.00 FTE Library Assistant and 1.0 FTE Office Assistant I to fund 2241 from 1010	4.00	\$337,399	\$345,345

## ORGANIZATIONAL CHART BY PROGRAM



**PUBLIC WORKS**

**MISSION STATEMENT**

Service to the public is our sole reason for existence. Oakland Public Works plans, builds and maintains Oakland’s physical and environmental infrastructure for the residents, businesses and visitors of the city, making it a sustainable and desirable place to live, work, invest and visit.

**BUSINESS GOALS**

- Improve livability through sustainable practices for cleaning and maintaining streets, trees, sidewalks, parks, and facilities.
- Maintain the City’s infrastructure to meet current and future needs of our neighborhoods, support development, and reduce the City’s exposure to liability.
- Create a sustainable City through implementing green buildings, renewable energy and efficiency projects, alternative fueled vehicles, and recycling/solid waste services.
- Leverage existing resources by seeking grants, public private partnerships, and by enhancing volunteerism and sponsorship opportunities.
- Foster collaborative opportunities with other agencies and individuals to improve service delivery
- Continue focusing on high-quality service and customer satisfaction to be the “provider of choice” for our customers.

**PRIOR REDUCTIONS**

- Over 140.00 FTE eliminated across all funds, (18.5%) since the October 2008-09 mid-cycle budget.
- Landscaped assets and Trees have been compromised by staffing

**SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND**

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1010 General Purpose Fund (GPF)	\$816,207	\$1,156,776	\$1,178,195
1100 Self Insurance Liability	2,060,090	4,524,821	4,524,821
1150 Worker’s Compensation Insurance	157,432	224,214	228,585
1710 Recycling Program	8,469,324	8,602,565	8,640,854
1720 Comprehensive Clean-up	17,984,248	17,812,017	17,829,279
1750 Multipurpose Reserve	1,887,008	1,774,980	1,802,341
2211 Measure B: ACTIA	4,946,620	2,744,746	2,779,494
2212 Measure B: Bicycle/Pedestrian	10,000	10,000	10,000
2230 State Gas Tax	6,543,089	7,025,033	7,142,305
2231 State Gas Tax-Prop 42 Replacement Funds	1,506,320	4,445,747	4,534,447
2310 Lighting and Landscape Assessment	14,802,457	16,175,342	16,099,969
2415 Development Service Fund	215,373	1,745,626	1,776,106
2416 Traffic Safety Fund	744,686	429,457	436,908
2990 Public Works Grants	280,000	280,000	280,000
3100 Sewer Service Fund	23,250,179	24,957,832	25,301,951
4100 Equipment	15,223,970	18,265,319	18,437,596
4400 City Facilities	22,350,467	25,272,966	25,779,478
4450 City Facilities Energy Conservation Projects	-	86,141	87,832
5671 OBRA: Leasing & Utility	-	500,000	475,000
7760 Grant Clearing	(36,342)	(153,098)	(156,788)
<b>TOTAL</b>	<b>\$121,211,128</b>	<b>\$135,880,484</b>	<b>\$137,188,373</b>
GPF Percent to Total Department	0.7%	0.9%	0.9%
GPF Percent to Citywide GPF Expenditures	0.2%	0.3%	0.3%

**AUTHORIZED POSITIONS BY PROGRAM**

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Agency Administration</b>	<b>51.00</b>	<b>49.00</b>	<b>49.00</b>
1150 - Worker’s Compensation Insurance Claims	1.50	1.50	1.50
1720 - Comprehensive Clean-up	2.00	2.00	2.00
2230 - State Gas Tax	1.00	1.00	1.00
3100 - Sewer Service Fund	2.00	1.00	1.00
5321 - Measure DD: 2009B Clean Water, Safe Parks & Open Space Trust Fund for Oakland	1.00	1.00	1.00
7760 - Grant Clearing	43.50	42.50	42.50
<b>Americans with Disabilities Act</b>	<b>2.75</b>	<b>2.75</b>	<b>2.75</b>
1010 - General Purpose Fund (GPF)	0.25	0.25	0.25
2211 - Measure B: ACTIA	0.75	0.75	0.75
7760 - Grant Clearing	1.75	1.75	1.75
<b>Buildings &amp; Facilities Management &amp; Maintenance</b>	<b>123.33</b>	<b>128.58</b>	<b>128.58</b>
2310 - Lighting and Landscape Assessment District	21.00	21.00	21.00
4400 - City Facilities	102.33	107.58	107.58
<b>Electrical Projects</b>	<b>4.02</b>	<b>5.34</b>	<b>5.34</b>
2211 - Measure B: ACTIA	3.00	-	-
2231 - State Gas Tax-Prop 42 Replacement Funds	-	5.00	5.00
2416 - Traffic Safety Fund	1.02	0.34	0.34

# PUBLIC WORKS

## PRIOR REDUCTIONS (CONT'D)

decreases, resulting in increased blight, weeds, litter and a generally unkempt appearance. Tree maintenance is limited to hazardous response only.

- The Department currently maintains 805 miles of City streets and major road repairs have been postponed until funding is available.

## PROGRAM DESCRIPTIONS

### AGENCY ADMINISTRATION

Agency Administration supports the Public Works Agency's core functions by providing management, administration, fiscal services, human resources support, business and information analysis, safety program, public information and operation of the Public Works Call Center.

### AMERICANS WITH DISABILITIES ACT

ADA Programs provides comprehensive access compliance activities to City agencies as well as the disability, business and nonprofit communities, as mandated by Title II of the Americans with Disabilities Act. ADA divides staffing resources between physical and programmatic responsibilities. We support multimillion dollar infrastructure improvement programs, major settlement agreements, and citywide accommodation efforts. We staff the Commission on Persons with Disabilities and Commission on Aging.

### BUILDINGS AND FACILITIES MANAGEMENT AND MAINTENANCE

The Public Works Agency maintains approximately 300 City-owned buildings (estimated 2.5 million square feet) ranging in size from Police Administration Building (147,900 sq. ft) to the FROG Park restroom (40 sq. ft.). In 2006, an assessment of 62 representative buildings showed that the majority were in average condition but that the overall building conditions continue to decline due to chronic

## AUTHORIZED POSITIONS BY PROGRAM (CONT'D)

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Engineering Design</b>	<b>58.00</b>	<b>50.55</b>	<b>50.40</b>
2211 - Measure B: ACTIA	4.15	1.55	1.55
2230 - State Gas Tax	-	0.04	
2415 - Development Service Fund	1.00	10.00	10.00
3100 - Sewer Service Fund	20.30	10.40	10.40
7760 - Grant Clearing	32.55	28.57	28.45
<b>Fleet &amp; Equipment Management &amp; Maintenance</b>	<b>53.00</b>	<b>56.00</b>	<b>56.00</b>
4100 - Equipment	53.00	56.00	56.00
<b>Keep Oakland Clean &amp; Beautiful</b>	<b>73.50</b>	<b>75.50</b>	<b>75.50</b>
1720 - Comprehensive Clean-up	72.30	74.30	74.30
3100 - Sewer Service Fund	1.20	1.20	1.20
<b>Parking Management - Meter Repair</b>	<b>7.00</b>	<b>8.00</b>	<b>8.00</b>
1010 - General Purpose Fund (GPF)	7.00	8.00	8.00
<b>Parks, Grounds &amp; Medians</b>	<b>68.00</b>	<b>69.00</b>	<b>69.00</b>
1720 - Comprehensive Clean-up	29.00	29.00	29.00
2310 - Lighting and Landscape Assessment District	39.00	39.00	39.00
4400 - City Facilities	-	1.00	1.00
<b>Project Delivery</b>	<b>46.00</b>	<b>44.10</b>	<b>44.10</b>
2211 - Measure B: ACTIA	0.60	0.60	0.60
3100 - Sewer Service Fund	3.50	3.40	3.40
4400 - City Facilities	0.50	0.50	0.50
5321 - Measure DD: 2009B Clean Water, Safe Parks & Open	1.00	1.00	1.00
7760 - Grant Clearing	40.40	38.60	38.60
<b>Recycling &amp; Solid Waste</b>	<b>9.50</b>	<b>9.50</b>	<b>9.50</b>
1710 - Recycling Program	8.00	8.00	8.00
7760 - Grant Clearing	1.50	1.50	1.50
<b>Sanitary Sewer Management &amp; Maintenance</b>	<b>66.50</b>	<b>64.50</b>	<b>64.50</b>
3100 - Sewer Service Fund	66.50	64.50	64.50
<b>Street &amp; Sidewalk Management &amp; Maintenance</b>	<b>40.00</b>	<b>41.00</b>	<b>41.00</b>
2230 - State Gas Tax	11.90	11.90	11.90
2231 - State Gas Tax-Prop 42 Replacement Funds	15.18	15.84	15.84
3100 - Sewer Service Fund	12.92	13.26	13.26
<b>Street Light Management &amp; Maintenance</b>	<b>8.99</b>	<b>7.66</b>	<b>7.66</b>
2211 - Measure B: ACTIA	7.50	-	-
2230 - State Gas Tax	1.49	1.16	1.16
2231 - State Gas Tax-Prop 42 Replacement Funds	-	6.50	6.50
<b>Sustainable Oakland Program</b>	<b>14.50</b>	<b>14.50</b>	<b>14.50</b>
1710 - Recycling Program	3.83	3.83	3.83
1720 - Comprehensive Clean-up	3.00	3.00	3.00
2990 - Public Works Grants	0.47	0.47	0.47
3100 - Sewer Service Fund	1.40	1.40	1.40
4400 - City Facilities	2.60	2.60	2.60
4450 - City Facilities Energy Conservation Projects	-	0.50	0.50
7760 - Grant Clearing	3.20	2.70	2.70
<b>Traffic Signal Management &amp; Maintenance</b>	<b>7.99</b>	<b>8.00</b>	<b>8.00</b>
2211 - Measure B: ACTIA	7.49	-	-
2230 - State Gas Tax	0.50	0.83	0.83
2231 - State Gas Tax-Prop 42 Replacement Funds	-	6.83	6.83
2416 - Traffic Safety Fund	-	0.34	0.34
<b>Traffic Signs &amp; Markings Management &amp; Maintenance</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>
2230 - State Gas Tax	17.00	17.00	17.00
2416 - Traffic Safety Fund	1.00	1.00	1.00
<b>Transportation &amp; Pedestrian Safety</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>
1750 - Multipurpose Reserve	8.20	8.20	8.20
2211 - Measure B: ACTIA	4.70	5.20	5.20
2416 - Traffic Safety Fund	1.70	0.20	0.20
7760 - Grant Clearing	10.40	11.40	11.40

**PROGRAM DESCRIPTIONS**

**BUILDINGS AND FACILITIES  
MANAGEMENT AND MAINTENANCE**  
(CONT'D)

and constant vandalism, heavy patron usage, and a lack of preventive maintenance and capital repairs. There is currently no funding for capital repairs.

**ELECTRICAL PROJECTS**

Electrical staff provides design services and electrical engineering review for project development and construction. Utility coordination, planning, design and facilitation of assessment engineering are provided for the utility undergrounding program.

**ENGINEERING DESIGN**

Engineering Design facilitates program and project management, engineering and inspection services for City activities including sanitary sewer rehabilitation, major street improvement, pavement rehabilitation, bridge rehabilitation, storm drainage, sidewalks and utilities. This program also provides project management services on a wide variety of technical projects in support of other City departments.

**FLEET AND EQUIPMENT  
MANAGEMENT AND MAINTENANCE**

The City of Oakland owns and operates 1,489 vehicles and major pieces of equipment. The City's fleet has been reduced by 341 vehicles in the last ten years. A full-time City staff of 53 mechanics, service workers, technicians, and administrative staff keep the City's aging fleet at an 89% availability rate.

The average fleet vehicle is 10.7 years old which is more than twice the 5.2-year replacement age recommended by the National Association of Fleet Administrators (NAFA). Currently, over 55% of City vehicles are over the NAFA recommended replacement age.

The City can have a better performing fleet and spend less money overall by making capital investments in newer

**AUTHORIZED POSITIONS BY PROGRAM** (CONT'D)

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Transportation Planning &amp; Funding</b>	-	8.38	8.50
2211 - Measure B: ACTIA	-	2.50	2.50
2415 - Development Service Fund	-	1.00	1.00
7760 - Grant Clearing	-	4.88	5.00
<b>Tree Management &amp; Maintenance</b>	15.00	15.00	15.00
2310 - Lighting and Landscape Assessment District	15.00	15.00	15.00
<b>Watershed &amp; Storm Drain Management &amp; Maintenance</b>	30.50	31.46	31.50
2990 - Public Works Grants	1.00	1.00	1.00
3100 - Sewer Service Fund	26.10	27.06	27.10
5321 - Measure DD: 2009B Clean Water, Safe Parks & Open	2.00	2.00	2.00
7760 - Grant Clearing	1.40	1.40	1.40
<b>TOTAL</b>	<b>722.58</b>	<b>731.83</b>	<b>731.83</b>

**SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE**

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
None			
<b>ALL Other Funds</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Add 1.00 FTE Painter in the Facilities Fund	1.00	\$124,182	\$129,650
Add 2.00 FTE Custodians in the Facilities Fund	2.00	\$139,723	\$142,451
Add 2.00 FTE Painters and O&M in the Comprehensive Clean-up Fund for graffiti abatement team	2.00	\$551,000	\$295,000
Add 4.00 FTE Maintenance Mechanics in the Facilities Fund	4.00	\$301,693	\$307,503
Add funding for Minor CIP in the Facilities Fund	-	\$1,000,000	\$1,250,000
Add O&M for new facilities maintenance in the Facilities Fund	-	\$248,174	\$235,639
Eliminate 0.25 FTE Stationary Engineer in the Facilities Fund (4400)	(0.25)	(\$27,187)	(\$27,849)
Eliminate 0.50 FTE Maintenance Mechanic, PPT in the Facilities Fund	(0.50)	(\$52,713)	(\$53,748)
Eliminate 1.00 FTE Clean Community Supervisor in the Comprehensive Clean-up Fund	(1.00)	(\$143,097)	(\$146,471)
Eliminate 1.00 FTE Recycling Specialist in the Recycling Fund (partially funded by projects)	(1.00)	(\$102,901)	(\$105,401)
Eliminate O&M to off-set cost of positions & O&M added for maintaining new facilities not previously funded	-	(\$890,487)	(\$890,487)
LED Lighting Conversion Lease Payment in the Landscaping & Lighting Assessment District Fund	-	\$1,647,206	\$1,647,206
LED Lighting Conversion Energy utility savings from lighting conversion in the Landscaping & Lighting Assessment District Fund	-	(\$1,110,185)	(\$1,480,247)
Transfer Dept of Infrastructure & Operations group from the Measure B Fund (2211) to the State Gas Tax Fund (2231)	(17.26)	(\$2,032,462)	(\$2,128,202)
Transfer Dept of Infrastructure & Operations group to the State Gas Tax Fund (2231) from the Measure B Fund (2211)	17.26	\$2,032,462	\$2,128,202

equipment. The fleet should be smaller, newer and require less maintenance.

**KEEP OAKLAND CLEAN AND BEAUTIFUL**

The Keep Oakland Clean and Beautiful program maintains and enhances the cleanliness, health, and appearance of

City streets and neighborhoods. Activities include (annually) response to 13,000 complaints for removal of illegal dumping; abatement of 285 homeless encampments; removal of 800,000 sq. ft. of graffiti; support for volunteer cleanup and beautification events; and special

# PUBLIC WORKS

## PROGRAM DESCRIPTIONS

### KEEP OAKLAND CLEAN AND BEAUTIFUL (CONT'D)

events support (Art & Soul, Holiday Parade, Street Fairs, etc.); and street cleaning of 492 controlled routes monthly.

### PARKING MANAGEMENT – METER REPAIR

Oakland has a total of about 7,500 parking spaces. It consists of about (1) 4,000 single parking meter spaces; and (2) 500 multi-space parking meters that control about 2,500 parking spaces. Meters are planned for upgrade to utilize modern technology. Revenue generated from citations goes directly to the general purpose fund.

### PARKS, GROUNDS AND MEDIANS

Oakland has 134 parks and public spaces. This includes two region-serving parks, nine community parks, 53 neighborhood parks, 15 special use parks, 26 athletic fields, plus many mini-parks, linear parks, and public grounds. There are another 1,055 acres of Resource Conservation Area (open space) primarily in the Oakland hills. Approximately 100 landscaped medians and streetscapes are also included in the City's park maintenance responsibility along with grounds at City facilities and surface parking lots.

New and renovated parks and plans are being developed primarily funded by voter-supported Measure DD (2002 Oakland Trust for Clean Water & Safe Parks), Measure WW (2008 Preserve Open Space for Recreation and Wildlife Habitat), State Park Bond Funds (2002 California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act) and Redevelopment funds (still funding projects in process). Bonds and former Redevelopment funds are restricted to supporting the creation of a park or other facility, and are not available to fund staff or materials for ongoing maintenance. No funds have been budgeted to maintain these newly constructed parks.

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

<b>Revenue</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Buildings & Facilities Management & Maintenance	\$23,178,037	\$26,482,472	\$27,899,929
Engineering Design	2,508,000	3,685,484	7,562,087
Fleet & Equipment Management & Maintenance	17,186,928	19,734,029	20,029,982
Keep Oakland Clean & Beautiful	18,696,349	17,810,196	17,886,819
Project Delivery	129,200	188,561	129,200
Recycling & Solid Waste	9,316,334	9,167,973	9,216,848
Safety & Liability	1,560,060	3,524,791	3,524,791
Sanitary Sewer Management & Maintenance	55,657,355	53,010,600	53,173,727
Street & Sidewalk Management & Maintenance	6,637,535	11,461,277	11,602,990
Street Light Management & Maintenance	123,350	1,585,850	1,585,850
Sustainable Oakland Program	191,495	191,495	191,495
Traffic Signal Management & Maintenance	123,350	123,350	123,350
Traffic Signs & Markings Management & Maintenance	17,500	17,000	17,000
Transportation & Pedestrian Safety	20,501,628	17,032,899	16,638,742
Transportation Planning & Funding	-	1,660,000	1,103,350
Tree Management & Maintenance	17,500	17,500	17,500
Watershed & Storm Drain Management & Maintenance	210,000	210,000	210,000
<b>TOTAL</b>	<b>\$156,054,621</b>	<b>\$165,903,477</b>	<b>\$170,913,660</b>
<b>Expenditure</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Agency Administration	(\$2,294,532)	(\$3,125,780)	(\$3,172,211)
Americans with Disabilities Act	436,597	547,655	555,875
Buildings & Facilities Management & Maintenance	23,551,223	26,446,358	26,979,418
Electrical Projects	1,000,097	1,079,026	1,102,905
Engineering Design	6,341,726	6,636,640	6,704,137
Fleet & Equipment Management & Maintenance	15,030,878	17,811,294	17,983,571
Keep Oakland Clean & Beautiful	14,819,674	13,999,577	14,029,219
Parking Management – Meter Repair	795,149	1,127,013	1,147,872
Parks, Grounds & Medians	8,608,450	9,078,427	9,246,942
Project Delivery	2,623,761	2,986,332	2,971,394
Recycling & Solid Waste	7,984,430	8,085,098	8,116,744
Safety & Liability	3,620,150	8,049,612	8,049,612
Sanitary Sewer Management & Maintenance	10,515,168	11,203,590	11,402,660
Street & Sidewalk Management & Maintenance	5,944,854	6,802,215	6,938,227
Street Light Management & Maintenance	4,837,954	5,026,621	4,748,446
Sustainable Oakland Program	2,173,481	2,903,888	2,908,473
Traffic Signal Management & Maintenance	1,723,463	1,695,759	1,723,992
Traffic Signs & Markings Management & Maintenance	2,863,360	3,008,207	3,056,157
Transportation & Pedestrian Safety	3,654,799	\$3,699,404	\$3,761,487
Transportation Planning & Funding	-	\$1,227,793	\$1,230,886
Tree Management & Maintenance	2,497,697	\$2,855,246	\$2,906,054
Watershed & Storm Drain Management & Maintenance	4,482,749	4,736,509	4,796,513
<b>TOTAL</b>	<b>\$121,211,128</b>	<b>\$135,880,484</b>	<b>\$137,188,373</b>

## PROGRAM DESCRIPTIONS

### PROJECT DELIVERY

Project Delivery manages and implements capital improvement projects in a professional, comprehensive, efficient, and cost effective manner. These projects serve the community and city employees in the forms of new facilities, expanded facilities, increased comfort, safety, and modernization of facilities, improved access for the disabled, improved storm and sewer services and long-term maintenance, street beautification, and improved traffic and pedestrian safety. The program provides long-term planning for facility and park assets.

### RECYCLING AND SOLID WASTE

The Recycling and Solid Waste Disposal Program manages the City's franchised solid waste, organics and recycling collection services for 161,000 homes, which include weekly collection of recyclables, yard

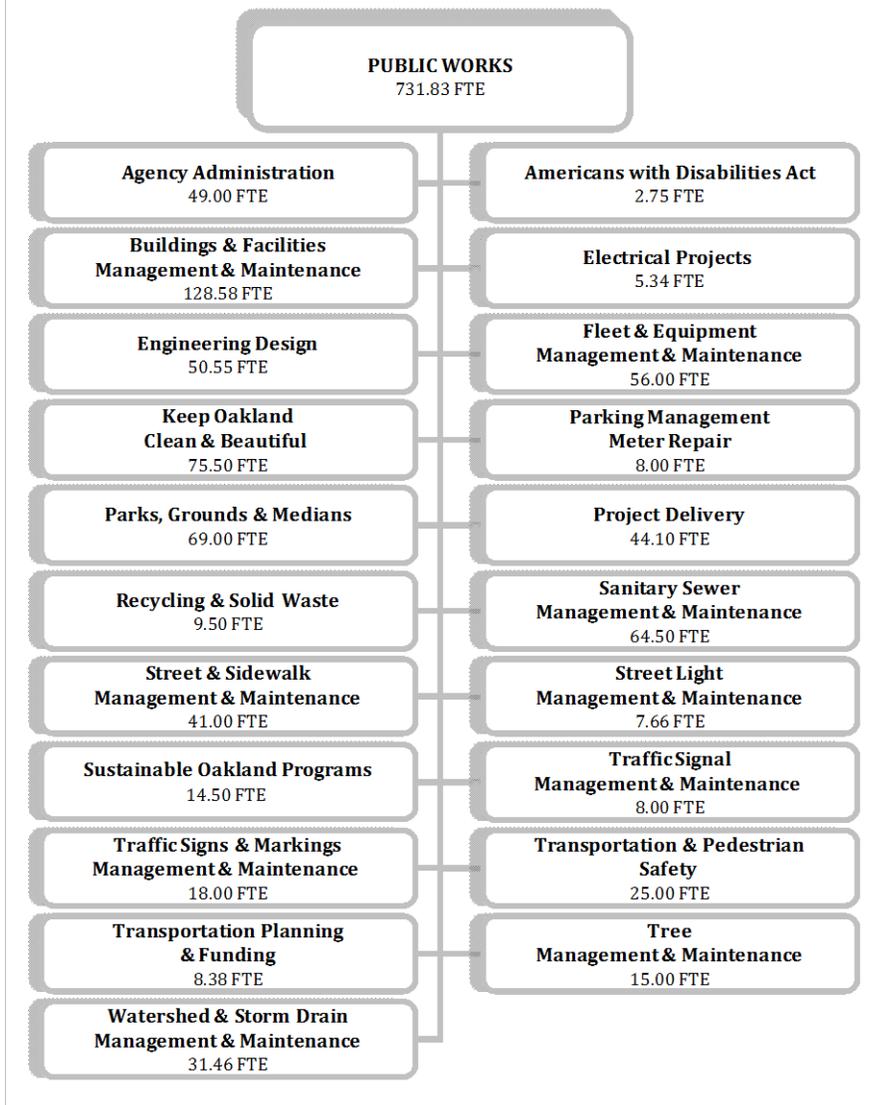
### RECYCLING AND SOLID WASTE (CONT'D)

trimmings and food scraps, and garbage. The Program oversees garbage and recycling collection services for 5,600 businesses, and City facility recycling improvements.

The Program is currently engaged in procurement of Zero Waste Services that will replace existing agreements for citywide solid waste and recycling services, beginning July 2015. The Program supports and ensures the City's compliance with state and local mandatory recycling requirements. The Program ensures the City's compliance with the State requirements of diverting a minimum 50 percent of solid waste from landfill disposal, works to further reduce the waste disposed to 75 percent consistent with city, county and state policy goals, and to achieve the City goal of Zero Waste by 2020.

Activities include oversight of the implementation of the Construction and Demolition Debris Waste Reduction and Recycling Ordinance, and participation in planning and development of sustainability initiatives. This program also provides the Recycling Hotline 238-SAVE service, and education and public

## ORGANIZATIONAL CHART BY PROGRAM



information in support of all its activities.

### SAFETY AND LIABILITY

Serves all Public Works Agency employees and aggressively addresses and improves issues of employee safety and training. Reduces workers compensation claims, increases the number of employees returning to work, and decreasing the amount of exposure and liability to the city. Activities within the program include training in sound safety and health practices, developing and enforcing safety and health rules, and investigating every accident promptly and thoroughly to determine cause and

implement proper measures to prevent recurrence. This program works closely with the City Attorney's Office, the City's Risk Management Division and the third party administrator.

### SANITARY SEWER MANAGEMENT AND MAINTENANCE

The City of Oakland has 919 miles of City-maintained sanitary sewer pipes, seven pump stations, and over 27,000 manholes and structures. Most of Oakland's sewer system is 60 to 70 years old. During storm events, sewer flows are significantly increased due to infiltration and inflow (I/I) of stormwater into the sanitary sewer

# PUBLIC WORKS

## PROGRAM DESCRIPTIONS

### SANITARY SEWER MANAGEMENT AND MAINTENANCE (CONT'D)

system. The Sewer Service Charge that is collected from all properties is now adequate to cover the operating and capital expenses of the program. The sanitary sewer collection system is a network of pipes, manholes, clean-outs, pump stations, and other structures used to collect all wastewater and transport it to the East Bay Municipal Utility (EBMUD) interceptor and treatment plant. The City of Oakland sanitary sewer system is a collection system only. Sewage treatment and disposal occurs at the EBMUD Facility near the Bay Bridge area of West Oakland.

Conditions such as ground movement, tree root intrusion, quality of original pipe material, and other factors can significantly decrease the serviceability of sewer pipes and manholes. In 1987, a long-term capital improvement program was initiated to rehabilitate sewer lines that contributed to wet weather overflows. In 2010, the City started a two-year flow metering and modeling project to evaluate system capacity and plan for the next long-term capital improvements, with an objective to improve pipe conditions and reduce wet-weather flows. It is anticipated that the current level of investment in capital improvements will need to be sustained in order to stay in compliance with regulatory requirements.

### STREET AND SIDEWALK MANAGEMENT AND MAINTENANCE

The City of Oakland has 806 miles of City-maintained streets. Buses use 150 miles of these streets. Bike facilities are designated on 200 miles of streets. The pavement condition is rated by a "Pavement Condition Index" (PCI), created by the Metropolitan Transportation Commission (MTC) which must be used by the City to be eligible for federal, state, and county funds. Oakland is on an 85-year repaving schedule, which means a street that is repaved today won't be repaved again in 85 years. Maintaining the existing pavement condition on Oakland's streets would require an estimated \$28 million annually, while

our annual funding for this purpose is totally dependent on federal, state, and county allocations which have been less than \$6 million in recent years. The total needed to rehabilitate Oakland streets is over \$435 million.

The City of Oakland has 1,100 miles of sidewalk, 17,800 curb ramp locations, and 232 developed stairs and pathways. A majority of Oakland's sidewalks, stairs, and paths are in acceptable condition, while 60% of the curb ramps are non-compliant or non-existing.

### STREET LIGHT MANAGEMENT AND MAINTENANCE

Oakland has approximately 37,000 streetlights covering over 800 miles of roadways and pedestrian passages. Most of the lights are mounted on wooden poles and fed directly overhead from PG&E. 30,000 streetlights are "cobra head" fixtures on tall poles, while about 7,000 are ornamental pedestrian lights. In FY 2011-12, City staff responded to 2,400 street lighting service requests and repaired 3,200 streetlights.

In general, streetlights in Oakland meet the levels in the Street Lighting Warrants approved by City Council; however, there are areas that could benefit from enhanced lighting due to increased pedestrian usage or criminal activities. Oakland's current standard for streetlights is Light Emitting Diode (LED) fixtures for City projects and as replacements for failed lights.

### SUSTAINABLE OAKLAND PROGRAM

The Sustainable Oakland Program leads the protection of Oakland's natural resources and the health of our community through energy efficiency and increased use of renewable energy sources, pollution prevention, environmental cleanup and promotion of sustainability. The program tracks Oakland's progress in becoming a more sustainable city, coordinates climate change mitigation and adaptation initiatives, and leads internal sustainability teams.

The program is dedicated to improving the environmental quality of City of Oakland facilities, open spaces, rights-of-way, waterways and development projects through professional environmental assessment and

cleanups, improved energy efficiency, and implementation of best management practices. The Program supports the efforts of citizen volunteers to clean and green Oakland's streets, parks, and creeks through the Adopt a Spot program and major beautification events such as Earth Day and Creek to Bay Day.

The program aggressively seeks grants to support these efforts enabling Oakland to be a top 10 green city in the nation.

### TRAFFIC SIGNAL MANAGEMENT AND MAINTENANCE

Oakland's streets include 677 signalized intersections (which include 18,000 traffic signals and 4,000 pedestrian walk/don't walk signals). Signals are reviewed and re-timed on the average of once every five to ten years due to the large number of signals (higher than most cities of comparable size) and few dedicated staff to collect the traffic counts necessary to make signal timing changes (less than one full-time staff employee is assigned to signal timing and 7.5 staff are assigned to traffic signal maintenance). Much of the City's signal equipment is obsolete and/or not compatible with modern communication systems. Maintenance of traffic signals is provided by City staff.

The City has developed an Intelligent Transportation Systems (ITS) Master Plan to upgrade and manage the signal system along major corridors. Only a small fraction of the system has been built, and most of that in the last year. A Traffic Management Center (TMC) was recently completed and serves as the nerve center for ITS corridors. More arterial corridors which are identified in the ITS Master Plan would be need to implemented. The estimated total cost of implementing the ITS Master Plan is \$123 million in current (2012) dollars.

### TRAFFIC SIGNS AND MARKINGS MANAGEMENT AND MAINTENANCE

There are over 3,500 signal poles, and on average, 100 traffic signal poles have to be replaced each year from damages. Oakland's streets also include 200,000 traffic signs, 3,600 miles of lane striping, 400,000 linear feet of crosswalks and 6,000 street legends.

## PROGRAM DESCRIPTIONS

### TRAFFIC SIGNS AND MARKINGS MANAGEMENT AND MAINTENANCE (CONT'D)

All signs, striping, and legends are designed using the California Manual of Uniform Traffic Control Devices specifications and standards as dictated by 23 CFR 655.603. These signs, stripes, and legends are maintained daily by City staff, and through the course of yearly paving contracts for streets identified in the Five-Year Paving Plan, as hazards are identified or on a complaint basis.

### TRANSPORTATION AND PEDESTRIAN SAFETY

The Transportation and Pedestrian Safety program advances vehicular and pedestrian safety on City streets and around schools, parks, senior centers and other public places. Activities include designing traffic signals and safety devices, audible pedestrian signal heads, pavement markings, residential blue zones, traffic calming systems and other engineering approaches to making our community safer. This program also promotes alternative modes of transportation such as walking and bicycling.

### TRANSPORTATION PLANNING AND FUNDING

Transportation Planning and Funding coordinates the grant application prioritization and submittal process for transportation projects. Deliverables

include transportation policies and plans, bicycle and pedestrian plans and facilities, the development of a Complete Streets Policy and street network, and citywide parking policy. This is achieved through extensive community outreach, corridor planning, development project review and the update and implementation of the General Plan Circulation Element and TOD and Transit-First policies. The Division coordinates planning and implementation of large-scale transportation projects with AC Transit, BART, Caltrans, and the Port of Oakland.

### TREE MANAGEMENT AND MAINTENANCE

Oakland is known for its green tree covered canopy; the 100-year-old Jack London Oak tree symbolizes this commitment to being a Green City. The urban forest consists of 42,642 street trees per the 2008 Sidewalk Survey plus an unknown number of park trees, median and streetscape trees, and trees found within the street right-of-way. Since the survey, several hundred new trees have been planted by Urban Releaf, Sierra Club, West Oakland Greening Initiative and homeowners.

Major cuts to Tree Services staffing over the past five years (over 50%) have now limited services to emergency tree response. The City ended the tree planting and aesthetic tree pruning program in 2008. Tree staff is also responsible for processing over 200 tree permits annually under the Tree ordinances and the View

ordinance. All permits and hazardous tree requests must be inspected by an Arbicultural Inspector or Tree Supervisor, of which there is only one of each.

### WATERSHED AND STORM DRAIN MANAGEMENT AND MAINTENANCE

The City's storm water infrastructure includes more than 400 miles of storm drains, 15,000 structures, and over 80 miles of open creek. The majority of the City's storm water infrastructure was constructed 60 to 80 years ago. Since that time, very little to no upgrading of the system has taken place. Much of the system has long suffered from inadequate resources leading to increasing instances of flooding, erosion, and property damage.

The City of Oakland has no fund source dedicated to managing storm water. Without a dedicated source of funding for ongoing maintenance, capital improvements, and water quality efforts the existing storm water system will continue to deteriorate, damage related to flooding and infrastructure failure will increase and compliance with water quality regulations will be jeopardized. Much of the system is now nearing the end of its useful life and is in need of replacement. An average annual investment of \$20 to \$25 million is needed for storm water system capital projects and maintenance and for water quality compliance.

**NOTES**

# HOUSING & COMMUNITY DEVELOPMENT

## HOUSING & COMMUNITY DEVELOPMENT

### MISSION STATEMENT

Affordable Housing for All

We believe all Oakland residents should have decent and affordable housing in healthy, sustainable neighborhoods with full access to life-enhancing services. We work on several levels to create and preserve affordable housing by:

- Supporting organizations that develop and preserve affordable rental and owner-occupied housing
- Providing direct assistance to first-time homebuyers and existing homeowners
- Administering the City's programs to stabilize rents and ensure compliance with the Just Cause for Eviction Ordinance
- Supporting organizations that provide economic development, public facilities, infrastructure, and social services for low and moderate income communities.

### BUSINESS GOALS

- Expansion of the Receivership Program – A program designed to facilitate the rehabilitation of vacant and blighted properties using the legal process of appointing a third party “Receiver” to obtain financing to rehabilitate the property. The program is collaboration between Housing and Community Development (HCD), Planning and Building and the City Attorney’s office. Planning and Building, after recording a Declaration of Substandard, refers blighted properties to HCD for a feasibility rehabilitation/development assessment. After the feasibility is determined, the property is forwarded to the City Attorney’s office as a potential Receivership Candidate. A qualified Receiver is selected from a pool and recommended to the courts. After the feasibility is

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1610 Successor Redevelopment Agency Reimbursement	\$1,698,627	\$0	\$0
2105 HUD-EDI Grants	(99,750)	-	-
2107 HUD-108	2,122,000	2,122,000	2,122,000
2108 HUD-CDBG	5,980,038	5,894,865	5,847,061
2109 HUD-Home	2,355,822	2,161,467	2,161,467
2413 Rent Adjustment Program Fund	1,130,456	1,361,649	1,396,594
2826 Mortgage Revenue	125,000	225,636	89,492
<b>TOTAL</b>	<b>\$13,312,193</b>	<b>\$11,765,617</b>	<b>\$11,616,614</b>
GPF Percent to Total Department	0.0%	0.0%	0.0%
GPF Percent to Citywide GPF Expenditures	0.0%	0.0%	0.0%

### AUTHORIZED POSITIONS BY DIVISION

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Administration</b>	<b>6.75</b>	<b>7.75</b>	<b>7.75</b>
1610 - Successor Redevelopment Agency Reimbursement	1.85	-	-
2105 - HUD-EDI Grants	-	1.35	1.35
2108 - HUD-CDBG	1.85	2.85	2.85
2109 - HUD-Home	2.75	1.75	1.75
2413 - Rent Adjustment Program Fund	0.30	0.30	0.30
2999 - Miscellaneous Grants	-	1.50	1.50
<b>Commercial Lending</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
2105 - HUD-EDI Grants	1.65	1.65	1.65
2108 - HUD-CDBG	0.35	0.35	0.35
<b>Community Development Block Grants</b>	<b>6.50</b>	<b>6.00</b>	<b>6.00</b>
2108 - HUD-CDBG	6.00	6.00	6.00
2612 - CA Community Svcs Weatherization Asst (ARRA)	0.50	-	-
<b>Home Ownership &amp; Rehabilitation &amp; Residential Lending</b>	<b>15.50</b>	<b>15.50</b>	<b>15.50</b>
1610 - Successor Redevelopment Agency Reimbursement	1.50	-	-
1884 - 2006 Housing Bond Proceeds	-	0.50	-
2108 - HUD-CDBG	12.65	12.65	12.65
2109 - HUD-Home	1.35	1.35	1.35
2826 - Mortgage Revenue	-	-	0.50
2999 - Miscellaneous Grants	-	1.00	1.00
<b>Housing Development</b>	<b>10.00</b>	<b>7.00</b>	-
1610 - Successor Redevelopment Agency Reimbursement	8.40	-	-
1884 - 2006 Housing Bond Proceeds	-	4.65	-
2109 - HUD-Home	0.60	0.60	-
2612 - CA Community Svcs Weatherization Asst (ARRA)	1.00	-	-
2826 - Mortgage Revenue	-	1.75	-
<b>Residential Rent Adjustment</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>
2413 - Rent Adjustment Program Fund	8.00	8.00	8.00
<b>TOTAL</b>	<b>48.75</b>	<b>46.25</b>	<b>39.25</b>

# HOUSING & COMMUNITY DEVELOPMENT

## BUSINESS GOALS (CONT'D)

determined, the property is forwarded to the City Attorney's office as a potential Receivership Candidate. A qualified Receiver is selected from a pool and recommended to the courts. After court approval, the receiver obtains private financing to rehabilitate the property and is responsible for the disposition of the property after rehabilitation.

- Re-implementation of the Rental Rehabilitation Program – Providing construction loans to property owners to rehabilitate blighted properties for rental housing for seniors, persons with disabilities and low income renters. The program will provide a \$75,000 maximum, 6.5% percent deferred, matching funds loan. The loan becomes due and payable in full in 2 years. Loan proceeds would be deposited in a revolving fund to be used to finance additional loans.
- Expansion of the Surplus Property Development Partnership with Laney College and local Non-Profit Construction Training Organizations – Providing construction training to students by building one to four unit residential properties using City owned surplus and donated properties.
- Implement a New Commercial Loan Program, the Broadway Corridor Revitalization Project, jointly developed by OBDC and the City of Oakland, is supported by a major grant from Citibank and focused on accelerating redevelopment of the City's urban core. The mission of this new public private partnership will be to streamline support for local small businesses and create needed jobs. It is expected that 10-15 new businesses will be identified and financed through this program in the first year, resulting in the creation of at least 250 new jobs, with more to be added in the second year of the program. In the first three months of the program, \$1.6 million have been invested in 10 businesses, creating and retaining 190 jobs.

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY DIVISION

<b>Revenue</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration	\$2,480,822	\$2,161,467	\$2,161,467
Commercial Lending	(2,122,000)	2,122,000	2,122,000
Community Development Block Grants	11,498,122	6,655,657	6,655,657
Home Ownership & Rehabilitation & Residential Lending	500,000	1,025,636	889,492
Residential Rent Adjustment	1,905,303	2,160,782	2,214,740
<b>TOTAL</b>	<b>\$14,262,247</b>	<b>\$14,125,542</b>	<b>\$14,043,356</b>
<b>Expenditure</b>			
<b>Division</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration	\$753,012	\$1,144,543	\$1,079,896
Commercial Lending	2,263,334	1,908,694	2,071,285
Community Development Block Grants	2,315,410	2,266,159	1,777,427
Home Ownership & Rehabilitation & Residential Lending	2,977,483	2,464,533	2,675,230
Housing Development	3,907,901	2,656,331	2,653,355
Residential Rent Adjustment	1,095,053	1,325,357	1,359,421
<b>TOTAL</b>	<b>\$13,312,193</b>	<b>\$11,765,617</b>	<b>\$11,616,614</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

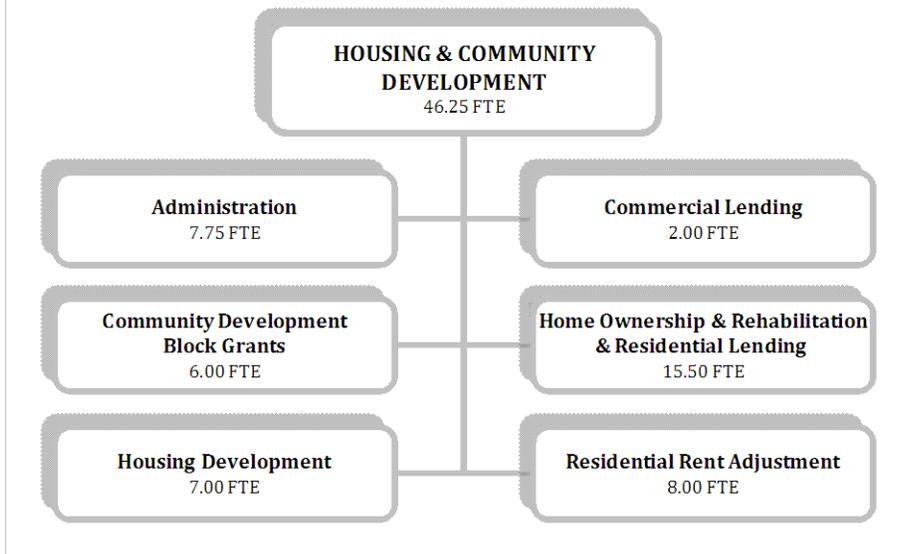
<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
None			
<b>ALL Other Funds</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Transfer to other funding sources in Y1 and Eliminated in Y2 from SRA projects (Fund 1610):			
0.75 FTE Development/Redevelopment Manager	(0.75)	(\$128,536)	(\$131,582)
1.00 FTE Housing Development Coordinator III	(1.00)	(\$125,719)	(\$128,773)
3.65 FTE Housing Development Coordinator IV	(3.65)	(\$559,574)	(\$573,151)
1.00 FTE Office Assistant II	(1.00)	(\$69,074)	(\$70,752)
Reduce O&M and OH	-	(\$406,746)	(\$416,513)
Eliminate 1.00 FTE Development/Redevelopment Manager in the HUD-Home Fund	(1.00)	(\$199,722)	(\$204,472)
Eliminate 2.00 FTE Housing Development Coordinator from SRA projects (Fund 1610)	(2.00)	(\$221,222)	(\$226,596)
Eliminate 1.00 FTE Housing Development Coordinator and 0.50 FTE Student Intern, PT in CA Community Services Fund	(1.50)	(\$122,758)	(\$125,514)
Reduce Loan Expenditures in HUD-CDBG Fund	-	(\$234,356)	(\$234,356)
Reduce Contract Expenditures HUD-CDBG Fund	-	(\$678,206)	(\$680,632)

# HOUSING & COMMUNITY DEVELOPMENT

## BUSINESS GOALS (CONT'D)

- The program will target Oakland's Broadway commercial and retail corridor, the heart of business activity in the city. OBDC will assess the market area's small business needs; inventory and assess available blighted or underutilized properties; recruit qualified entrepreneurs for identified opportunities; and provide funding for the creation of new enterprises in the market area.
- Implement the new ROOT Loan Fund. This new loan fund program, Restoring Ownership Opportunities Today, is supported by national and local partners, California Housing Finance Agency, and major lenders. The model re-sets home mortgages to current market values in order to provide sustainable loan modifications for eligible Oakland residents. The Oakland pilot program would serve about 20-25 Oakland about 20-25 Oakland eligible homeowners and create the foundation for a regional loan fund program.
- Revamp the ImageSource Workflow system which provides tracking CDBG Grant Agreements electronically to allow the process to become completely paperless reducing excessive staff time utilized in the past CDBG grant administration process.
- Review and realign the use of administration costs for all the HUD entitlement grants. The grants continue to decrease annually while the administration requirements remain the same or increase.
- Identify additional/permanent resources to fund affordable housing development and fund rehab projects to ensure long term viability and capacity to generate residual receipts.
- Identify strategies to fund administration of affordable housing developments.
- Collaborate with City Attorney's Office to re-write the Relocation Ordinance.

## ORGANIZATIONAL CHART BY DIVISION



## PRIOR REDUCTIONS

In FY 2009-10, the Department of Housing and Community Development did not exist and was established as a result of the dissolution of Redevelopment. Prior to the dissolution of redevelopment, DHCD managed millions of dollars in projects and programs aimed at revitalizing neighborhoods throughout Oakland with the preservation and construction of affordable housing and through the First-time Homebuyer's Program. Currently, DHCD is acting as the Successor Housing Agency and is tasked with completing all affordable housing projects.

During the past twenty months, DHCD has improved neighborhoods and Oakland's housing stock through investment in new developments and restoration of deteriorating properties. In response to the foreclosure crisis, DHCD launched a new initiative in partnership with national, state, and local partners to prevent and mitigate against foreclosures.

## DIVISION DESCRIPTIONS

### ADMINISTRATION

Provides the overall management of the Department of Housing and Community Development including personnel, fiscal, policy and information technology.

Manages strategic initiatives in response to the foreclosure crisis, in partnership with national, state, and local partners to prevent and mitigate foreclosures.

Manages the Housing Assistance Center which streamlines City housing services, as well as provide a central portal to meet the housing needs of Oakland residents.

### COMMERCIAL LENDING

Provide tools and resources for Oakland's business owners and entrepreneurs through commercial loans funded by HUD and the Oakland Redevelopment Agency. These resources promote business attraction, retention and expansion leading to the creation of jobs and economic development primarily in Oakland's low

# HOUSING & COMMUNITY DEVELOPMENT

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## DIVISION DESCRIPTIONS

### COMMERCIAL LENDING (CONT'D)

and moderate income communities and redevelopment areas. These various loan programs contribute to Oakland's economic revitalization by expanding the City's tax base by focusing lending activity in the City's economic development target industries; placing low-moderate income Oakland residents into sustainable jobs created by loan recipients; leveraging private investment through participation loans; and abating blight through financing commercial and mixed-used developments. This program awards professional services contracts to Oakland's small business community and administers several City funded loan programs, lending outreach, servicing of the City's loan portfolio and recruitment for job placement.

### COMMUNITY DEVELOPMENT BLOCK GRANTS

Manages and implements the City of Oakland's Community Development Block Grant (CDBG) program. The City utilizes CDBG funds to rebuild and revitalize depressed areas and sustain neighborhoods with full access to life enhancing services. CDBG program provides funding for housing, economic development and a variety of neighborhood improvement/public service projects for low and moderate income residents in the seven Community Development areas. Distribution of CDBG funds undergo an extensive citizen participation process resulting in approximately 50 contracts with non-profit organizations and several city departments for the provision of services. The CDBG program staff provides technical assistance to the seven Community Development District Boards and

monitors the contracts and programs funded with CDBG funds.

### HOME OWNERSHIP & REHABILITATION & RESIDENTIAL LENDING

This program provides financial and technical assistance for the purchase of homes and minor-to-substantial rehabilitation to very-low, low and moderate income persons. Counsels and educates owners and first-time homebuyers about refinancing, purchasing and maintaining homes to promote safe, healthy and accessible neighborhoods, to identify and thwart predatory lending practices, as well as, fraudulent home improvement contracting. It promotes collaboration with lenders, general contractors, code enforcement, citizens and other housing agencies to expand opportunities for all homebuyers and to provide rehabilitation construction management services which identify and correct health and safety hazards and code violations in owner-occupied homes. Priority is given to assisting seniors and disabled persons to maintain the independence and security of homeownership. The Residential Lending Program:

- Elevate pride of ownership and sustainability in residential neighborhoods.
- Improvement of the existing housing stock by assisting low-income homeowners.
- Build community and foster livable neighborhoods.
- Systematic restoration of neighborhoods within the City
- Provide the city with a well-organized mechanism for effectively rehabilitating the City's stock of salvageable housing.
- Prevent neighborhood deterioration
- Provide residents with the necessary financial and technical assistance to improve their individual property

and the overall environment of the Districts.

- Facilitate blight removal, lead-hazard reduction, and building code adherence on all 1-4 unit residential improvement projects.

### HOUSING DEVELOPMENT

This program helps implement the City and Redevelopment Agency affordable housing development programs. Staff works with for-profit and non-profit developers to revitalize neighborhoods and increase housing opportunities through new construction, substantial rehabilitation and preservation of rental and ownership housing for very low or low and moderate income households. Staff implements the City's annual Notice of Funding Availability (NOFA) process to make competitive funding awards for affordable housing projects; and monitors the City and Agency portfolio of over 75 projects to ensure proper management and maintenance and compliance with rent and income limits.

### RESIDENTIAL RENT ADJUSTMENT

This program helps maintain decent, safe, affordable, and sanitary residential rental housing in the City of Oakland by limiting rent increases, monitoring removal of rental units from the market, and limiting evictions. Administers the Rent Adjustment Ordinance, the Just Cause for Eviction Ordinance and the Ellis Act Tenant Protection Ordinance. Additional responsibilities include processing appeals of Housing Code citations and appeals of denials of relocation benefits for tenants of buildings vacated by the Code Compliance section of the Building Services Department.

## PLANNING & BUILDING

### MISSION STATEMENT

The Department of Planning and Building is committed to improving the physical and economic environments of Oakland through sustainable development and maintenance of private property that embraces the core principles of quality of life, diversity and equity, engagement and collaboration.

### BUSINESS GOALS

- Complete and implement the Accela Land Management System and other records management tools to continue the expansion of electronic record keeping and online accessibility for staff, citizenry, and the development community.
- Complete work, secure approval, and begin implementation of the various Specific and Area Plans and accompanying Zoning District regulations underway.
- Process necessary amendments to the Comprehensive Plan, including the housing Element, the Land Use and Transportation Element, and the Estuary Policy Plan.
- Recommend for and assist in the development of affordable housing initiatives.
- Complete several Zoning Code Amendments to streamline and update sections not included in the main code overhaul of 2011 (such as parking and nonconforming regulations, among others).
- Work on initiatives to improve and streamline the environmental review process (CEQA) to assist in the appropriate development of many areas of the City.
- Continue to recommend for, develop, and implement development fees for traffic improvements and other infrastructure, such as Traffic Impact Fees and Park Land Dedication fees.

### SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND

Expenditures by Fund	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
1770 Telecommunications Land Use	\$32,371	\$0	\$0
2108 HUD-CDBG	-	119,762	122,188
2415 Development Service Fund	20,676,111	21,293,270	21,637,061
4450 City Facilities Energy Conservation Projects	-	(86,141)	(87,832)
4550 Purchasing	-	(4,848)	(22,678)
<b>TOTAL</b>	<b>\$20,708,482</b>	<b>\$21,322,043</b>	<b>\$21,648,739</b>
GPF Percent to Total Department	0.0%	0.0%	0.0%
GPF Percent to Citywide GPF Expenditures	0.0%	0.0%	0.0%

### AUTHORIZED POSITIONS BY PROGRAM

Program	FY 2012-13 Midcycle Budget FTE	FY 2013-14 Proposed Budget FTE	FY 2014-15 Proposed Budget FTE
<b>Administration</b>	<b>8.00</b>	<b>7.00</b>	<b>4.00</b>
1770 - Telecommunications Land Use	0.30	-	-
2415 - Development Service Fund	7.70	7.00	4.00
<b>Development Permit Inspections</b>	<b>32.00</b>	<b>28.00</b>	<b>28.00</b>
2415 - Development Service Fund	32.00	28.00	28.00
<b>Development Review/Zoning</b>	<b>18.00</b>	<b>18.00</b>	<b>18.00</b>
2415 - Development Service Fund	18.00	18.00	18.00
<b>Engineering &amp; Architectural Plan Approval</b>	<b>27.75</b>	<b>33.75</b>	<b>33.75</b>
2415 - Development Service Fund	27.75	33.75	33.75
<b>General Plan, Zoning Update &amp; Strategic Analysis</b>	<b>15.00</b>	<b>13.00</b>	<b>13.00</b>
2415 - Development Service Fund	14.50	13.00	13.00
4450 - City Facilities Energy Conservation Projects	0.50	-	-
<b>Historic Preservation</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
2415 - Development Service Fund	2.00	2.00	2.00
<b>Livable Neighborhood Code Enforcement Services</b>	<b>25.00</b>	<b>13.00</b>	<b>13.00</b>
2108 - HUD-CDBG	-	0.52	0.52
2415 - Development Service Fund	25.00	12.48	12.48
<b>TOTAL</b>	<b>127.75</b>	<b>114.75</b>	<b>111.75</b>

- Continue to increase overall effectiveness of code enforcement through establishing clear priorities, fostering better coordination with City departments, and promoting high property maintenance standards with community partners.
- Provide internal and external customer service that is responsive, timely, and accurate. Streamline processes to deliver results while including appropriate community involvement. Improve communication with residential and business communities to enhance knowledge of and access to services.

### PRIOR REDUCTIONS

Since FY 2009-10, Planning and Building reduced 22.5 positions (16%). Most reductions consisted of inspectors and administrative support within Building Services as private development stalled. Other reductions included major projects and administrative support for Planning and Zoning.

# PLANNING & BUILDING

## PROGRAM DESCRIPTIONS

### ADMINISTRATION

Provides agency oversight and support services for policy development; human resource planning; management and training; accounting; budget development; fiscal and grants management; information technology systems and support; agenda management and contract administration. Ensures that the department meets its obligations and complies with federal, state, and local laws including labor and public records laws, financial management, and auditing.

### DEVELOPMENT PERMIT INSPECTIONS

This program assures conformance with the California Building, Electrical, Plumbing Mechanical Codes, and the Oakland Municipal Code regulating the construction of residential and non-residential buildings and structures, public and private infrastructure, and earthwork; geo-technical remediation, and land use conditions.

### DEVELOPMENT REVIEW/ZONING

Provides information on zoning regulations and reviews proposed development applications for approximately 20,000 people seeking information or application sign-offs at the Zoning Counter. Approximately 1,200 development applications are processed each year. Development applications fall into three main categories: 1) major cases, which are reviewed by the Planning Commission - 10%; 2) administrative cases decided by the Zoning Administrator after public notice and comments - 40%; and 3) residential design review cases decided by staff - 50%.

### ENGINEERING & ARCHITECTURAL PLAN APPROVAL

This program assists builders, property owners, architects, engineers, and realtors in understanding and processing appropriate construction permits related to buildings and infrastructure with applicable state health and safety codes, regional environmental regulations, and city development and land subdivision

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

<b>Revenue</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration	\$1,193,004	\$1,750,000	\$1,844,000
Development Permit Inspections	11,040,951	8,498,000	9,140,000
Development Review/Zoning	2,258,045	2,227,000	2,245,000
Engineering & Architectural Plan Approval	8,741,000	8,447,000	8,783,000
Livable Neighborhood Code Enforcement Services	785,000	1,817,000	1,864,000
<b>TOTAL</b>	<b>\$24,018,000</b>	<b>\$22,739,000</b>	<b>\$23,876,000</b>
<b>Expenditure</b>			
<b>Program</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Administration	\$2,292,070	\$3,184,575	\$3,197,432
Development Permit Inspections	5,763,909	5,216,800	5,308,445
Development Review/Zoning	2,270,777	2,518,312	2,565,815
Engineering & Architectural Plan Approval	4,929,476	5,824,677	5,936,518
General Plan, Zoning Update & Strategic Analysis	2,024,778	2,137,195	2,157,539
Historic Preservation	176,730	192,693	195,908
Livable Neighborhood Code Enforcement Services	3,250,742	2,247,791	2,287,082
<b>TOTAL</b>	<b>\$20,708,482</b>	<b>\$21,322,043</b>	<b>\$21,648,739</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

<b>General Purpose Fund (GPF)</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
None			
<b>ALL Other Funds</b>	<b>FTE</b>	<b>FY 2013-14 Changes</b>	<b>FY 2014-15 Changes</b>
Eliminate positions and O&M in the Development Services Fund (2415):			
0.70 FTE Administrative Analyst II	(0.70)	(\$84,024)	(\$86,065)
1.00 FTE Engineer, Civil (Office)	(1.00)	(\$160,571)	(\$164,471)
1.00 FTE Account Clerk II (partial Y1)	(1.00)	(\$45,363)	(\$77,218)
1.00 FTE Business Analyst III	(1.00)	\$0	(\$83,772)
1.00 FTE Engineer, Civil Supv (Office)	(1.00)	(\$169,226)	(\$173,337)
1.00 FTE Manager, Building Services	(1.00)	(\$113,408)	(\$116,163)
2.00 FTE Office Assistant II (partial Y1)	(2.00)	(\$88,812)	(\$121,298)
1.00 FTE Planner I	(1.00)	(\$84,652)	(\$86,708)
1.00 FTE Planner II	(1.00)	(\$114,297)	(\$117,074)
1.00 FTE Process Coordinator II	(1.00)	(\$102,238)	(\$104,721)
1.00 FTE Public Service Representative	(1.00)	(\$76,224)	(\$78,076)
1.00 FTE Specialty Combination Insp, Senior	(1.00)	(\$125,015)	(\$128,053)
4.00 FTE Specialty Combination Inspector	(4.00)	(\$483,174)	(\$494,912)
Reduce Other Refunds	-	(\$414,170)	(\$414,170)
Reduce Contract Expenditures	-	(\$815,022)	(\$704,472)
Increase Computer Equipment/Software	-	\$266,000	\$273,980
Reduce OH associated with eliminated positions	-	(\$279,958)	(\$279,958)

## PROGRAM DESCRIPTIONS

### ENGINEERING & ARCHITECTURAL PLAN APPROVAL (CONT')

ordinances, and provides records cataloging, archive retrieval, and interpretation services.

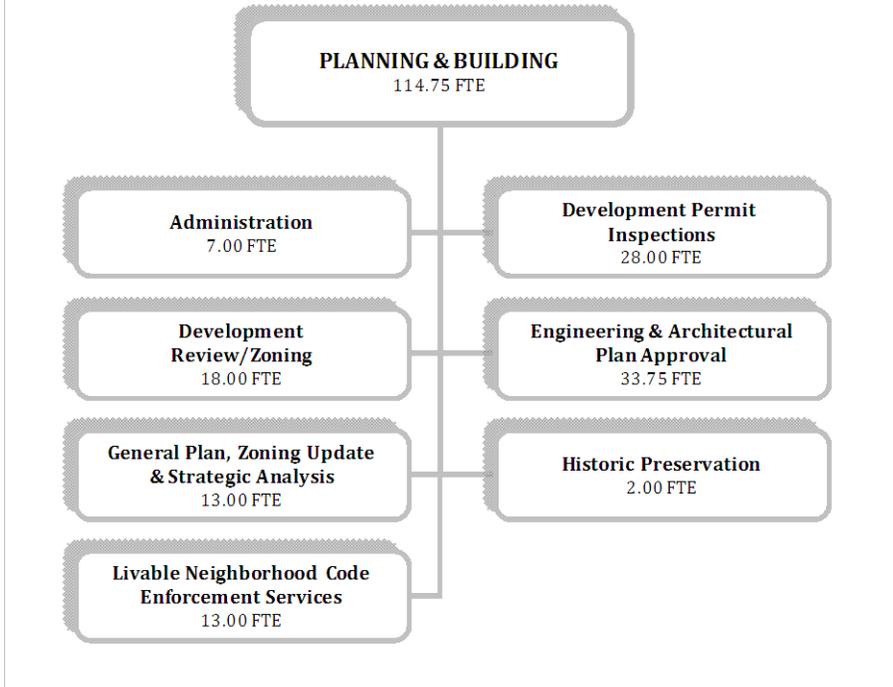
### HISTORIC PRESERVATION

This program fosters the economic vitality and quality of life in Oakland by means of education, regulations, and incentives. Activities include maintaining a library/archive and citywide database on historic properties; providing information to residents, real estate agents developers, staff and environmental consultants about historic properties; conducting design reviews involving historic properties; and providing staff support to the Landmarks Preservation Advisory Board, which designates and reviews landmark projects. Over the past year, the program land marked two buildings; performed four major environmental reviews; completed research on 500 properties in the West Oakland Redevelopment area; and, responded to over 3,000 calls, walk-ins and e-mail inquiries about building and design.

### LIVABLE NEIGHBORHOOD CODE ENFORCEMENT SERVICES

This program enforces the California Housing Law and the Oakland Municipal Code regulating the maintenance of buildings used for human occupancy and the surrounding property; land use activities on private property, and the vending of food and newspapers and the use of public telephones in the public right-of-way.

## ORGANIZATIONAL CHART BY PROGRAM



### GENERAL PLAN, ZONING UPDATE & STRATEGIC ANALYSIS

This program manages complex environmental reviews (environmental impact reports or EIRs), including EIRs for new specific plan areas and comments on EIRs for other public agencies' projects. It works closely with applicants to expedite projects to the maximum extent feasible while ensuring good quality development, sensitivity to community issues, and legal

defensibility. It manages a full caseload of active projects in various stages of review. Some of the most notable Strategic Planning projects include the Broadway Valdez District Specific Plan, Lake Merritt Station Area Plan, West Oakland Specific Plan, Central Estuary Area Plan, and Coliseum City Specific Plan.

**NOTES**

**NON-DEPARTMENTAL**

Non-Departmental comprises costs, programs, activities, debt and lease payments that are not assignable to a specific department.

**PRIOR REDUCTIONS**

- Grants to local artists and art groups have declined from \$1.1 million in FY 2007-08 to \$730,000 in FY 2011-12.
- During the same period, citywide programs and subsidies have declined from a total of \$5.6 million to \$2.5 million. This category includes organizations such as:
  - Symphony in the Schools - decrease from \$100,000 to \$30,000
  - Oakland Asian Cultural Center - decrease from \$100,000 to \$60,000
  - Hacienda Peralta - decrease from \$180,000 to \$54,000
  - Vietnamese Senior Service Center - decrease from \$60,000 to \$37,000
  - Women’s Business Initiative - decrease from \$150,000 to \$45,000
  - The Oakland Convention and Visitor’s Bureau has declined in funding from \$650,000 in FY 2007-08 to receiving no funding in FY 2011-12.
  - Funding for the training of city staff has declined from \$227,000 in FY 2007-08 to \$0 in FY 2011-12.

<b>SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY FUND</b>			
<b>Expenditures by Fund</b>	<b>FY 2012-13 Midcycle Budget</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>
1010 General Purpose Fund (GPF)	\$64,654,586	\$72,070,114	\$71,742,445
1100 Self Insurance Liability	4,766,820	5,114,640	5,114,640
1150 Worker's Compensation Insurance	(2,351,959)	(2,474,207)	(2,520,709)
1200 Pension Override Tax Revenue	55,185,782	63,924,766	59,311,513
2419 Transient Occupancy Tax (TOT) Surcharge	2,592,666	2,592,666	2,592,666
3100 Sewer Service Fund	10,161,330	9,732,105	9,728,280
5510 Capital Reserves	-	1,700,000	2,000,000
6014 Oakland Convention Center 1992	14,126,610	14,106,950	14,078,113
6027 JPFA Capital Projects: Series 2005	11,164,010	11,206,500	11,269,000
6029 Taxable Pension Obligation Bonds: 2012 Series-PFRS	-	8,965,220	8,965,220
6032 Taxable Pension Obligation: 2001 Series	39,559,020	40,769,001	42,014,001
6036 JPFA Refunding Revenue Bonds: 2008 Series A-1	19,718,760	18,344,750	17,956,550
6037 JPFA Refunding Revenue Bonds: 2008 Series A-2	5,532,260	5,470,053	-
6063 General Obligation Bonds: Series 2005	11,162,090	11,203,665	11,244,648
6310 Measure G: 2002A Zoo, Museum, Chabot	2,555,010	-	-
6311 Measure G: 2006 Zoo, Museum	1,326,370	1,328,363	1,332,563
6312 GOB Series 2012-Refunding Bonds	-	6,655,475	6,652,225
6320 Measure DD: 2003A Clean Water	4,430,300	-	-
6321 Measure DD: 2009B Clean Water	4,615,490	4,616,882	4,617,132
6520 Fire Area - Redemption	446,080	-	-
6530 Rockridge Area Water District	58,039	-	-
6540 Skyline Sewer District - Redemption	24,300	24,600	28,600
6555 Piedmont Pines 2010 Utility Underground Phase 1 - Debt Service	231,528	230,007	236,169
6570 JPFA Pooled Assessment: 1996	22,400	21,600	25,600
6585 JPFA Reassessment District: Debt Service	484,080	-	-
6587 2012 Refunding Reassessment Bonds-Debt Service	-	377,020	381,720
6612 JPFA Lease Revenue Refunding Bonds	9,068,180	15,322,038	11,318,307
6999 Miscellaneous Debt Service	21,500,000	21,500,000	21,500,000
7320 Police and Fire Retirement System	9,624,258	9,624,258	9,624,258
7640 Oakland Public Museum Trust	-	32,610	32,610
<b>TOTAL</b>	<b>\$290,658,010</b>	<b>\$322,459,076</b>	<b>\$309,245,551</b>
GPF Percent to Total Department	22.2%	22.4%	23.2%
GPF Percent to Citywide GPF Expenditures	15.8%	16.8%	15.7%

# NON-DEPARTMENTAL

## PROGRAM DESCRIPTIONS

### CITYWIDE ACTIVITIES

Includes a wide variety of city-wide costs and programs. The other major component is subsidies to organizations outside City governments. Examples of city-wide programs, and their annual costs, include the Clean Water Program (\$410,000); Joint Powers Authority Membership (\$150,000); State Lobbyist (\$130,000).

Examples of subsidies include City-wide Arts Grants (\$730,000); Oakland Zoo (\$635,000); Chabot Space and Science Center (\$297,000).

### DEBT/LEASE PAYMENTS

Include payments for debt related to financing of City administration buildings at Frank Ogawa Plaza (\$9 million); Oakland Convention Center (\$14 million); and payment for the Oakland-Alameda County Coliseum (\$10 million).

### FISCAL MANAGEMENT

Fiscal Management includes a variety of fiscal items such as fund transfers, overhead cost recoveries, citywide insurance premiums, and contingency line items. The largest item is a cost recovery into the General Purpose Fund for \$14.5 million from other funds. This represents a reimbursement for services provided by General Government departments such as Personnel, the City Administrator, the City Attorney and Finance. Also included in Fiscal Management are payments from the General Purpose Fund to other funds with negative balances.

## SUMMARY OF HISTORICAL EXPENDITURES AND PROPOSED BUDGET BY PROGRAM

Revenue			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Citywide Activities	\$5,017,396	\$2,592,666	\$2,592,666
Debt\Lease Payments	198,618,472	233,593,227	220,457,226
Fiscal Management	32,392,222	27,418,365	37,070,723
<b>TOTAL</b>	<b>\$236,028,090</b>	<b>\$263,604,258</b>	<b>\$260,120,615</b>
Expenditure			
Program	FY 2012-13 Midcycle Budget	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget
Citywide Activities	\$11,165,472	\$10,047,644	\$9,647,644
Debt\Lease Payments	251,700,369	279,803,521	266,639,895
Fiscal Management	27,792,169	32,607,911	32,958,012
<b>TOTAL</b>	<b>\$290,658,010</b>	<b>\$322,459,076</b>	<b>\$309,245,551</b>

## SIGNIFICANT CHANGES IN BUDGET AND PERFORMANCE

General Purpose Fund (GPF)	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Reduction in CSO Recovery from eliminated positions Citywide	-	\$1,131,855	\$1,258,233
Increase CSO Recovery Waiver for DHS	-	(\$253,403)	(\$240,191)
Add funding for Redistricting and Ballot Measure Renewal	-	\$420,000	\$20,000
Add funding for DIT Licensing & Software	-	\$1,500,000	\$1,000,000
Extend Contract with CHP and Alameda County Sheriff	-	\$2,000,000	\$2,000,000
Reduce subsidy to Measure Y (Fund 2251)	-	(\$1,000,000)	(\$1,000,000)
Eliminate the Day Laborer Program	-	(\$170,000)	(\$170,000)
ALL Other Funds	FTE	FY 2013-14 Changes	FY 2014-15 Changes
Increase transfer to Pension Override Tax Revenue Fund	-	\$8,738,984	\$4,125,731
Add funding for DIT Licensing & Software in the Capital Reserves Fund (5510)	-	\$1,500,000	\$2,000,000

# CAPITAL IMPROVEMENT PROGRAM

## CAPITAL IMPROVEMENT PROGRAM

### DEFINITION

Capital projects are defined as a long-term investment that builds, replaces or improves an asset (buildings, roads, parks, sewer and drainage lines, etc.) and that has a useful design life of at least ten years and a minimum cost of \$50,000.

### CATEGORIES

The FY 2013-15 Capital Improvement Program budget is organized in the categories listed below.

#### BUILDINGS AND FACILITIES

This category of projects includes new construction, replacement or improvement of recreation centers, fire stations, community centers, and other City buildings, facilities, and structures.

#### PARKS AND OPEN SPACE

Projects in this category include improvements to playgrounds and tot lots, park facilities and City swimming pools; and improvements to Oakland's waterways.

#### SEWERS AND STORM DRAINS

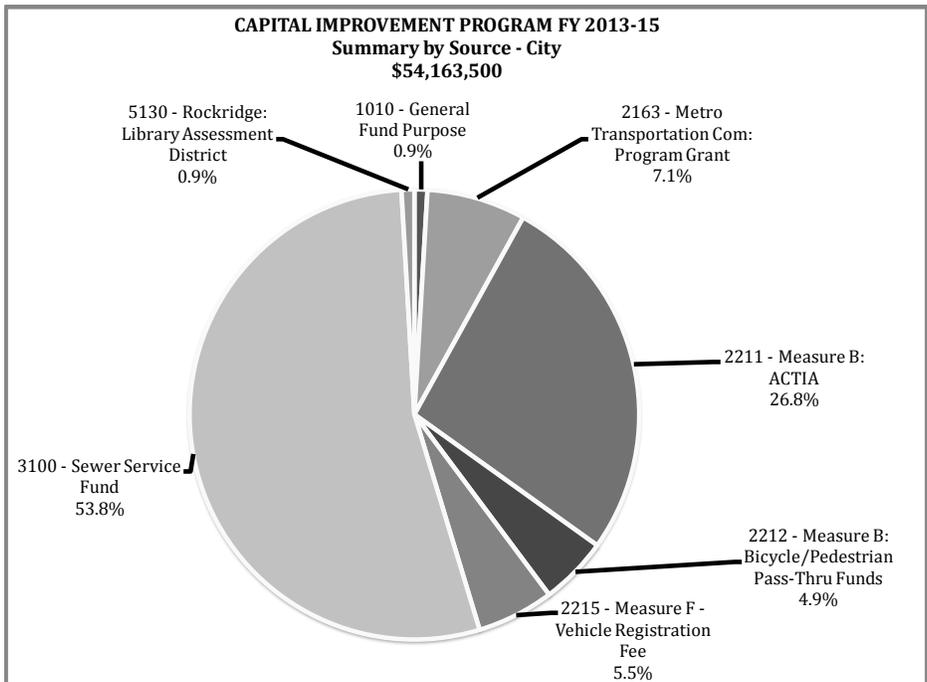
Projects in this category include reconstruction of sewer mains throughout the City as required by an Administrative Order issued to Oakland and other Bay Area communities by the

### CAPITAL IMPROVEMENT PROGRAM FY 2013-15

#### Summary by Source

Source	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget	FY 2013-15 Total Budget
1010 - General Fund: General Purpose	\$252,000	\$252,000	\$504,000
2163 - Metro Transportation Com: Program Grant	-	3,851,000	3,851,000
2211 - Measure B: ACTIA	7,545,000	6,995,000	14,540,000
2212 - Measure B: Bicycle/Pedestrian Pass-Thru Funds	1,650,000	1,000,000	2,650,000
2215 - Measure F - Vehicle Registration Fee	1,500,000	1,500,000	3,000,000
3100 - Sewer Service Fund	14,760,000	14,360,000	29,120,000
5130 - Rockridge: Library Assessment District	498,500	-	498,500
<b>Total *</b>	<b>\$26,205,500</b>	<b>\$27,958,000</b>	<b>\$54,163,500</b>

\* Total does not reflect \$1,250,000 in miscellaneous expenditures in fund 5510.



# CAPITAL IMPROVEMENT PROGRAM

## CATEGORIES

### SEWERS AND STORM DRAINS

(CONT'D)

United States Environmental Protection Agency and the State of California. The Order requires the City to plan and implement capital repairs and replacements to the aging sewer facilities and implement maintenance practices to prevent sewage discharges into creeks, lakes, and the San Francisco Bay. Funding for emergency repair and replacement of sewer and storm drain facilities is also included.

### STREETS AND SIDEWALKS

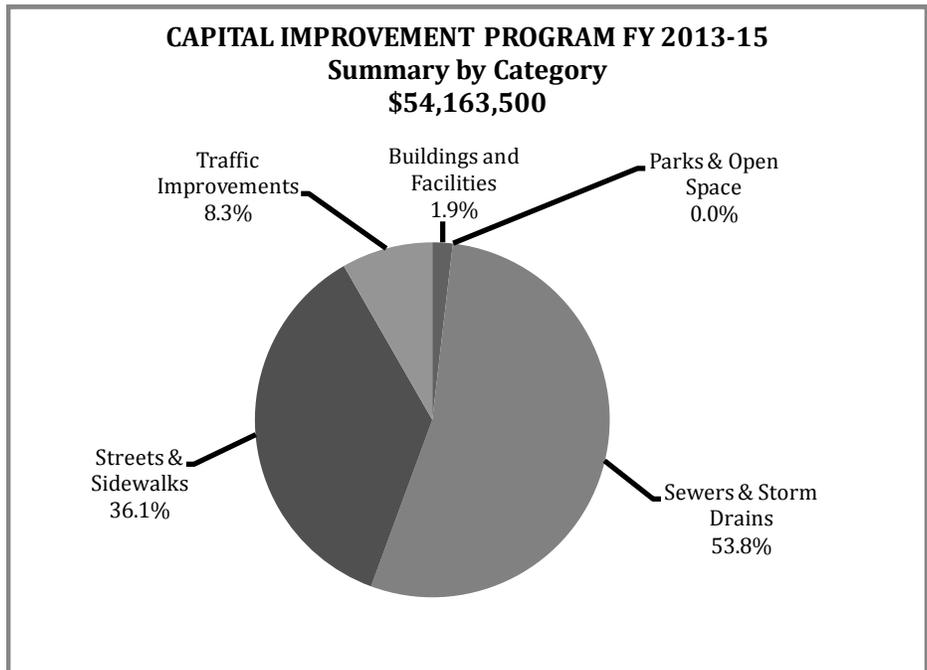
Projects in this category include street paving and rehabilitation, street safety projects, street lighting, and sidewalk repair, as well as streetscape beautification. These projects are designed to address the maintenance backlog of City streets and sidewalks.

### TRAFFIC IMPROVEMENTS

This category includes traffic and transportation-related improvements, including traffic calming, traffic signals, modernization of traffic signals and signal controllers, and signal synchronization. They are intended to improve the safety of all modes of travel: pedestrian, cyclist and automobile.

CAPITAL IMPROVEMENT PROGRAM FY 2013-15			
Summary by Category			
Category	FY 2013-14 Proposed Budget	FY 2014-15 Proposed Budget	FY 2013-15 Total Budget
Buildings and Facilities	\$750,500	\$252,000	\$1,002,500
Parks & Open Space	-	-	-
Sewers & Storm Drains	14,760,000	14,360,000	29,120,000
Streets & Sidewalks	8,195,000	11,346,000	19,541,000
Traffic Improvements	2,500,000	2,000,000	4,500,000
<b>Total *</b>	<b>\$26,205,500</b>	<b>\$27,958,000</b>	<b>\$ 54,163,500</b>

\* Total does not reflect \$1,250,000 in miscellaneous expenditures in fund 5510.



# CAPITAL IMPROVEMENT PROGRAM

<b>CAPITAL IMPROVEMENT PROGRAM FY 2013-15</b>			
<b>Projects by Category</b>			
<b>Category</b>	<b>FY 2013-14 Proposed Budget</b>	<b>FY 2014-15 Proposed Budget</b>	<b>FY 2013-15 Total Budget</b>
<b>Buildings and Facilities</b>			
ADA Buildings and Facilities 30-Year Transition Plan	\$252,000	\$252,000	\$504,000
Rockridge Library Interior/Exterior Painting	\$225,000	\$0	\$225,000
Rockridge Library Light Replacement (Interior)	\$148,500		\$148,500
Rockridge Library Re-Carpet	\$125,000	\$0	\$125,000
<b>Buildings &amp; Facilities Total</b>	<b>\$750,500</b>	<b>\$252,000</b>	<b>\$1,002,500</b>
<b>Parks &amp; Open Space</b>			
	-	-	-
<b>Sewers &amp; Storm Drains</b>			
Citywide Cyclic Sewer Replacement	\$3,375,000	\$3,375,000	\$6,750,000
Rehabilitation of Sanitary Sewer in the Area bounded by 21st Avenue, 17th Street, 24th Avenue, and 27th Avenue (60-06)	\$400,000	\$0	\$400,000
Rehabilitation of Sanitary Sewer in the Area bounded by Campus Drive, Mountain Boulevard, Knoll Avenue, and Access (83-013)	\$0	\$240,000	\$240,000
Rehabilitation of Sanitary Sewer in the Area bounded by Castle Park Wy, Skyline Boulevard, Haverhill Drive, and Scarborough Drive (56-07)	\$0	\$945,000	\$945,000
Rehabilitation of Sanitary Sewer in the Area bounded by Dennison Street, Embarcadero, King Street, and Federick Street (61-01)	\$1,250,000	\$0	\$1,250,000
Rehabilitation of Sanitary Sewer in the Area Bounded by Hwy 13, Reinhardt Drive, 39th Avenue, and Aliso Avenue (83-501)	\$0	\$280,000	\$280,000
Rehabilitation of Sanitary Sewer in the Area Bounded by Mountain Boulevard, Bernves Ct, Terrabella Way, and Redwood Rd (83-502)	\$0	\$280,000	\$280,000
Rehabilitation of Sanitary Sewer in the Area bounded by Mountain Boulevard, Joaquin Miller Rd, Skyline Boulevard, and Castle Dr (56-06)	\$525,000	\$4,200,000	\$4,725,000
Rehabilitation of Sanitary Sewer in the Area bounded by Park Boulevard, Hollywood Ave, Sunnyhills Rd, and Brighton Ave (54-16)	\$630,000	\$5,040,000	\$5,670,000
Rehabilitation of Sanitary Sewers in the Area Bounded by Longridge Road, FWY 580, Park Blvd., and Underhills Road (54-12)	\$750,000	\$0	\$750,000
Rehabilitation of Sanitary Sewers in the Area Bounded by MacArthur Boulevard, Maple Avenue, Barner Avenue, and Frye Street (80-102)	\$4,320,000	\$0	\$4,320,000
Rehabilitation of Sanitary Sewers in West Grand Avenue between Wood Street and San Pablo Avenue	\$3,510,000	\$0	\$3,510,000
<b>Sewers &amp; Storm Drains Total</b>	<b>\$14,760,000</b>	<b>\$14,360,000</b>	<b>\$29,120,000</b>
<b>Streets &amp; Sidewalks</b>			
ADA Curb Ramp 30-Year Transition Plan	\$660,000	\$660,000	\$1,320,000
Bridge Preventive Maintenance	\$250,000	\$250,000	\$500,000
Citywide Repair and Rehabilitation of City Paths and Stairs	\$200,000	\$200,000	\$400,000
Citywide Sidewalk Repairs	\$300,000	\$300,000	\$600,000
Citywide Sidewalk Repairs	\$250,000	\$250,000	\$500,000
Citywide Street Rehabilitation / Resurfacing	\$0	\$3,851,000	\$3,851,000
Citywide Street Rehabilitation / Resurfacing	\$3,285,000	\$2,585,000	\$5,870,000
Citywide Street Rehabilitation / Resurfacing	\$1,500,000	\$1,500,000	\$3,000,000
Emergency Roadway Repairs	\$500,000	\$500,000	\$1,000,000
Matching Funds for Grant Funded Projects	\$1,250,000	\$1,250,000	\$2,500,000
<b>Streets &amp; Sidewalks Total</b>	<b>\$8,195,000</b>	<b>\$11,346,000</b>	<b>\$19,541,000</b>
<b>Traffic Improvements</b>			
Bicycle Master Plan Implementation	\$1,000,000	\$350,000	\$1,350,000
Citywide Traffic Signal Controller Replacement Program	\$0	\$150,000	\$150,000
Neighborhood Traffic Calming Program	\$100,000	\$100,000	\$200,000
Pedestrian Master Plan Implementation	\$400,000	\$400,000	\$800,000
Traffic Signal System Management	\$1,000,000	\$1,000,000	\$2,000,000
<b>Traffic Improvements Total</b>	<b>2,500,000</b>	<b>2,000,000</b>	<b>4,500,000</b>
<b>Total</b>	<b>\$26,205,500</b>	<b>\$27,958,000</b>	<b>\$54,163,500</b>

# CAPITAL IMPROVEMENT PROGRAM

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## NOTES

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## CITY OF OAKLAND BUDGET AND FINANCIAL POLICIES

<b>Policy</b>	<b>Date of Adoption</b>	<b>Resolution/ Ordinance #</b>
Policy on Balanced Budgets	July 15, 2003	Resolution No. 77922 C.M.S.
Policy on Charges for Services	July 15, 2003	Resolution No. 77924 C.M.S.
Reserve Policy – General Fund and Capital Improvement Fund	October 2, 2012	Ordinance No. 13134 C.M.S.
Investment Policy for FY 2012-13	July 17, 2012	Resolution No. 83982 C.M.S.
Debt Management Policy and Swap Policy	October 16, 2012	Resolution No. 84063 C.M.S.
Long-Term Financial Planning	April 2, 2013	Resolution No. <insert> C.M.S.

# FINANCIAL POLICIES

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# FINANCIAL POLICIES

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

APPROVED AS TO FORM AND LEGAL

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
CITY ATTORNEY

## OAKLAND CITY COUNCIL

2003 JUN 12 PM 5:07

RESOLUTION NO. 77922 C. M. S.

### RESOLUTION ADOPTING THE CITY OF OAKLAND'S POLICY ON BALANCED BUDGETS

**WHEREAS**, the Government Finance Officers Association (GFOA) recommends that jurisdictions adopt policies that define a balanced budget, encourage commitment to balanced budgets under normal circumstances, and provide for disclosure when a deviation from a balanced budget is planned, or when it occurs; and

**WHEREAS**, unbalanced budgets can lead to increased interest charges, which reduces monies available for operations and services; and

**WHEREAS**, balanced budgets ensure responsible use of the taxpayers' dollars to provide City services; now therefore, be it

**RESOLVED:** that the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

**Section 1.** All of the recitals set forth above are true and correct.

**Section 2.** The City Council hereby adopts a balanced budget policy, as set forth below:

#### CITY OF OAKLAND'S POLICY ON BALANCED BUDGETS

*1. Purpose/Definition*

The City shall adopt balanced budgets, i.e., containing appropriated revenues equal to appropriated expenditures. This policy entails the following additional definitions and qualifications:

1. The budget must be balanced at an individual fund level.
2. City policies on reserve requirements for individual funds must be taken into account. The appropriated expenditures to be included in the balanced budget equation must include the appropriations necessary to achieve or maintain an individual fund's reserve target.
3. Appropriated revenues can include transfers from fund balance where such fund balance is reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. Transfers from fund balance are not to be counted as revenue if the fund balance is not reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. (Note: The precise definition of 'fund balance'

# FINANCIAL POLICIES

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will vary from fund to fund, depending on the fund's characteristics and accounting treatment.)

## II. General Responsibilities

The City Manager, shall be responsible for ensuring that the budget proposed to the City Council by the Mayor / City Manager adheres to the balanced budget policy. Currently, the Budget Office under the supervision and direction of the City Manager, performs this function.

## III. Annual Monitoring & Reporting

Each fiscal year, once prior year information has been made available by the Controller's Office, the City Manager, shall produce a balanced budget report to the Council. The report shall state, for each fund in which current year appropriations exist, whether the actual year-end data from the prior year has caused any individual fund to be in violation of the balanced budget policy. If so, the the City Manager, shall recommend steps to be taken to bring that fund back into compliance with the policy. Currently, the Budget Office, under the supervision and direction of the City Manager performs these functions.

**JUL 1 5 2003**

In Council, Oakland, California, \_\_\_\_\_, 2003

### PASSED BY THE FOLLOWING VOTE:

Ayes- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND  
PRESIDENT DE LA FUENTE - 8

Noes- 0

Absent- 0

Abstention- 0

Attest:



Ceda Floyd  
City Clerk and Clerk of the  
Council of the City of  
Oakland, California

# FINANCIAL POLICIES

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY

  
CITY ATTORNEY  
FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

## OAKLAND CITY COUNCIL

RESOLUTION NO. 77924 C. M. S.

2003 JUN 12 PM 5:07

### RESOLUTION ADOPTING A POLICY ON CHARGES FOR THE CITY OF OAKLAND'S SERVICES

**WHEREAS**, a Master Fee Schedule for the City of Oakland was established in 1976 and has been maintained since that date, with changes approved by Council; and

**WHEREAS**, the Master Fee Schedule allows the public and City staff to obtain a better understanding of all fees, rates and permits charged by the City of Oakland; and

**WHEREAS**, existing procedures and responsibilities regarding the Master Fee Schedule are contained in the City's Administrative Instruction 19, but have never been formally adopted by the City Council; and

**WHEREAS**, it is the goal of the City that all financial policies of the City of Oakland be consolidated and formally approved by the City Council; now therefore be it

**RESOLVED**: that the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

**Section 1.** All of the recitals set forth above are true and correct

**Section 2.** The City Council hereby adopts a policy on fees and charges as set forth below:

#### POLICY ON CHARGES FOR THE CITY OF OAKLAND'S SERVICES

*I. Purpose*

This policy states procedures and regulations to be followed regarding charges for the City of Oakland services.

*II. Applicable Legislation*

The Master Fee Schedule was established by the City Council in Ordinance No. 9336 C.M.S. on June 29, 1976, in order to:

1. Provide easier access to and a better understanding by the public of all the City of Oakland's charges for service;

# FINANCIAL POLICIES

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2. Provide equity in distributing the cost burden for City services on the beneficiary and the taxpayer, consistent with sound fiscal and management principles;
3. Provide for charges that reflect the cost, when deemed appropriate by the City Council, of services provided by the City of Oakland. Services include personnel, facilities, or equipment.
4. Provide for annual revision of charges.

At the same meeting, the Council passed Ordinance No. 9337, C.M.S. which amended or repealed certain sections of Oakland City Codes and certain ordinances and resolutions, as necessary, to effect the Master Fee Schedule. The effect of this ordinance was to delete or amend any existing references to charges or charge policy. Any charges or charge policies are to appear only in the Master Fee Schedule.

### *III. General Responsibilities*

#### City Manager

The City Manager, shall be responsible for the general maintenance and control of the Master Fee Schedule, including, but not limited to:

1. The review of all requests for the addition to, or the deletion, or modification of charges or policies in the Master Fee Schedule;
2. The maintenance of the Master Fee Schedule, including annual revisions and reprinting of the document, upon Council approval of modifications;
3. Ensuring that ordinances passed into law which affect the City's charges become part of the Master Fee Schedule; and
4. Reviewing the City's charges on a regular basis to make certain: 1) that they reflect the cost of services provided by the City; and 2) that they provide equity in distributing the cost burden onto the service recipient and the taxpayers, consistent with sound fiscal and management principles.

These responsibilities currently are performed by the Budget Office under the City Manager supervision and control.

#### Other Departments

All agencies/departments that levy charges on the public shall be responsible to the City Manager for:

1. Including all charges which are levied on the public in the Master Fee Schedule;
2. Keeping updated copies of the Master Fee Schedule available and in clear display for the public;

# FINANCIAL POLICIES

3. Proposing fees which reflect the cost of services provided by the City; and
4. Reviewing their charges annually, or upon changes in the cost of providing service (such as union-negotiated increases), and proposing changes in charges consistent with the intent of the Master Fee Schedule.

#### IV. Annual Review and Approval

The City Manager shall be responsible for coordinating an annual review of the Master Fee Schedule in conjunction with the two-year budget or mid-cycle budget. The purposes of the review are: 1) to adjust charges to reflect changes in the cost of providing services; 2) implement new charges; and 3) delete charges that are no longer used. Although the need for charge modifications should be methodically considered during the annual update, this should not be construed to preclude the implementation of new charges at any time during the year.

Every year during the budget process (May-June), the City Manager, shall prepare an agenda report for the City Council, outlining modifications to charges proposed for the following year, with anticipated revenue changes by department. The agenda report must be accompanied by an ordinance reflecting the proposed changes, for Council consideration and approval. The Council shall approve any proposed changes by July 1 of the fiscal year for which the proposed changes are proposed.

The Budget Office, under the direction and supervision of the City Manager currently performs these functions.

JUL 1 5 2003

In Council, Oakland, California, \_\_\_\_\_, 2003

#### PASSED BY THE FOLLOWING VOTE:

Ayes- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND  
PRESIDENT DE LA FUENTE -8

Noes- 0

Absent- 0

Abstention- 0

*Alta Floyd*  
*City Clerk*  
*City of Oakland*

**FINANCIAL POLICIES**

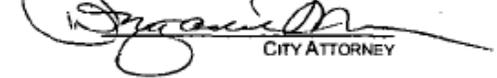
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# FINANCIAL POLICIES

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

INTRODUCED BY COUNCIL MEMBER  
2012 JUL 5 PM 12:12

APPROVED AS TO FORM AND LEGALITY

  
CITY ATTORNEY

## ORDINANCE NO. ~~13008~~ **13134** C.M.S.

ORDINANCE AMENDING ORDINANCE NO. 13008 C.M.S., WHICH AMENDED COUNCIL'S GENERAL PURPOSE FUND (GPF) FINANCIAL POLICIES TO REQUIRE THAT COUNCIL IDENTIFY FUNDING SOURCES AND FULLY APPROVE FUNDING PRIOR TO ANY COUNCIL ACTION THAT HAS A FISCAL/COST IMPACT, ADJUST THE BUDGET AS NECESSARY TO MAINTAIN A BALANCED BUDGET AND OTHERWISE SET FORTH THE GPF POLICY IN FULL, TO REVISE CURRENT COUNCIL FISCAL POLICY SET FORTH IN ORDINANCE NO. 13008 C.M.S. FOR USE OF ONE TIME REVENUES

Whereas, Ordinance No. 13008 C.M.S., passed May 4, 2010, restricts the use of one time revenues to pay off negative fund balances; and

Whereas, the Mayor and City Administrator proposed and City Council wishes to use one time funds to pay off negative fund balances and other one time purposes in the Fiscal Year 2012-2013 budget; and

Whereas, the City Council approved the Fiscal Year 2012-2013 budget based on the use of one time funds to pay off negative fund balances and other one time purposes; and

Whereas, it is necessary to amend Ordinance No. 13008 C.M.S. to use one time funds for the aforementioned purposes;

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 1.** The City Council finds and determines the foregoing recitals to be true and correct and hereby adopts and incorporates them into this Ordinance.

**Section 2.** The Municipal Code is hereby amended to add, delete, or modify sections as set forth below (section numbers and titles are indicated in bold type, additions are indicated by underscoring and deletions are indicated by strike-through type; portions of Ordinance No. 13008 C.M.S. not cited or not shown in underscoring or strike through are not changed).

**Section 3.** Ordinance No. 13008 C.M.S., Section E. *Use of One Time Revenues To Repay Negative Fund Balances in Internal Service and Other Funds*; and *Provide*

# FINANCIAL POLICIES

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*Criteria for Project Carryforwards and Encumbrances in the GPF, which limits the use of one time funds is hereby amended and set forth in its entirety as follows:*

## A. General Purpose Fund Reserve Policy

1. Council hereby declares that it shall be the policy of the City of Oakland to provided in each fiscal year a reserve of undesignated, uncommitted fund balance equal to seven and one-half (7.5%) of the General Purpose Fund (Fund 1010) appropriations for such fiscal year (the "General Purpose Fund Reserve Policy").
2. Each year, upon completion of the City's financial audited statements, the City Administrator shall report the status of the General Purpose Funds Reserve to the City Council and on the adequacy of the of the 7.5% reserve level. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to Council a strategy to meet the General Purpose Funds Reserve Policy. Each year, the City Administrator shall determine whether the 7.5% reserve level requires adjustment and recommend any changes to the City Council.
3. The amounts identified as the General Purpose Funds Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency. For the purposes of this Ordinance, "fiscal emergency" may be declared (1) by the Mayor and approved by the majority of the City Council, or (2) by a majority vote of the City Council.

## B. Capital Improvements Reserve Fund

1. There is hereby established a fund in the Treasury of the City of Oakland to be known as the "Capital Improvements Reserve Fund."
2. On an annual basis, an amount equal to \$6,000,000 shall be held in the Capital Improvements Reserve Fund. Revenue received from one time activities, including the sale of Real Property, shall be deposited into the Capital Improvements Reserve Fund, unless otherwise provided in Sections D and E of this ordinance or otherwise directed by a majority vote of the City Council. Interest earnings on monies on deposit in the Capital Improvements Reserve Fund shall accrue to said fund and be maintained therein.
3. Monies on deposit in the Capital Improvements Reserve Fund may be appropriated by Council to funds unexpected emergency or major capital maintenance or repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program.

4. Each year, upon completion of the City's financial audited statements, the City Administrator shall report the status of the Capital Improvements Reserve Fund. If in any fiscal year the Capital Improvements Reserve Fund threshold of \$6,000,000 is not met, the City Administrator shall present to Council a strategy to meet said threshold.

C. Prior to appropriating monies from the reserves established by this Ordinance, the Budget Office shall prepare an analysis of the proposed expenditure and the City Administrator shall present such analysis to the City Council. Upon review and approval of the proposed expenditure by the City Council, and appropriate fiscal emergency declaration necessary for the use of GPF reserve, the City Administrator will have the authority to allocate from the reserves. For the purposes of this Ordinance, "fiscal emergency" may be declared (1) by the Mayor and approved by the majority of the City Council, or (2) by a majority vote of the City Council.

**D. Use of Excess Real Estate Transfer Tax (RETT) Revenues to Build up the Reserve, Pay Back Negative Internal Service Fund Balances, Establish Set-Asides for Other Post-Employment Benefits (OPEB) and Police and Fire Retirement System (PFRS) Liabilities, and Fund Capital Improvements Projects.**

To ensure adequate levels of the General Purpose Fund reserves and to provide necessary funding for municipal capital improvement projects, the City shall retire that excess Real Estate Transfer Tax revenues be defined and used as follows:

- 1) The excess Real Estate Transfer Tax (RETT) revenue is hereby defined as any annual amount collected in excess of the "normal baseline" collection threshold of \$40 million.
- 2) The excess Real Estate Transfer Tax collections, as described in this section, shall be used in the following manner:
  - a. Replenish General Purpose Funds (GPF) reserves until such reserves reach to 10 percent of current year budgeted GPF appropriations.
  - b. After such reserves have been replenished, the order of use of the remaining excess collection is as follows: 50 percent to repay negative internal services funds balances; 30 percent set aside for the Police and Fire Retirement System (PFRS) liability until this obligation is met; 10 percent to establish a trust for Other Post-Employment Retirement Benefits (OPEB); and 10 percent to replenish the Capital Improvements Reserve Funds until it reaches \$10,000,000.

# FINANCIAL POLICIES

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- 3) Use of the "excess" RETT revenue for purposes other than those established above may only be allowed upon declaration of a fiscal emergency. For the purposes of this Ordinance, "emergency" may be declared (1) by the Mayor and approved by the majority of the City Council, or (2) by a majority vote of the City Council.

## **E. Use of One Time Revenues To Repay Negative Fund Balances in Internal Service and Other Funds; and Provide Criteria for Project Carryforwards and Encumbrances in the GPF.**

- 1) From time to time, the City may receive "one time revenues", defined as financial proceeds that will not likely occur on an ongoing basis, such as sales of property or proceeds from the refinancing of debt, but not including additional Real Estate Transfer Tax revenues discussed in Section "G" above.
- 2) Fiscal prudence and conservancy requires that one time revenues not be used for recurring expenses, that outstanding negative balances in various City funds be paid off, and that municipal capital projects addressing health and safety issues be adequately funded. Therefore, upon receipt of one time revenues, such revenues shall be used in the following manner, unless legally restricted to other purposes: 50-percent to pay for one time expenses, to payoff negative fund balances in the Internal Service Fund, and another 50 percent to payoff negatives in all other funds, or shall remain as fund balance in the appropriate fund.
- 3) Use of the "one time revenues" for purposes other than those established above may only be allowed upon declaration of a fiscal emergency. For the purposes of this Ordinance, "emergency" may be declared (1) by the Mayor and approved by the majority of the City Council or (2) by a majority vote of the City Council.

## **F. Criteria for Project Carryforwards and Encumbrances in the General Purpose Fund.**

Previously approved but unspent project appropriations ("carryforwards"), as well as funding reserved to pay for purchases or contracts that are entered into in the current year but are not paid for until the following year ("encumbrances"), draw down funding from reserves. Fiscal prudence requires that such drawdowns be limited in the General Purpose Fund (GPF). Therefore:

- 1) Funding for non-operating projects and purchases shall be restricted within the General Purpose Fund; capital purchases and projects in particular shall not be funded from the General Purpose Fund.

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## FINANCIAL POLICIES

- 2) In cases when non-capital, operating projects and purchases must be funded in the General Purpose Fund, these shall be included in an annual budget and supported with new annual revenues.
- 3) Carryover of unspent project carryforwards and encumbrances in the GPF from one year into the next, with no new funding, will be allowed only on an exception basis.
- 4) In the beginning of each fiscal year, before project carryforwards and encumbrances are carried over from the prior year, and no later than August 1:
  - The Budget Director shall liquidate all unspent project carryforwards and encumbrances in the GPF and advise affected City departments of said action.
  - The Budget Director shall provide a report of all unspent project carryforwards and encumbrances to the City Council for review and direction.
- 5) Departments may request to retain some or all of the liquidated GPF carryforwards and encumbrances only if and when such balances are deemed essential to the delivery of city projects, programs and services, and only if the liquidation of such balances would be in violation of legislative or legal requirements, could lead to health or safety issues, and/or would greatly impact essential City projects, programs and services.
- 6) A request to retain some or all of the liquidated GPF carryforwards or encumbrances must be submitted in writing to the Budget Director within five (5) working days of receiving an advisory from the Budget Office about said liquidations, and must detail specific reasons necessitating such a request, including but not limited to those stated in item (3) above.
- 7) The Budget Director, upon review of a department's request, shall recommend an action to the City Administrator within five (5) working days of receiving the department's request.
- 8) The City Administrator, in consultation with the Budget Director, shall make a final determination of any and all requests for exceptions by departments, by August 20, and all requesting departments should be so notified by August 30.

# FINANCIAL POLICIES

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Section 4. This ordinance shall be effective immediately if passed by the affirmative vote of at six (6) or more City Council members; if this ordinance is passed by the affirmative vote of five (5) City Council members, it will be effective seven (7) days after final passage.

991336

IN COUNCIL, OAKLAND, CALIFORNIA,  
PASSED BY THE FOLLOWING VOTE:

OCT 02 2012

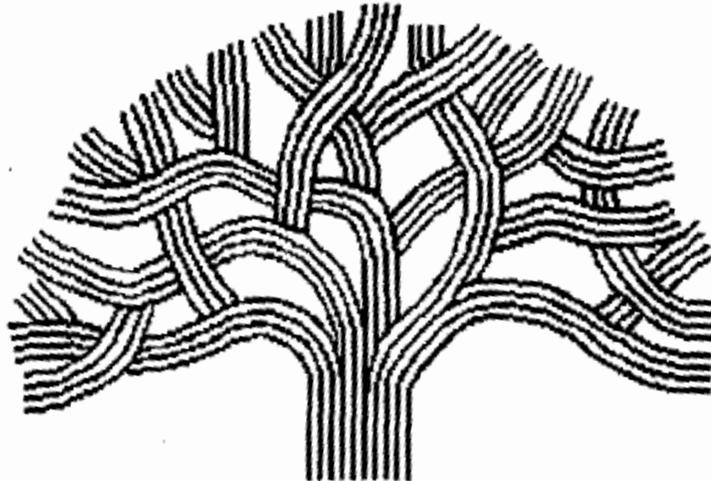
AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, SCHAAF,  
NADEL, BRUNNER AND PRESIDENT REID *— 8*

NOES-*0*  
ABSENT-*0*  
ABSTENTION-*0*

ATTEST: *Latonda Simmons*  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California

Date of Attestation:            JUL 17 2012  
Introduction Date

**City of Oakland  
Investment Policy  
For  
Fiscal Year 2012-2013**



**Prepared by  
Treasury Division  
Adopted by the City Council  
On July 17, 2012**

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## 1.0 POLICY

The purpose of this Investment Policy ("Policy") is to establish overall guidelines for the management and investment of the City of Oakland public funds pursuant to Council Resolution Nos. 75855 C.M.S and 00-38 C.M.S and in accordance with Government Codes Section 53607. This Investment Policy is now amended and adopted as of July 17, 2012 and will serve as the City of Oakland's Investment Policy for Fiscal Year 2012-13 and until it's further revised.

## 2.0 SCOPE

The Investment Policy applies to the operating funds of the City of Oakland and the Port of Oakland (the "City Operating Pool"), which includes the General Fund, Special Revenue Funds, Debt Service Funds and all other funds comprised in City Operating Pool. This investment policy applies to Successor Portfolio and or Successor Fund as the City of Oakland has opted to serve as successor agency to the Redevelopment Agency of the City of Oakland.

- 2.1 Proceeds of notes, bonds issues or similar financings including, but not limited to, reserve funds, project funds, debt service funds and capital trust funds derived from such financing, are not governed by this Investment Policy, but rather shall be invested pursuant to their respective bond indentures or the State of California Government Code 53600, as applicable.
- 2.2 Retirement/Pension Funds and Deferted Compensation Funds are also not governed by this Investment Policy, but rather by the policies and Federal or State statutes explicitly applicable to such funds.

## 3.0 PRUDENCE

All investments and evaluation of such investments shall be made with the Prudent Investor Standard as set forth by California Government Code, Section 53600.3 and 27000.3, is defined as;

Prudent Investor Standard: Acting with care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the professional management of their business affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

## 4.0 OBJECTIVES

The primary objectives, in order of priority, of the City Portfolio are:

- 4.1 Preservation of Capital (Safety)  
The first and primary goal of the Portfolio is the preservation of capital. Investment shall be undertaken in a manner to avoid losses due to market value risk, issuer default and broker default. To attain this objective; investments are diversified.
- 4.2 Liquidity  
The Portfolio will be structured in a manner that will provide cash as needed to meet anticipated disbursements. Cash flow modeling ensures that investments mature as needed for disbursements.

# FINANCIAL POLICIES

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## 4.3 Diversity

The objective is to avoid over-concentration in issuers, instruments, and maturity sectors. No more than 5 percent of the total assets of the investments held by the City may be invested in the securities of any one issuer, except the obligations of the United States government or government-sponsored enterprises.

## 4.4 Yield

The Portfolio is also managed to maximize its overall market return with consideration of the safety, liquidity, and diversity parameters discussed above.

## 5.0 DELEGATION OF AUTHORITY

Management responsibility for the investment program is specifically delegated by the City Administrator or designee to the Treasurer or designee who shall establish procedures for the investment programs, which are consistent with the Investment Policy. Authorization for investment decisions is limited to the Treasurer or designee. A Principal Financial Analyst may execute investment transactions in the absence of the Treasurer or designee per the Treasurer's instructions or prior authorization.

A Principal Financial Analyst, Financial Analyst, or Treasury Analyst III may make decisions only with respect to overnight investments, but may implement investment decisions received directly from the Treasurer or designee.

## 6.0 INTERNAL CONTROL

The Treasurer or designee shall maintain a system of internal controls designed to ensure compliance with the Investment Policy and to prevent losses due to fraud, employee error, misrepresentations by third parties or unanticipated changes in financial markets.

## 7.0 ETHICS AND CONFLICTS OF INTEREST

All officers and employees involved in the investment process shall not engage in any personal business activity, which could conflict with proper execution of investments subject to this Policy. Any material financial interests in financial institutions which do business with the City should be disclosed to the Assistant City Administrator. All individuals involved in the investment process are required to report all gifts and income in accordance with California State Law.

## 8.0 SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis pursuant to approved custodial safekeeping agreements. All securities owned by the City shall be held in safekeeping by the City's custodial bank, which acts as agent for the City under the terms of custody agreement.

## 9.0 APPLICABLE ORDINANCES

### 9.1 Nuclear Free Zone Ordinance

Under the guidelines of a voter-approved Measure, the Oakland City Council approved Ordinance No. 11062 C.M.S, which restricts the City's investments in U.S Government Treasuries. The Treasurer shall make every attempt to invest in any available short-term

option that provides approximately the same level of security and return as Treasuries. In the event that no reasonable alternatives exist, or to the extent that the City may experience financial hardship as a result of investment in these alternatives, the City Council may adopt a waiver for a period not to exceed 60 days, as authorized by the Ordinance, allowing the City to invest in U.S securities.

## 9.2 Linked Banking Ordinance

Pursuant to Ordinance No. 11067 C.M.S. the City has established a Linked Banking Service Program. This reference applies to depositories for both the City of Oakland and the Port of Oakland banking needs. Depositories are defined within the Ordinance as "all banking services utilized by the City including the Port of Oakland operating fund, with the exception of investments made through investment banks and broker/dealers." Depositories providing services to the City and the Port of Oakland must provide to the City, annually, the information enumerated under Section 3 of the Ordinance.

## 9.3 Tobacco Divestiture Resolution

On February 17, 1998, Council adopted Resolution No. 74074 C.M.S., which prohibits investment in businesses deriving greater than fifteen percent of their revenues from tobacco products. Treasury Division maintains a list of firms excluded from permitted investments due to the tobacco divestiture requirements.

## 10.0 SOCIAL RESPONSIBILITY

When possible, it is the City's policy to invest in companies that promote the use and production of renewable energy resources and any other socially responsible investments, subject to the prudent investment standard.

## 11.0 REPORTING

### 11.1 City Council

As best practice and sound financial management practice, the City Administrator or designee will submit a quarterly investment report and an annual investment policy for the City within 30 days following the period being reported to the City Council.

The quarterly report will be deemed timely pursuant to this Investment Policy and Government Code Section 53646, so long as it has been submitted to the Assistant City Administrator within 30 days following the period being reported to be scheduled for the Finance and Management Committee. The quarterly cash management report for the period ending June 30 will be filed in a timely manner, but it will not be approved until September due to the City Council summer recess.

The report will include the information required under Government Code Section 53646 including: the type of investment, issuer, date of maturity, par and dollar amount invested (this data may be in the form of a subsidiary ledger of investments); a description of any investments under management of contracted parties, if any; current market values and source of valuation; statement of compliance or manner of non-compliance with the Investment Policy; and a statement denoting the ability to meet the Fund's expenditure requirements for the next six months. In addition, the report shall summarize economic conditions, liquidity, diversity, risk characteristics and other features of the portfolio. The report will disclose the total investment return for the 3-month period. In meeting these requirements, the report shall include an appendix that discloses all transactions during each month and the holdings at the end of each month during the period being reported.

# FINANCIAL POLICIES

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## 11.2 Annual Audh

Investment Portfolio is priced to market per Government Accounting Standards Board (GASB) and reported in compliance with General Accepted Accounting Principals. Annual disclosure requirements such as Custodial Credit Risk, Credit Risk, Concentration of Credit Risk, Interest Rate Risk and Foreign Currency Risk are reported in the City's Annual Comprehensive Financial Report (CAFR).

## 11.3 Internal Audits

Internal audits of treasury operations maybe conducted periodically to review its procedures and policies and make any recommendations for changes and improvements if needed.

## 12.0 TRADING POLICES

### 12.1 Sales Prior to Maturity

"Buy and hold" is not necessarily the strategy to be used in managing the Funds. It is expected that gains will be realized when prudent. Losses are acceptable if the proposed swap/trade clearly enhances the portfolio yield over the life of the new security on a total return basis.

Sufficient written documentation will be maintained to facilitate an audit of the transaction. Losses, if any, will be recognized and recorded based on the transaction date.

## 13.0 BROKER/DEALERS AND FINANCIAL INSTITUTIONS

The purchase of any authorized investment shall be made either directly from the issuer or from any of the following:

- Institutions licensed by the State of California as a broker/dealer
- Members of a federally regulated securities exchange
- National or state-chartered banks
- Federal or state savings institutions or associations as defined in Finance Code Section 5102
- Brokerage firms reporting as a primary government dealer to the Federal Reserve Bank

The Treasurer or designee will maintain a current and eligible list of reputable primary and regional dealers, brokers and financial institutions with whom securities trading and placement of funds are authorized. A strong capital base credit worthiness, and, where applicable, a broker/dealer staff experienced in transactions with California local governments are the primary criteria for inclusion on the City of Oakland's approved list.

Approved dealers and brokers shall be limited to primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and which provide: proof of Financial Industry Regulatory Authority (FINRA) certification; proof of California State registration; and a completed City of Oakland broker/dealer questionnaire. In addition, prior to approval and annually thereafter, approved dealers and brokers must provide: an audited financial statement; certification of receipt, review of and willingness to comply with the current Investment Policy; and certification of compliance with Rule G-37 of the Municipal Securities Rulemaking Board regarding limitations on political contributions to the Mayor or any member of the City Council or to any candidate for these offices.

The Treasurer may remove a firm from the approved list at any time due to: any failure to comply with any of the above criteria; any failure to successfully execute a transaction; any change in broker/dealer staff; or any other action, event or failure to act which, in the sole discretion of the Treasurer is materially adverse to the best interests of the City.

## 14.0 PERMITTED INVESTMENTS

The following securities are permissible investments pursuant to Section 53601 of the Government Code as well as this Investment Policy. Any other investment not specified hereunder shall be made only upon prior approval by the City Council.

### 14.1 U. S. Treasury Securities

Bills, notes and bonds issued by the U.S. Treasury which are direct obligations of the federal government.

- Maximum Maturity: 5 years
- Maximum Portfolio Exposure: 20%\*
- Maximum Issuer Exposure: Prudent person standard applies overall
- Credit Requirement: N.A.

\*20% limit is a result of the Nuclear Free Zone Ordinance, subject also to prior adoption by Council of a waiver for a period not to exceed 60 days allowing investment in U.S. Treasury securities due to specified findings. There is no limitation under the Government Code.

### 14.2 Federal Agencies and Instrumentalities

Notes and bonds of federal agencies, government-sponsored enterprises and international institutions. Not all are direct obligations of the U. S. Treasury but may involve federal sponsorship and/or guarantees, in some instances.

- Maximum Maturity: 5 years
- Maximum Portfolio Exposure: None
- Maximum Issuer Exposure: Prudent person standard applies overall
- Credit Requirement: N.A.

### 14.3 Banker's Acceptances (BA)

Bills of exchange or time drafts drawn on and accepted by a commercial bank, typically created from a letter of credit issued in a foreign trade transaction.

- Maximum Maturity: 180 days
- Maximum Portfolio Exposure: 40%

# FINANCIAL POLICIES

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- Maximum Issuer Exposure: 30% of total surplus funds may be in BAs of one commercial bank; maximum 5% per issuer
- Credit Requirement: A1, P1, or F1 or better by two or the three nationally recognized rating services. No rating may be lower than any of the rating listed above.

## 14.4 Commercial Paper

A short-term, unsecured promissory note issued by financial and non-financial companies to raise short-term cash. Financial companies issue commercial paper to support their consumer and/or business lending; non-financial companies issue for operating funds.

- Maximum Maturity : 270 days
- Maximum Portfolio Exposure: 25%
- Maximum Issuer Exposure: No more than 10% of the total assets of the investments held by the City may be invested in any one issuer's commercial paper; and maximum 5% per issuer
- Credit Requirement: A1, P1, or F1 or better by two or the three nationally recognized rating services. No rating may be lower than any of the rating listed above.
- Eligibility Limited to general corporations organized and operating in the United States with assets in excess of \$500 million, and having "A" or higher ratings for the issuer's debt, other than commercial paper, if any, as provided by NRSRO.

## 14.5 Asset-Backed Commercial Paper

Asset-Backed Commercial Paper ("ABCP") issued by special purpose corporations ("SPCs") that is supported by credit enhancement facilities (e.g. over-collateralization, letters of credit, surety bonds, etc.)

- Maximum Maturity: 270 days
- Maximum Portfolio Exposure: 25% (Not to exceed 25% of total secured and unsecured CP)
- Maximum Issuer Exposure : No more than 10% of the total assets of the investments held by the City or Agency may be invested in any one issuer's commercial paper; and maximum 5% per issuer
- Credit Requirement: A1, P1, or F1 or better by two or the three nationally recognized rating services. No rating may be lower than any of the rating listed above.
- Eligibility: Issued by special purpose corporations ("SPC") organized and operating in the United States with assets exceeding \$500 million. Restricted to programs sponsored by commercial banks or finance companies organized and operated in the United States.
- Program must have credit facility that provides at least 100% liquidity

- Serialized ABCP programs are not eligible
- Ratings are to be routinely monitored. The Treasurer is to perform his/her own due diligence as to creditworthiness.

#### 14.6 Local Government Investment Pools

For local agencies (including counties, cities or other local agencies) that pool money in deposits or investments with other local agencies, investments may be made subject to the following:

- Maximum Maturity : N/A
- Maximum Portfolio Exposure: 20%
- NAV Requirement: \$1.00
- Credit Requirement: Top ranking or highest letter and numerical rating provided by at least two nationally recognized statistical rating organizations
- Must retain an Investment Advisor
- Registered with the SEC with not less than 5 years experience in investing securities as authorized by the Code, and with assets under management in excess of \$500 million
- Fund Composition Comprised of instruments in accordance with the California State Government Code

#### 14.7 Medium Term Notes

Corporate Bonds, Corporate Notes and Deposit Notes. Issuers are banks and bank holding companies, thrifts, finance companies, insurance companies and industrial corporations. These are debt obligations that are generally unsecured.

- Maximum Maturity: 5 years (additional limitations based on credit, below)
- Maximum Portfolio Exposure: 30%
- Maximum Issuer Exposure: No more than 5% of the Portfolio shall be invested in any single institution.
- Credit Requirement: Must be Rated A3, A-, or A- or better by two of the three nationally recognized rating services, Moody's, S&P, or Fitch, respectively. No Rating may be lower than any of the Rating listed above.
- Eligibility: Limited to corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States

#### 14.8 Negotiable Certificates of Deposits

Issued by commercial banks and thrifts, and foreign banks (Yankee CD's).

# FINANCIAL POLICIES

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- Maximum Maturity: 5 years
- Maximum Portfolio Exposure: 30%
- Maximum Issuer Exposure :Prudent person standard applies overall; maximum 5% per issuer
- Credit Requirement : Top 3 rating categories, A, A2 or A (S&P/Moody's/Fitch) being the lowest, if rated by S&P, Moody's or Fitch.

## 14.9 Repurchase Agreements

A contractual transaction between the investor and a bank/dealer to exchange cash for temporary ownership or control of securities/collateral with an agreement by the bank/dealer to repurchase the securities on a future date. Primarily used as an overnight investment vehicle.

- Maximum Maturity: 360 days
- Maximum Portfolio : Exposure None
- Maximum Dealer Exposure: Prudent person standard applies overall; maximum 5% per issuer
- Collateral Requirements: Collateral limited to Treasury and Agency securities; must be 102% or greater
- Mark-to-market: Daily
- Eligibility: Limited to primary dealers of the Federal Reserve Bank of New York, for which a current Master Repurchase Agreement has been executed with the City.

## 14.10 Reverse Repurchase Agreements

The mirror image of a repurchase agreement. Used as a source of liquidity when there is a mismatch of cash flow requirement and scheduled maturities. A mechanism to avoid liquidating securities for immediate cash needs. Restricted to securities owned for a minimum of 30 days prior to settlement of the repurchase agreement.

This strategy should be used solely for liquidity and not for arbitrage or leverage purposes.

- Maximum Maturity: 92 days (unless a written agreement guaranteeing the earnings or spread for the entire period)
- Maximum Portfolio Exposure: 20% of the base value of the portfolio
- Eligibility: Limited to primary dealers of the Federal Reserve Bank of New York or nationally or State chartered bank with significant banking relationship with the City.

## 14.11 Secured Obligations and Agreements

Obligations, including notes or bonds, collateralized at all times in accordance with

Sections 53651 and 53652 of the Government Code.

- Maximum Maturity: 2 years
- Maximum Portfolio Exposure 20%
- Maximum Issued/Provider Exposure: Prudent person standard applies overall; maximum 5% per issue
- Collateral Requirements: Collateral limited to Treasury and Agency securities; must be 102% or greater
- Mark-to-market: Daily
- Credit Requirement: Issuer/Provider rated in "AA" category by at least one national rating agency; or agreement guaranteed by an "AA" company
- Eligibility: Banks, insurance companies, insurance holding companies and other financial institutions

#### 14.12 Certificates of Deposit

Time deposits, which are non-negotiable, are issued most commonly by commercial banks, savings and loans and credit unions with federal deposit insurance available for amounts up to \$250,000 until December 31, 2013. Deposits in banks, savings and loan associations and federal credit unions with a branch office within Oakland will be made (to the extent permissible by State and Federal law or rulings) pursuant to the following conditions:

- Maximum Maturity: 360 days
- Maximum Portfolio Exposure: Prudent person standard applies.
- Maximum Issuer Exposure: Prudent person standard applies.
- Credit Requirement: For deposits over \$250,000: Top 3 rating categories - A, A2 or A (S&P/Moody's/Fitch) being the lowest, if rated by S&P, Moody's or Fitch.
- Deposit Limit: For federally insured deposits of \$250,000 or less: No minimum credit rating required. City's deposits cannot exceed the total shareholder's equity of the institution. For deposits over \$250,000, it must be collateralized.
- Depository Selection: Highest available rate of interest
- Institution Requirements: Most recent Annual Report

Pursuant to Government code 53637, the City is prohibited from investing in negotiable certificates of deposit of a state or federal credit union if a member of the legislative body or decision-making authority serves on the board of directors or committee.

#### 14.13 Money Market Mutual Funds

Regulated by the SEC, these funds operate under strict maturity and diversification guidelines. These funds have no federal guarantee but are viewed as a very safe short-

# FINANCIAL POLICIES

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term cash investment.

- Maximum Maturity: N/A
- Maximum Portfolio Exposure: 20%
- NAV Requirement: \$1.00
- Credit Requirement: Top ranking or highest letter and numerical rating provided by at least two nationally recognized statistical rating organizations
- Investment Advisor Alternative to Ratings: Registered with the SEC with not less than 5 years experience in investing securities as authorized by the Code, and with assets under management in excess of \$500 million
- Fund Composition: Comprised of instruments in accordance with the California State Government Code

#### 14.14 State Investment Pool (Local Agency Investment Fund)

A pooled investment fund overseen by the State Treasurer, which operates like a money market fund, but is for the exclusive benefit of governmental entities within the state. Maximum currently authorized by Local Agency Investment Fund (LAIF) is \$50 million, which is subject to change. The LAIF is in trust in the custody of the State Treasurer. The City's right to withdraw its deposited monies from LAIF is not contingent upon the State's failure to adopt a State Budget. As of June 20, 2005, commercial paper of a limited liability corporation is a legal investment for LAIF, per Chapter 16, Statutes of 2005 (AB 279, Calderon).

- Maximum Maturity        N/A
- Maximum Portfolio Exposure    None

#### 14.15 Local City/Agency Bonds

Bonds issued by the City of Oakland, or any department, board, agency or authority of the City.

- Maximum Maturity: 5 years
- Maximum Portfolio Exposure: None
- Maximum Issuer Exposure: Prudent person standard applies overall; maximum 5% per issuer
- Credit Requirement: Prudent person standard applies

#### 14.16 State of California Obligations and Others

State of California and any other of the 49 United States registered state warrants, treasury notes, or bonds issued by a State.

- **Maximum Maturity:** 5 years
- **Maximum Portfolio Exposure:** None
- **Maximum Issuer Exposure:** Prudent person standard applies overall; maximum 5% per issuer
- **Credit Requirement:** Prudent person standard applies

## **15.0 MAXIMUM MATURITIES**

The City's Investment Policy shall be structured to provide that sufficient funds from investments are available to meet City's anticipated cash need. No investments will have a maturity of more than 5 years from its date of purchase.

## **16.0 GLOSSARY**

Definitions of investment-related terms are listed in Exhibit A.

# FINANCIAL POLICIES

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## EXHIBIT A

### GLOSSARY

**ACCRETION:** Adjustment of the difference between the price of a bond bought at an original discount and the par value of the bond.

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises (GSEs), also known as U.S. Government instrumentalities. Securities issued by Government National Mortgage Association (GNMA) are considered true agency securities, backed by the full faith and credit of the U.S. Government. GSEs are financial intermediaries established by the federal government to fund loans to certain groups of borrowers, for example homeowners, farmers and students and are privately owned corporations with a public purpose. The most common GSEs are Federal Farm Credit System Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Association, and Federal National Mortgage Association.

**AMORTIZATION:** Accounting procedure that gradually reduces the cost value of a limited life or intangible asset through periodic charges to income. For fixed assets, the term used is "depreciation". It is common practice to amortize any premium over par value paid in the purchase of preferred stock or bond investments.

**APPRECIATION:** Increase in the value of an asset such as a stock bond, commodity or real estate.

**ASKED PRICE:** The price a broker/dealer offers to sell securities.

**ASSET BACKED:** A type of security that is secured by receivables, such as credit card and auto loans. These securities typically pay principal and interest monthly.

**BANKERS' ACCEPTANCE (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. This money market instrument is used to finance international trade.

**BASIS POINT:** One-hundredth of one percent (i.e., 0.01%).

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investment.

**BID PRICE:** The price a broker/dealer offers to purchase securities.

**BOND:** A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

**BOOK VALUE:** The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

**BROKER:** A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

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## FINANCIAL POLICIES

**CALLABLE SECURITIES:** A security that can be redeemed by the issuer before the scheduled maturity date.

**CASH FLOW:** An analysis of all changes that affect the cash account during a specified period.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO):** A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus.

**COMMERCIAL PAPER:** Short-term, unsecured, negotiable promissory notes of corporations.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual financial report for the City. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

**CORPORATE NOTE:** Debt instrument issued by a private corporation.

**COUPON:** The annual rate at which a bond pays interest.

**CREDIT RATINGS:** A grade given to a debt instrument that indicates its credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these

**CREDIT RISK:** The risk that an obligation will not be paid and a loss will result due to a failure of the issuer of a security.

**CUSIP:** Stands for Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most securities, including: stocks of all registered U.S. and Canadian companies, and U.S. government and municipal bonds. The CUSIP system—owned by the American Bankers Association and operated by Standard & Poor's—facilitates the clearing and settlement process of securities. The number consists of nine characters (including letters and numbers) that uniquely identify a company or issuer and the type of security.

**CURRENT YIELD:** The annual interest on an investment divided by the current market value. Since the calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

**CUSTODIAN:** A bank or other financial institution that keeps custody of stock certificates and other assets.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own risk and account or inventory.

**DEBENTURES:** A bond secured only by the general credit of the issuers.

# FINANCIAL POLICIES

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**DELIVERY VERSUS PAYMENT (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**DERIVATIVE:** A financial instrument that is based on, or derived from, some underlying asset, reference date, or index.

**DIRECT ISSUER:** Issuer markets its own paper directly to the investor without use of an intermediary.

**DISCOUNT:** The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns and risk profiles.

**DURATION:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. Duration measures the price sensitivity of a bond to changes in interest rates.

**FACE VALUE:** The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

**FAIR VALUE:** The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

**FANNIE MAE:** Trade name for the Federal National Mortgage Association (FNMA), a U.S. Government sponsored enterprise.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that provides insurance on bank deposits, guaranteeing deposits to a set limit per account, currently \$250,000.

**FEDERAL FARM CREDIT BANK (FFCB):** Government-sponsored enterprise that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U.S. government guarantees.

**FEDERAL FUNDS RATE:** The rate of interest at which Federal funds are traded. This rate is considered to be the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL GOVERNMENT AGENCY SECURITIES:** Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

**FEDERAL HOME LOAN BANKS (FHLB):** Government sponsored enterprise (currently made up of 12 regional banks) that regulates and lends funds and provides correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. Although the banks operate under federal charter with government supervision, the securities are not guaranteed by the U. S. Government.

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## FINANCIAL POLICIES

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC):** Government sponsored enterprise that helps maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. government guarantees.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** Government sponsored enterprise that is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** A committee of the Federal Reserve Board, which establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

**FEDERAL RESERVE SYSTEM:** The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks and about 5,700 commercial banks that are members.

**FED WIRE:** A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

**FREDDIE MAC:** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. government sponsored enterprise.

**GINNIE MAE:** Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

**GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB):** A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

**GUARANTEED INVESTMENT CONTRACTS (GIGS):** An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

**INTEREST RATE:** The annual yield earned on an investment, expressed as a percentage.

**INTEREST RATE RISK:** The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

**INVESTMENT AGREEMENTS:** A contract providing for the lending of issuer funds to a financial institution which agrees to repay the funds with interest under predetermined specifications.

**INVESTMENT GRADE (LONG TERM RATINGS):** The minimum, high quality ratings for long term debt such as corporate notes. Investment Grade ratings are as follows: A3 (Moody's), A- (S&P), and A- (Fitch).

**INVESTMENT PORTFOLIO:** A collection of securities held by a bank, individual, institution or government agency for investment purposes.

# FINANCIAL POLICIES

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**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash with minimum risk of principal.

**LOCAL AGENCY INVESTMENT FUND (LAIF):** An investment pool sponsored by the State of California and administered/managed by the State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**LOCAL AGENCY INVESTMENT POOL:** A pooled investment vehicle sponsored by a local agency or a group of local agencies for use by other local agencies.

**MARKET RISK:** The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates. Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

**MARKET VALUE:** The price at which a security is currently being sold in the market. See **FAIR VALUE**.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date that the principal or stated value of a debt instrument becomes due and payable.

**MEDIUM-TERM NOTES (MTNs):** Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

**MODIFIED DURATION:** The percent change in price for a 100 basis point change in yields. This is a measure of a portfolio's or security's exposure to market risk.

**MONEY MARKET:** The market in which short term debt instruments (Treasury Bills, Discount Notes, Commercial Paper, Banker's Acceptances and Negotiable Certificates of Deposit) are issued and traded.

**MORTGAGED BACKED SECURITIES:** A type of security that is secured by a mortgage or collection of mortgages. These securities typically pay principal and interest monthly.

**MUNICIPAL BONDS:** Debt obligations issued by states and local governments and their agencies, including cities, counties, government retirement plans, school districts, state universities, sewer districts, municipally owned utilities and authorities financing bridges, airports and other transportation facilities

**MUTUAL FUND:** An entity that pools money and can invest in a variety of securities which are specifically defined in the fund's prospectus.

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## FINANCIAL POLICIES

**NEGOTIABLE CERTIFICATE OF DEPOSIT:** A large denomination certificate of deposit which can be sold in the open market prior to maturity.

**NET PORTFOLIO YIELD:** Calculation in which the 365-day basis equals the annualized percentage of the sum of all Net Earning during the period divided by the sum of all Average Daily Portfolio Balances.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PAR VALUE:** The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond. See FACE VALUE.

**PORTFOLIO:** The collection of securities held by an individual or institution.

**PREMIUM:** The difference between the par value of a bond and the cost of the bond, when the cost is above par.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. These dealers are authorized to buy and sell government securities in direct dealing with the Federal Reserve Bank of New York in its execution of market operations to carry out U.S. monetary policy. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

**PRIME (SHORT TERM RATING):** High quality ratings for short term debt such as commercial paper. Prime ratings are as follows: P1 (Moody's), A1 (S&P), and F1 (Fitch).

**PRINCIPAL:** The face value or par value of a debt instrument, or the amount of capital invested in a given security.

**PROSPECTUS:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the Securities and Exchange Commission that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

**PRUDENT INVESTOR STANDARD:** A standard of conduct for fiduciaries. Investments shall be made with judgment and care--under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**PUBLIC DEPOSITS:** A bank that is qualified under California law to accept a deposit of public funds.

**PURCHASE DATE:** The date in which a security is purchased for settlement on that or a later date. Also known as the "trade date".

# FINANCIAL POLICIES

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**RATE OF RETURN:** 1) The yield which can be attained on a security based on its purchase price or its current market price. 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

**REALIZED GAIN (OR LOSS):** Gain or loss resulting from the sale or disposal of a security.

**REGIONAL DEALER:** A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

**REPURCHASE AGREEMENT (RP or REPO):** A transaction in which a counterparty or the holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the City) with a simultaneous agreement to repurchase them at a fixed date. The security "buyer" (e.g. the City) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** The opposite of a repurchase agreement. A reverse repo is a transaction in which the City sells securities to a counterparty (e.g. investment dealer) and agrees to repurchase the securities from the counterparty at a fixed date. The counterparty in effect lends the seller (e.g. the City) money for the period of the agreement with terms of the agreement structured to compensate the buyer.

**RISK:** Degree of uncertainty of return on an asset.

**SAFEKEEPING:** A service which banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or on call date, if called.

**SECURITIES AND EXCHANGE COMMISSION (SEC):** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SECONDARY MARKET:** A market for the repurchase and resale of outstanding issues following the initial distribution.

**SECURITIES:** Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness or equity.

**SETTLEMENT DATE:** The date on which a trade is cleared by delivery of securities against funds.

**SPREAD:** The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

**STRUCTURED NOTE:** A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include "inverse floating rate" notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising and "dual index floaters", which pay interest based on the relationship between two other interest rates, for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

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## FINANCIAL POLICIES

**TIME DEPOSIT:** A deposit with a California bank or savings and loan association for a specific amount and with a specific maturity date and interest rate. Deposits of up to \$250,000 are insured by **FDIC**. Deposits over \$250,000 are collateralized above the insurance with either government securities (at 110% of par value), first trust deeds (at 150% of par value), or letters of credit (at 105% of par value).

**TOTAL RATE OF RETURN:** A measure of a portfolio's performance over time. It is the internal rate of return which equates the beginning value of the portfolio with the ending value, and includes interest earnings and realized and unrealized gains and losses on the portfolio. For bonds held to maturity, total return is the yield to maturity.

**TRUSTEE OR TRUST COMPANY OR TRUST DEPARTMENT OF A BANK:** A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

**UNDERWRITER:** A dealer which purchases a new issue of municipal securities for resale.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**U.S. GOVERNMENT AGENCY SECURITIES:** Securities issued by U.S. government agencies, most of which are secured only by the credit worthiness of the particular agency. See **AGENCIES**.

**U.S. TREASURY OBLIGATIONS:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are the benchmark for interest rates on all other securities in the U.S. The Treasury issues both discounted securities and fixed coupon notes and bonds. The income from Treasury securities is exempt from state and local, but not federal, taxes.

**TREASURY BILLS:** Securities issued at a discount with initial maturities of one year or less. The Treasury currently issues three-month and six-month Treasury bills at regular weekly auctions. It also issues very short-term "cash management" bills as needed to smooth out cash flows.

**TREASURY NOTES:** Intermediate-term coupon-bearing securities with initial maturities of one year to ten years.

**TREASURY BOND:** Long-term coupon-bearing securities with initial maturities of ten years or longer.

**UNREALIZED GAIN (OR LOSS):** Gain or loss that has not become actual. It becomes a realized gain (or loss) when the security in which there is a gain or loss is actually sold. See **REALIZED GAIN (OR LOSS)**.

**VOLATILITY:** Characteristic of a security, commodity or market to rise or fall sharply in price within a short-term period.

**WEIGHTED AVERAGE MATURITY:** The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

# FINANCIAL POLICIES

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**YIELD:** The annual rate of return on an investment expressed as a percentage of the investment. See **CURRENT YIELD; YIELD TO MATURITY.**

**YIELD CURVE:** Graph showing the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

**YIELD TO MATURITY:** Concept used to determine the rate of return if an investment is held to maturity. It takes into account purchase price, redemption value, time to maturity, coupon yield, and the time between interest payments. It is the rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

# FINANCIAL POLICIES

INTRODUCED BY COUNCIL MEMBER

APPROVED AS TO FORM AND LEGALITY

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

CITY ATTORNEY

2012 JUN 20 2012 OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

## RESOLUTION ADOPTING THE CITY OF OAKLAND INVESTMENT POLICY FOR FISCAL YEAR 2012-2013

**WHEREAS**, the City of Oakland may annually render to the City's legislative body a statement of its investment policy; and

**WHEREAS**, as part of best practice and sound financial management the City will continue to submit its annual investment policy to the City's legislative body; and

**WHEREAS**, last year, the City revised and adopted an Investment Policy for fiscal year 2011-2012; and

**WHEREAS**, this Investment Policy shall apply to the City both acting under its own auspices and acting as the successor agency to the former Redevelopment Agency of the City of Oakland; and

**WHEREAS**, a proposed City of Oakland Investment Policy for fiscal year 2012-13 is presented herewith, to be in effect until a subsequent policy is adopted; now therefore be it

**RESOLVED**, that the proposed City of Oakland Investment Policy for fiscal year 2012-2013 is adopted.

In Council, Oakland, California, \_\_\_\_\_, 2012

### PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, BRUNNER, AND

PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS

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

**FINANCIAL POLICIES**

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# FINANCIAL POLICIES

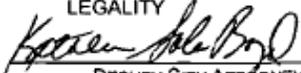
RESOLUTION ALTERNATIVE RECOMMENDED BY FINANCE COMMITTEE  
OFFICE OF THE CITY CLERK  
OAKLAND

[INCLUDING EXHIBIT A AND EXHIBIT B]

2012 OCT -4 PM 12: 17

INTRODUCED BY COUNCIL MEMBER \_\_\_\_\_

APPROVED AS TO FORM AND  
LEGALITY

  
DEPUTY CITY ATTORNEY

## OAKLAND CITY COUNCIL

RESOLUTION NO. 84063 C. M. S.

**RESOLUTION AMENDING AND ADOPTING THE CITY OF OAKLAND'S DEBT MANAGEMENT POLICY AND THE SWAP POLICY, AND REQUIRING APPROVAL OF SWAPS BY COUNCIL ON A CASE-BY-CASE BASIS [OR PROHIBITING USE OF SWAPS IN FUTURE CITY FINANCINGS.]**

**WHEREAS**, a debt management policy which provides guidance to City of Oakland (the "City") staff and the City Council of the City (the "Council") by identifying parameters for issuing debt and for managing the City's debt portfolio would be beneficial to the City; and

**WHEREAS**, a swap policy which provides guidance to City staff and the Council by identifying parameters for issuing "swaps" and for managing the City's swap agreements would be beneficial to the City; and

**WHEREAS**, the proposed debt management policy and swap policy are to be effective until subsequent policies are adopted; and

**WHEREAS**, this proposed debt management policy and swap policy shall apply to the City and the successor agency to the former Redevelopment Agency of the City of Oakland; and

**WHEREAS**, the proposed debt management policy and swap policy have been considered at a public meeting of the Council; and now, therefore, be it

**RESOLVED**, that the Debt Management Policy of the City, in substantially the form attached hereto as Exhibit A, is hereby amended, approved and adopted, with such changes, additions, amendments or modifications as are approved by the City Administrator, in consultation with the City Attorney; and be it

**FURTHER RESOLVED**, that the Swap Policy of the City, shall be amended to provide that (1) the City shall enter into a Swap only upon express approval of the City Council on a case-by-case basis; and, (2) Such approval of the City Council shall authorize the structure of any Swap transaction, including the terms, conditions and all other provisions; and be it

# FINANCIAL POLICIES

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**OR, ALTERNATIVELY, AS RECOMMENDED BY FINANCE COMMITTEE**

**FURTHER RESOLVED**, that the Swap Policy of the City, shall be amended to provide that, aside from the current outstanding 1998 Swap, the City shall not use Swaps in connection with any future debt financing; and be it]

**FURTHER RESOLVED**, that the Swap Policy of the City, in substantially the form attached hereto as Exhibit B, is hereby amended, approved and adopted, with such changes, additions, amendments or modifications as are approved by the City Administrator, in consultation with the City Attorney; and be it

**FURTHER RESOLVED**, that this Resolution shall take effect immediately upon its passage.

IN OAKLAND, COUNCIL, CALIFORNIA, ~~\_\_\_\_\_~~ **OCT 16 2012**, 2012

**PASSED BY THE FOLLOWING VOTE:**

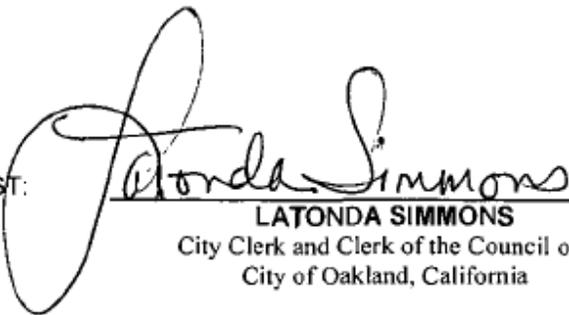
**AYES:** - DE LA FUENTE, KERNIGHAN, NADEL, SCHAAF, BROOKS, BRUNNER, KAPLAN, AND PRESIDENT REID - 8

**NOES** - 0

**ABSENT** - 0

**ABSTENTION** - 0

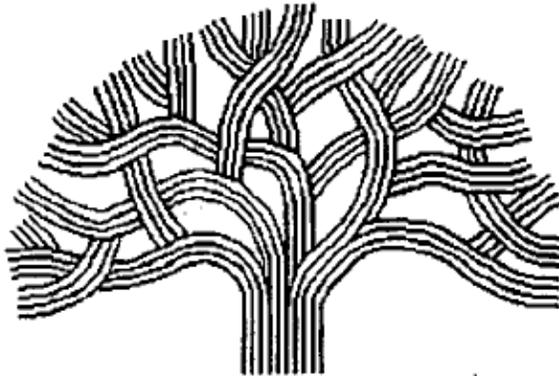
ATTEST:

  
\_\_\_\_\_  
**LATONDA SIMMONS**  
City Clerk and Clerk of the Council of the  
City of Oakland, California

**Exhibit A**

**City of Oakland  
&  
Oakland Redevelopment Agency**

**Debt Policy  
*for*  
Fiscal Year ~~2011-2012~~ 2012-2013**



**Prepared by  
Treasury Division**

**Presented to the Finance & Management Committee  
On September 25, 2012  
City Administrator's Office  
Finance and Management**

# FINANCIAL POLICIES

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City of Oakland  
Fiscal Year ~~2011-2012~~ 2013-2014



Exhibit-A Attachment A  
Executive Summary

Adopted by the City Council and Oakland Redevelopment Agency  
On July 31, 2013



## Executive Summary of Debt Management Policy

- I. **Goals and Objectives.** In implementing a formal debt management policy, the goal of the City of Oakland and the Oakland Redevelopment Agency (collectively, the "City") is to maintain long-term financial flexibility while ensuring that the City's capital needs are adequately supported.
- II. **Approach to Debt Management.** The City's approach to its financings is to ensure continued market access at the lowest cost of borrowing. As such, the Debt Policy denotes debt affordability for the City compared to capacity ratios which are established by the rating agencies (Moody's Investor Service, Standard & Poor's Ratings Services, and Fitch Ratings). Debt capacity ratios are defined as annual debt service payments as a percentage of General Fund and other revenues. Below are the debt capacity ratio ranges:
  - Low debt capacity ratio <5%
  - Moderate debt capacity ratio 5% - 15%
  - High debt capacity ratio >15%
- III. **Standards for Use of Debt Financing.** Debt financing will be utilized when public policy, equity and economic efficiency favor debt over pay-as-you-go financing.
  - Debt will be used to finance long-term capital projects, and the respective maturities will not exceed the respective projects' useful lives.
  - The City will seek to use the most economical financing alternative.
  - The City will ensure good record-keeping and compliance with all debt covenants and State and Federal laws.
- IV. **Financing Criteria.** Whether issuing long- or short-term debt, the City will determine the most appropriate structure, the mode (fixed or variable), and the possible use of synthetic fixed or floating rate debt. These decisions will be made within the context of already existing obligations.
- V. **Terms and Conditions of Bonds.** In the issuance of its bonds, the City shall carefully consider and evaluate the term of the financing, use of capitalized interest, call provisions, original issue discount and the use of deep discount bonds.
- VI. **Credit Enhancement.** The use of credit enhancement is to be considered on a case-by-case basis and will be purchased only when debt service savings can clearly be demonstrated.

# FINANCIAL POLICIES

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City of Oakland  
Fiscal Year 2011-2012 2012-2013



Exhibit-A Attachment A  
Executive Summary

- VII. Refinancing Outstanding Debt.** A minimum savings threshold of 3% or \$500,000, whichever is lower, in present value savings is utilized except when there are legal or restructuring reasons for defeasance.
- VIII. Methods of Issuance.** The preferred sale method (negotiated or competitive) will be determined for each issuance of bonds. General Obligation Bonds and Tax and Revenue Anticipation Notes will be issued on a competitive basis, except on a case-by-case basis. However, other methods such as private placement may be considered on a case-by-case basis.
- IX. Market Relationships.** The City will actively manage its relationships with the various rating agencies and analysts through frequent and open communication. The City will also maintain compliance with S.E.C. Rule 15c2-12 by the timely filing of its annual financial statements and other financial and operating data for the benefit of its bondholders.
- X. Consultants.** The City shall utilize the services of independent financial advisors and bond counsel on all debt financing. The selection of financial consultant(s) shall be based upon firm and staff qualifications, and experience with debt structures similar to what is being proposed. However, depending on the type of financing, other service providers may be necessary which may include underwriting, trustee, verification agent, escrow agent, arbitrage consultant and special tax consulting. In addition, the City should be encouraged to use local and disadvantaged banks and financial firms, whenever possible. Consultants will be required to provide complete disclosure regarding any agreements with other financing team members and outside parties. Selling groups may be considered for certain transactions. All parties are subject to post-evaluation of performance.

## City of Oakland Debt Policy



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## introduction

So as to maintain the highest quality debt management program possible, the City of Oakland and the Oakland Redevelopment Agency (the "City") has adopted the guidelines and policies set forth in this document, referred to hereafter as the "Debt Management Policy." The Debt Management Policy is intended to guide decisions related to debt issued by the City. Debt issuance should be evaluated on a case-by-case basis as well as within the context of the City's general debt management program. The City recognizes that changes in the capital markets and other unforeseen circumstances may require action deviating from this Debt Management Policy. In cases requiring exceptions to the Debt Management Policy, approval from the City Council will be required. The Debt Management Policy is not applicable to intra-City borrowing.

## I. Goals and Objectives

The Debt Management Policy formally establishes parameters for issuing debt and managing a debt portfolio, which encompasses the City's specific capital improvement, needs, its ability to repay financial obligations, and the existing legal, economic, financial and debt market conditions. The policies outlined in the Debt Management Policy are not goals or a list of rules to be applied toward the City's debt issuance; rather, these policies should be utilized as tools to ensure that adequate financial resources are available to support the City's long-term capital needs. Specifically, the policies outlined in this document are intended to assist the City in the following:

- Evaluating critical debt issuance options
  - Promoting sound financial management
  - Providing accurate and timely information on financial conditions
  - Maintaining appropriate capital assets for present and future needs
  - Protecting and enhancing the City's credit rating
- A.** Ensuring the legal use of City bonding authority through an effective system of financial security and internal controls
- B.** Promoting cooperation and coordination with other public entities and the private sector in the financing and delivery of services

## II. Approach to Debt Management



In managing its debt, the City's greatest priorities are to:

- achieve the lowest cost of capital,
- ensure high credit quality,
- ensure full and timely payment of debt.
- maintain full compliance with financial disclosure and reporting.
- maintain a prudent level of financial risk.
- assure access to credit markets, and
- preserve financial flexibility, and
- utilize local and disadvantaged banking and financial firms, whenever possible, in the sale of City debt.

**A. Capital Plan Integration.** A sound debt management program begins with a well-devised capital plan. Therefore, a multi-year capital plan, which integrates pay-as-you-go projects and the projects to be financed, is critical. The multi-year capital plan (the "Capital Plan") shall be for a minimum of a 5-year period and shall be updated at least once annually. In addition to capital project costs, the Capital Plan shall include the following elements:

1. Qualified capital projects
2. Description of all sources of funds
3. Availability of current revenues (non-debt sources) which are reflected in the City's multi-year forecast
4. Timing of capital projects
5. A financing plan or methodology and debt service requirements

**B. Review of Capital Plan.** It is anticipated that the Capital Plan will be modified from time to time. Modifications to the Capital Plan shall be accompanied by a report from the City's Treasurer or designee Finance Director of Administrative Services Agency and Budget Director that discusses the impact of the proposed borrowing on the Capital Plan. The Capital Plan is reviewed and presented to the City Council at least once annually.

**C. Qualified Capital Projects.** Generally, the City will not issue bonds for capital improvements with a cost less than \$250,000. The City shall not construct or acquire a public facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its life.

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**D. Cash Financing of Capital Outlays.** To demonstrate the City's commitment to a continued capital program, ensure careful consideration of capital expenditure levels, and enhance the City's overall credit worthiness, the City shall seek to fund at least between two and five percent of the overall capital program from current resources, depending upon the specific projects and annual budgetary constraints.

**E. Authorization for Issuance.** Debt issuance for capital projects shall not be considered unless such issuance has been incorporated into the Capital Plan.

**F. Affordability Targets.** The ratios, standards, and limits identified below are primarily intended to restrict the use of debt financing in order to facilitate long-term access to capital while ensuring that financial leveraging decisions do not negatively impact the City's annual operations.

1. **Debt Capacity** - The City's approach to its financings is to ensure continued market access at the lowest cost of borrowing. As such, the Debt Policy denotes debt affordability for the City compared to capacity ratios which are established by the rating agencies (Moody's Investor Service, Standard & Poor's Ratings Services, and Fitch Ratings). Debt capacity ratios are defined as annual debt service payments as a percentage of General Fund and other revenues. Below are the debt capacity ratio ranges:

- Low debt capacity ratio <5%
- Moderate debt capacity ratio 5% - 15%
- High debt capacity ratio >15%

2. **Self-supporting Debt** - In some cases, the City will issue debt for which there is an identified repayment source. For debt to be characterized as self-supporting, the repayment source must support the issue through its maturity. Bond issues where interest has been capitalized are not considered to be self-supporting.

3. **Overlapping Debt** (including debt from all other jurisdictions, which tax City taxpayers) will be taken into consideration in planning debt issuance.

**G. Credit Quality.** All City debt management activities will be conducted to receive the highest credit ratings possible for each issue, consistent with the City's financing objectives, and to maintain the current credit ratings assigned to the City's debt by the major credit rating agencies.

### III. Standards for Use of Debt Financing

The City's debt management program will promote the use of debt only in those cases where public policy, equity, and economic efficiency favor debt over cash (pay-as-you-go) financing. Whenever possible, the debt shall be self-supporting.



- A. Long-Term Capital Projects.** Debt will be used primarily to finance long-term capital projects — paying for the facilities or equipment over some or all of their useful life and concurrent with the stream of benefits from these facilities. The City will consider the debt capacity in determining the use of debt financing.
- B. Special Circumstances for Non-Capital-Project Debt Issuance.** Debt may be used in special circumstances for projects other than long-term capital projects such as pension obligations, only after careful policy evaluation by the City.
- C. Debt Financing Mechanisms.** The City will evaluate the use of all financial alternatives available, including, but not limited to: long-term debt, pay-as-you-go, joint financing, reserve fund releases, lease-purchase, authority sponsored debt, special districts, community facility districts, special assessments, Mello-Roos bonds, state and federal aid, certificates of participation, tax increment, private placement, master lease programs, and interfund borrowing. The City will utilize the most cost advantageous financing alternative available while limiting the General Fund's risk exposure.
- D. Record-Keeping.** All debt related records shall be maintained within the Treasury Division. At a minimum, this repository will include all official statements, bid documents, ordinances, indentures, trustee reports, leases, etc., for all City debt. To the extent that official transcripts incorporate these documents, possession of a transcript will suffice (transcripts may be in hard copy or stored on CD-ROM). The Treasury Division will maintain all available documentation for outstanding debt and will develop a standard procedure for archiving transcripts for any new debt.
- E. Rebate Policy and System.** The City will accurately account for all interest earnings in debt-related funds. These records will be designed to ensure that the City is in compliance with all debt covenants, and with State and Federal laws. The City will maximize the interest earnings on all funds within the investment parameters set forth in each respective indenture. The City will calculate and report interest earnings that relate to Internal Revenue Code rebate, yield limits, and arbitrage.

## IV. Financing Criteria

- A. Types of Debt.** When the City determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.
- 1. Long-Term Debt.** Long-term borrowing may be used to finance the acquisition or improvement of land, facilities, or equipment. The City may issue long-term debt (e.g., general obligation bonds, revenue bonds, conduit revenue bonds, tax increment bonds, lease obligations, or variable rate bonds) when required capital improvements cannot be financed from current revenues. The proceeds derived from long-term borrowing will not be used to finance current operations or normal maintenance.

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Long-term debt will be structured such that the obligations do not exceed the expected useful life of the respective projects.

The City shall not use any debt, lease financing or other instruments of installment repayments with terms longer than two years to finance its operating costs. Exceptions to the policy may be made on a case-by-case basis by the Council.

2. **Short-Term Debt** Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates). The City will determine and utilize the least costly method for short-term borrowing. The City may issue short-term debt when there is a defined repayment source or amortization of principal, subject to the following policies:
  - a) **Bond Anticipation Notes (BANs)** may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall mature not more than 3 years from the date of issuance. BANs shall mature within 6 months after substantial completion of the financed facility.
  - b) **Tax and Revenue Anticipation Notes (TRANS)** shall be issued only to meet projected cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS requirements and limitations.
  - c) **Lines of Credit** shall be considered as an alternative to other short-term borrowing options. The lines of credit shall be structured to limit concerns as to the Internal Revenue Code.
  - d) **Other Short-Term Debt**, including commercial paper notes, may be used.
3. **Lease-Purchase Debt** Lease-purchase debt, including certificates of participation, shall be considered as an alternative to long-term vendor leases. Such debt shall be subject to annual appropriation. In order to reduce the cost of lease borrowing and to improve control over leases, the City may adopt a master lease program.
4. **Variable Rate Debt.** To maintain a predictable debt service burden, the City may give preference to debt that carries a fixed interest rate. Variable rate debt, which is synthetically fixed, shall be considered fixed rate debt through the maturity of the swap. The City, however, may consider variable rate debt in certain instances, such as:



- a) **High Interest Rate Environment** Current interest rates are above historic average trends.
- b) **Variable Revenue Stream.** The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.
- c) **Adequate Safeguards Against Risk.** Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate swaps, interest rate caps and the matching of assets and liabilities.
- d) **As a Component to Synthetic Fixed Rate Debt** Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the City shall certify that the interest rate cost is lower than traditional fixed rate debt.
- e) **Variable Rate Debt Capacity.** Consistent with rating agency guidelines; the percentage of variable rate debt outstanding (not including debt which has been converted to synthetic fixed rate debt) shall be hedged by cash flow liquidity.

## V. Terms and Conditions of Bonds

The City shall establish all terms and conditions relating to the issuance of bonds, and will control, manage, and invest all bond proceeds. Unless otherwise authorized by the City, the following shall serve as bond requirements:

- A. **Term.** All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event greater than thirty years.
- B. **Capitalized Interest.** Certain types of financings such as certificates of participation and lease-secured financings will require the use of capitalized interest from the issuance date until the City has beneficial use and occupancy of the financed project. Interest shall not be funded (capitalized) beyond a period of three years, or a shorter period if further restricted by statute. The City may require that capitalized interest on the initial series of bonds be funded from the proceeds of the bonds. Interest earnings may, at the City's discretion, be applied to extend the term of capitalized interest but in no event beyond the term statutorily authorized.
- C. **Debt Service Structure.** Debt issuance shall be planned to achieve relatively rapid repayment of debt while still matching debt service to the useful life of facilities. The City shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to levelize existing debt service.

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- D. Call Provisions.** In general, the City's securities will include a call feature, which is no later than 10 years from the date of delivery of the bonds. The City will avoid the sale of non-callable bonds absent careful evaluation by the City of the value of the call option.
- E. Original Issue Discount.** An original issue discount will be permitted only if the City determines that such discount results in a lower true interest cost on the bonds and that the use of an original issue discount will not adversely affect the project identified by the bond documents.
- F. Deep Discount Bonds.** Deep discount bonds may provide a lower cost of borrowing in certain markets. The City will carefully consider their value and effect on any future refinancings as a result of the lower-than-market coupon.
- G. Derivative Structures.** When appropriate, the City will consider the use of derivative structures as a hedge against future interest rate risk and as a means for increasing financial flexibility. The City will avoid the use of derivative structures for speculative purposes. The City will consider the use of derivative structures when it is able to gain a comparative borrowing advantage of ~~10~~ten or more basis points, and is able to reasonably quantify and understand potential risks.

~~The City shall not use derivative structures for the sole purpose of generating operating or capital proceeds, without a determination that such structure will accrue interest rate and borrowing costs benefits for the City. *Aside from the current outstanding 1998 Swap, the City has placed a moratorium on any future use of Swaps in connection with debt financing. For more information on "swaps", please refer to the City's Swap Policy.*~~

~~**Swaps.** Recognizing the potential risks associated with a swap transaction, {Staff recommends the following alternative options:~~

- ~~(1) The City shall only enter into a Swap upon approval from the City Council on a case-by-case basis. The City Council shall authorize the parameters of any Swap transaction, including the terms, conditions and other provisions, or (2) As recommended by Finance Committee, aside from the current outstanding Swap, the City shall not use Swaps in connection with any future debt financing. }~~

~~For more information on "swaps", please refer to the City's Swap Policy.~~

- H. Multiple Series.** In instances where multiple series of bonds are to be issued, the City shall make a final determination as to which facilities are of the highest priority and those facilities which will be financed first, pursuant to funding availability and the proposed timing of facilities development, and which will generally be subject to the earliest or most senior lien.



## VI. Credit Enhancements

The City will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings can be shown shall enhancement be considered. The City will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancement.

**A. Bond Insurance.** The City shall have the authority to purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.

1. **Provider Selection.** ~~The Finance Director of Administrative Services Agency Treasurer or~~ or his/her designee will solicit quotes for bond insurance from interested providers, or in the case of a competitive sale submit an application for pre-qualification on insurance. In a negotiated sale, the City Administrator or designee and/or the Director or the Treasury Manager Treasurer or designee shall have the authority to select a provider whose bid is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the City. The winning bidder in a competitive sale will determine whether it chooses to purchase bond insurance for the issue.

**B. Debt Service Reserves.** When required, a reserve fund equal to the least of ten percent (10%) of the original principal amount of the bonds, one hundred percent (100%) of the maximum annual debt service, and one hundred and twenty five percent (125%) of average annual debt service, or, if permitted, 10 percent (10%) of par value of bonds outstanding (the "Reserve Requirement") shall be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers and/or rating agencies.

The City may purchase reserve equivalents (i.e., the use of a reserve fund surety) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

**C. Letters of Credit.** The City may enter into a letter-of-credit ("LOC") agreement when such an agreement is deemed prudent and advantageous. The City Administrator or designee and/or the Finance Director of Administrative Services Agency or the Treasury Manager Treasurer or designee shall prepare (or cause to be prepared) and distribute to qualified financial institutions as described in paragraph 2 below, a request for qualifications which includes terms and conditions that are acceptable to the City.

1. **Provider Selection.** Only those financial institutions with long-term ratings greater than or equal to that of the City, and short-term ratings of VMIG I/A-1 F1, by

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Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings, respectively, may be solicited.

2. **Selection Criteria.** The selection of LOC providers will be based on responses to a City-issued request for qualifications; criteria will include, but not be limited to, the following:
  - a) Ratings at least equal to or better than the City's
  - b) Evidence of ratings (including "Outlook")
  - c) Trading value relative to other financial institutions
  - d) Terms and conditions acceptable to the City; the City may provide a term sheet along with the request for qualifications to which the financial institution may make modifications
  - e) Representative list of clients for whom the bank has provided liquidity facilities
  - f) Fees, specifically, cost of LOC, draws, financial institution counsel and other administrative charges

## VII. Refinancing Outstanding Debt

The Treasury Manager ~~Treasurer or designee~~ shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. In most cases, the goal of refunding or restructuring the debt portfolio is to reduce the City's annual debt service obligations. The Treasury Manager ~~Treasurer or designee~~ will consider the following issues when analyzing possible refunding opportunities:

- A. **Debt Service Savings.** The City establishes a minimum savings threshold goal of three percent (3%) of the refunded bond principal amount or at least \$500,000, whichever is less, in present value savings (including foregone interest earnings) unless there are legal or restructuring reasons for defeasance. Refunding which produce a net savings of less than three percent (3%) will be considered on a case-by-case basis. The present value savings will be net of all costs related to the refinancing. The decision to take savings on an upfront or deferred basis must be explicitly approved by the City Administrator ~~City Administrator or designee, or the Finance Director of Administrative Services Agency or the Treasurer or designee.~~
- B. **Restructuring.** The City will refund debt when in its best interest to do so. Refundings will include restructuring to meet unanticipated revenue expectations,



terminate swaps, achieve cost savings, mitigate irregular debt service payments, release reserve funds, or remove unduly restrictive bond covenants.

- C. Term of Refunding Issues.** The City may refund bonds within the term of the originally issued debt. However, the City may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The City may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.
- D. Escrow Structuring.** The City shall utilize the least costly securities available in structuring refunding escrows. The City will examine the viability of an economic versus legal defeasance on a net present value basis. A certificate will be required from a third party agent who is not a broker-dealer, stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.
- E. Arbitrage.** Arbitrage regulations apply to all of the City's tax-exempt financings. The City shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

## VIII. Methods of Issuance

The City will determine, on a case-by-case basis, whether to sell its bonds competitively or through negotiation. General Obligation Bonds and Tax and Revenue Anticipation Notes will be issued on a competitive basis unless otherwise determined on a case-by-case basis that a negotiated sale is the most advantageous.

- A. Competitive Sale.** In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest ~~rate~~ interest-cost sealed bid as long as the bid adheres to the requirements set forth in the published official notice of sale.
- S. Negotiated Sale.** In a negotiated sale, the terms and price are negotiated by the City and the selected underwriter(s). The City recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the City shall assess the following circumstances:

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1. Bonds issued as variable rate demand obligations
  2. A complex structure which may require a strong pre-marketing effort
  3. Size of the issue which may limit the number of potential bidders
  4. Market volatility is such that the City would be better served by flexibility in timing its sale in changing interest rate environments
- C. Private Placement.** From time to time the City may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the City relative to other methods of debt issuance.
- D. Conduit Debt Issuance.** The City may issue conduit revenue bonds that are not a debt or obligation of the City itself, but are obligations of a private borrower. Notwithstanding other credit requirements of the City, such conduit revenue bonds may be issued and sold with or without a credit rating, provided that for any bond with a rating lower than "A", the following conditions shall be met:
1. Bonds shall be issued only in denominations of not less than two-hundred and fifty thousand dollars
  2. Bonds shall be eligible for purchase only by "qualified institutional buyers" as defined in Rule 144A of the Securities Act of 1933
  3. Bonds shall be sold only to buyers who execute a standard form investor letter containing, among other things, representations of the buyer as sophisticated as an investor and its familiarity with the transaction
- E. Issuance Method Analysis.** The City shall evaluate each method of issuance on a net present value basis.
- F. Feasibility Analysis.** Issuance of self-supporting revenue bonds will be accompanied by a finding that demonstrates the projected revenue stream's ability to meet future debt service payments.
- G. Report of Final Sale.** Existing law requires the issuer of any new debt issue of state or local government to submit a report of final sale, within 45 days after the signing of the bond purchase contract or acceptance of a bid in a competitive offering, to the California Debt and Advisory Commission, as specified. This bill would also require the issuer of any proposed new debt issue of state or local government to give written notice of a proposed sale, no later than 30 days prior to the sale of any debt issue at private or public sale, to the commission, as specified.



## IX. Market Relationships

- A. Rating Agencies and Investors.** The City Administrator, ~~Assistant City Administrator or designee, the Finance Director of Administrative Services Agency, and/or the Treasury Manager~~ Treasurer or designee shall be responsible for maintaining the City's relationships with Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings. The City may, from time to time, choose to deal with only one or two of these agencies as circumstances dictate. In addition to general communication, the City Administrator, ~~Assistant City Administrator or designee, the Finance Director of Administrative Services Agency and the Treasury Manager~~ Treasurer or designee and the Budget Director shall: (1) meet with credh analysts at least once each fiscal year, and (2) prior to each competitive or negotiated sale, offer conference calls with agency analysts in connection with the planned sale.
- B. Continuing Disclosure.** The City shall remain in compliance with Rule 15c2-12 by filing its annual financial statements and other financial and operating data for the benefit of its bondholders within ~~270 days~~ nine (9) months of the close of the fiscal year. The inability to make timely filings must be disclosed and would be a negative reflection on the City. While also relying on timely audit and preparation of the City's annual report, the ~~Treasury Manager~~ Treasurer or designee will ensure the City's timely filing with each Nationally Recognized Municipal Securities Information Repository.
- C. Rebate Reporting.** The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates, if any, related to each bond issue, with rebate, if due, paid every five years. Therefore, the ~~Treasury Manager~~ Treasurer or designee shall ensure that proceeds and investments are tracked in a manner that facilitates accurate calculation, calculations are completed, and rebates, if any, are made in a timely manner.
- D. Other Jurisdictions.** From time to time, the City will issue bonds on behalf of other public or private entities ("conduit" issues). While the City will make every effort to facilitate the desires of these entities, the ~~Finance Director of Administrative Services Agency and the Treasury Manager~~ Treasurer or designee will ensure that the highest quality financings are done and that the City is insulated from all risks. The City shall require that all conduit financings achieve a rating at least equal to the City's ratings or that credit enhancement is obtained.

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**X. Fees.** The City will charge an administrative fee equal to direct costs plus indirect costs as calculated by the City's OMB A87 model to reimburse its administrative costs incurred in debt issuance on behalf of other governmental entities.

**XI. Consultants.** The City shall select its primary consultant(s) by competitive process through a Request for Proposals (RFP), however, if there are unforeseen events that necessitate immediate action including but not limited to redemption, defeasance, or restructuring to prevent the City from experiencing further losses, the ~~City Administrator~~ City Administrator or designee and/or the Treasurer or designee ~~Director of Finance~~ can select a consultant without using the RFP process. In addition, the City should be encouraged to use local and disadvantaged banks and financial firms, whenever possible.

**A. Selection of Financing Team Members.** Final approval of financing team members will be provided by the City Council.

**1. Selection of Underwriter:** For any issue of debt, financing or debt instrument, the City shall select the underwriter through a request for proposal process, when appropriate. The request for proposal will be distributed to qualified candidates to determine the level of experience as well as fees in the proposed type of financing.

**Senior Manager Selection.** ~~The Finance Director and/or the Treasury Manager~~ Treasurer or designee shall recommend to the ~~City Administrator~~ City Administrator or designee the selection of a senior manager for a proposed negotiated sale. Solicited or unsolicited RFP's or Request of Qualifications (RFQ) will be used to determine the selection and appointment of the senior managers and co-managers on the debt issuances. The criteria for selection as reflected in the RFP or RFQ shall include but not be limited to the following:

- The firm's ability and experience in managing complex transactions
- Prior knowledge and experience with the City
- The firm's willingness to risk capital and demonstration of such risk
- The firm's ability to sell bonds
- Quality and experience of personnel assigned to the City's engagement
- Financing plan presented

**Co-Manager Selection.** Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific



transactions will be a function of transaction size and the necessity to ensure maximum distribution of the City's bonds.

**Selling Groups.** The City may establish selling groups in certain transactions. To the extent that selling groups are used, the City Administrator or designee and/or the Finance Director and/or the Treasury Manager ~~Treasurer or designee~~ at his or her discretion, may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

#### **Underwriter's Discount.**

- ~~The Finance Director and/or the Treasury Manager will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Director and/or the Treasury Manager will determine the allocation of fees with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.~~
- All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Treasury Manager ~~Treasurer or designee~~. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

**Evaluation.** The City and/or FA ~~Financial Advisor~~ will evaluate each bond sale after its completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

**Syndicate Policies.** For each negotiated transaction, syndicate policies will be prepared that will describe the designation policies governing the upcoming sale. The Treasury Manager ~~Treasurer or designee~~ or Financial Advisor shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

**Designation Policies.** To encourage the pre-marketing efforts of each member of the underwriting team, orders for the City's bonds will be net designated, unless otherwise expressly stated. The City shall require the senior manager to:

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- Equitably allocate bonds to other managers and the selling group
- Comply with MSRB regulations governing the priority of orders and allocations
- Within ~~10~~ten working days after the sale date, submit to the Finance Director or Treasury Manager ~~Treasurer or designee~~ - a detail of orders, allocations and other relevant information pertaining to the City's sale

**Selection of Underwriter's Counsel.** In any negotiated sale of City debt in which legal counsel is required to represent the underwriter, the appointment will be made by the lead underwriter.

**Selection of Financial Advisor:** The City shall conduct a request for qualifications from potential candidates every three years to establish a pool of qualified financial advisors for each of the following areas:

The City Administrator ~~or designee~~ and/or the ~~Treasurer or designee~~ Finance Director ~~of Administrative Services Agency~~ will make recommendations for financial advisors and the City shall utilize the services of qualified applicants in the pool on a rotational basis, as applicable, for any issue of debt, financing or debt instrument. The recommended pool has to be approved by finance committee.

Selection of the City's financial advisor(s) and financial advisor pool shall be based on, but not limited to, the following criteria:



- Experience in providing consulting services to complex issuers
- Knowledge and experience in structuring and analyzing complex issues
- Experience and reputation of assigned personnel
- Fees and expenses

**B. Financial Advisory Services.** Financial advisory services provided to the City shall include, but shall not be limited to the following:

1. Evaluation of risks and opportunities associated with debt issuance
2. Monitoring marketing opportunities
3. Evaluation of proposals submitted to the City by investment banking firms
4. Structuring and pricing
5. Preparation of request for proposals for other financial services (trustee and paying agent services, printing, credit facilities, remarketing agent services, etc.)
6. Advice, assistance and preparation for presentations with rating agencies and investors
7. Assist in the preparation and review of legal and financing documents in coordination with the financing team in connection with the financing

**C. Bond Counsel.** City debt will include a written opinion by legal counsel affirming that the City is authorized to issue the proposed debt, that the City has met all constitution and statutory requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues. The City will then make recommendations to the City Attorney's Office where they will review the recommendations and fees before forwarding the recommendations and fees to council. Compensation will be based on a fixed fee schedule and will vary based on the complexity of the transaction.

**D. Disclosure by Financing Team Members.** All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent

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advice which is solely in the City's best interests or which could reasonably be perceived as a conflict of interest.

**E. Conflicts of Interest.** The City also expects that its financial advisor will provide the City with objective advice and analysis, maintain the confidentiality of City financial plans, and be free from any conflicts of interest.



## Glossary

**Arbitrage.** The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

**Balloon Maturity.** A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

**Bond Anticipation Notes (BANs).** Notes issued by the government unit, usually for capital projects, which are paid from the proceeds of the issuance of long term bonds.

**Bullet Maturity.** A maturity for which there are no sinking fund payments prior to the stated maturity date.

**Call Provisions.** The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

**Capitalized Interest.** A portion of the proceeds of an issue which is set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

**Certificates of Participation (COP).** A bond from an issue, which is secured by lease payments made by the party leasing the facilities, financed by the issue. Typically certificates of participation ("COPs") are used to finance construction of facilities (i.e., schools or office buildings) used by a state or municipality, which leases the facilities from a financing authority. Often the leasing municipality is legally obligated to appropriate moneys from its general tax revenues to make lease payments.

**Commercial Paper.** Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

**Competitive Sale.** A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.

**Continuing Disclosure.** The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

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**Credit Enhancement.** Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

**Debt Service Reserve Fund.** The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

**Deep Discount Bonds.** Bonds which are priced for sale at a substantial discount from their face or par value.

**Derivatives.** A financial product whose value is derived from some underlying asset value.

**Designation Policies.** Outline of how an investor's order is filled when a maturity is oversubscribed when there is an underwriting syndicate. The senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders, which form the designation policy.

The highest priority is given to Group Net orders; the next priority is given to Net Designated orders and Member orders are given the lowest priority.

**Escrow.** A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

**Expenses.** Compensates senior managers for out-of-pocket expenses including: underwriters' counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

**Lease-Purchase.** A financing lease which may be sold publicly to finance capital equipment, real property acquisition or construction. The lease may be resold as certificates of participation or lease revenue bonds.

**Letters of Credit.** A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

**Management Fee.** The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

**Members.** Underwriters in a syndicate other than the senior underwriter.

**Moody's Median.** Key financial, debt, economic and tax base statistics with median values for each statistic presented. Moody's uses audits for both rated and unrated cities to ensure that



the medians presented are representative of all cities.

**Negotiated Sale.** A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

**Original issue Discount.** The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

**Overlapping Debt:** That portion of the debt of other governmental units for which residents of a particular municipality are responsible.

**Pay-As-You-Go.** An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

**Present Value.** The current value of a future cash flow.

**Private Placement.** The original placement of an issue with one or more investors as opposed to being publicly offered or sold.

**Rebate.** A requirement imposed by Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

**Selling Groups.** The group of securities dealers that participate in an offering not as underwriters but as sellers who receive securities, less the selling concession, from the managing underwriter for distribution at the public offering price.

**Special Assessments.** Fees imposed against properties, which have received a special benefit by the construction of public improvements such as water, sewer and irrigation.

**Syndicate Policies.** The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

**Tax increment.** A portion of property tax revenue received by a redevelopment agency, which is attributable to the increase in assessed valuation since adoption of the project area plan.

**Underwriter** A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

**Underwriter's Discount.** The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

# FINANCIAL POLICIES

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City of Oakland  
Fiscal Year ~~2011-2012~~ 2012-2013



Exhibit ~~A~~ Attachment A  
Debt Policy

**Variable Rate Debt.** An interest rate on a security, which changes at intervals according to an index or a formula or other standard of measurement, as stated in the bond contract.

FILED  
INTRODUCED BY COUNCIL MEMBER SCHAAF  
OFFICE OF THE CITY CLERK  
OAKLAND

APPROVED FOR PERFORMANCE QUALITY  
**DRAFT**  
CITY ATTORNEY

2013 MAR 21 PM 5:11 OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C. M. S.

**RESOLUTION AMENDING RESOLUTION NO. 81399 C.M.S. REGARDING THE CITY OF OAKLAND LONG-TERM FINANCIAL PLANNING POLICY TO CHANGE THE NAME OF THE POLICY, NAME OF THE RESULTING PRODUCT, DEADLINE FOR PRODUCTION, AND ADD SOME ADDITIONAL REQUIREMENTS.**

**WHEREAS**, the City of Oakland adopted a Long-Term Financial Planning Policy in 2003 that it updated in 2008; and

**WHEREAS**, the policy directed the City Administrator to conduct a forecast by assessing future revenues and expenditures of the General Purpose Fund and other major funds over a five year forecast period; and

**WHEREAS**, the document required by the policy and described as a plan would more accurately be described as a forecast, in that it need not provide a plan of future action for the City; and

**WHEREAS**, the policy's deadline for submitting the document created a conflict with other budgeting processes that take place in the same timeframe; now, therefore, be it

**RESOLVED**, that the City Council of the City of Oakland hereby finds, determines, declares and resolves as follows:

**Section 1.** All of the recitals set forth above are true and correct.

**Section 2.** In order to ensure that City of Oakland decision makers have the information required to make current financial decisions in the context of forecasted future conditions, the City Council hereby adopts the financial policy, as set forth below:

**CITY OF OAKLAND LONG-TERM FINANCIAL FORECASTING POLICY**

**I. Purpose/Definition**

The Five-Year Financial Forecast ("Forecast") is a planning tool that estimates the City's likely revenues and expenditures over a future five-year period, based on appropriate financial, economic, and demographic data. The Forecast focuses on the General Purpose Fund and contains information on other major funds such as the Landscape and Lighting Assessment District. The purpose of the Forecast is to surface all major financial issues and estimate future financial conditions to support informed long-term planning and decision making regarding issues such as expenditures, labor negotiations, economic development policies, and revenue policies. Such planning

# FINANCIAL POLICIES

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provides for greater financial stability, signals a prudent approach to financial management, and brings the City into compliance with current best practices of other governmental entities. The Forecast shall be produced and distributed no later than February 1 of every odd year. The Forecast shall contain the two-year baseline budget for the forthcoming two-year budget period, clearly reflecting existing service levels and obligations, plus an additional three-year forecast. The Forecast shall also contain information on the variance between prior forecasts and actual amounts, including the factors that influenced these variances.

## II. General Responsibilities

### Budget Office

The City Administrator shall be responsible for producing the Five-Year Financial Forecast.

### Other Departments

Other departments shall be responsible for providing in a timely manner such information as the City Administrator requires to produce the Forecast.

### The City Council and the City Administrator

The City Council and City Administrator shall make use of the information contained in the Forecast as they consider actions that would have a significant impact on the City's budget or financial position.

**FURTHER RESOLVED**, that this Resolution shall take effect immediately upon its passage.

In Council, Oakland, California, \_\_\_\_\_, 2013

### PASSED BY THE FOLLOWING VOTE:

Ayes-           BROOKS, GALLO, KALB, KAPLAN, GIBSON MCELHANEY, REID,  
                    SCHAAF, AND  
                    PRESIDENT KERNIGHAN

Noes-

Absent-

Abstention-

Attest:

---

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

Insert Tab



## FY 2013-15 Proposed Policy Budget Legislation

Legislative Item	Anticipated Approval Date	Resolution / Ordinance
<b>FINANCIAL POLICIES</b>		
Appropriations Limit for FY 2013-15	June 30, 2013	Resolution No. ____
Budget Adoption and City Council Budget Amendments	June 30, 2013	Resolution No. ____
<b>LOCAL ASSESSMENTS</b>		
Landscaping and Lighting Assessment District	June 30, 2013	Resolution No. ____
Wildfire Prevention Assessment District	June 30, 2013	Resolution No. ____
<b>LOCAL MEASURES</b>		
Emergency Medical Services (Measure M)	June 30, 2013	Ordinance No. ____
Paramedic Emergency Services (Measure N)	June 30, 2013	Ordinance No. ____
Library Services (Measure Q)	June 30, 2013	Ordinance No. ____
Violence Prevention & Public Safety (Measure Y)	June 30, 2013	Ordinance No. ____

# LEGISLATION

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APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY

**OAKLAND CITY COUNCIL**

Resolution No. \_\_\_\_\_ C.M.S.

**RESOLUTION ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2013-2014 PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

**WHEREAS**, Article XIII B of the California Constitution (Limitation of Government Appropriations) was passed by the California electorate on November 6, 1979, and became effective on July 1, 1980; and

**WHEREAS**, the Chapter 1205, Statute of 1980, Section 7900 of the Government Code, formally implements methods for governmental entities to establish and define annual appropriations limits, based on annual appropriations for the prior fiscal year, which is fiscal year 2012-13, for fiscal year 2013-14; now therefore be it

**RESOLVED:** That the annual appropriations limit for the City of Oakland for FY 2013-14 is \$XXX,XXX,XXX, as reflected in Exhibit A; and be it

**FURTHER RESOLVED:** That the growth factors used to calculate the limit are the county population change and the increase in the California per capita income.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2013

**PASSED BY THE FOLLOWING VOTE:**

**AYES---** BROOKS, GALLO, KALB, KAPLAN, MCELHANEY, REID, SCHAAF, AND PRESIDENT KERNIGHAN

**NOES---**

**ABSENT---**

**ABSTENTION---**

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

# LEGISLATION

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INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

\_\_\_\_\_  
CITY ATTORNEY

**OAKLAND CITY COUNCIL**

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

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**RESOLUTION AUTHORIZING THE FY 2013-2015 BIENNIAL BUDGET AND APPROPRIATING CERTAIN FUNDS TO PROVIDE FOR THE EXPENDITURES PROPOSED BY SAID BUDGET**

WHEREAS, the City Council has reviewed departmental and non departmental budgets in public hearings in view of estimated resources available for Fiscal Years 2013-2015; and

WHEREAS, the City Council has given careful consideration to the proposed budget for the use of funds for Fiscal Years 2013-2015 as set forth in the FY 2013-2015 Proposed Policy Budget document; and

WHEREAS, the City Council has agreed on modifications the proposed budget as shown in exhibit \_\_, which together with the proposed budget constitute the 2013-2015 Adopted Policy Budget; now therefore be it

RESOLVED, that the City Administrator is authorized to expend in accordance with the laws of the State of California and the City of Oakland on behalf of the City Council new appropriations for departments and activity programs as incorporated in the FY 2012-2015 Adopted Policy Budget attached hereto; and be it

FURTHER RESOLVED, that the City Administrator may transfer operating appropriations between activity programs during the fiscal year provided that such funds remain within the agency department in which the funds were approved by City Council; and be it

FURTHER RESOLVED, that the City Administrator may transfer capital appropriations between the Capital Improvement Program and operating departments to the extent that such transfers are necessary to fund capital related activities of the operating departments; and be it

FURTHER RESOLVED, that the City Administrator must obtain approval from the City Council before (1) substantially or materially altering the relative agency allocations of funding set out in the Adopted Policy Budget, (2) substantially or materially changing the levels of service expressly prioritized and funded by the Adopted Policy Budget including but not limited to layoffs and/or freezes that would substantially or materially (a) change levels of service, or (b) affect programs, or (3) eliminates or suspends entire programs funded by the Adopted Policy Budget; and be it

# LEGISLATION

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FURTHER RESOLVED, that the City Administrator may periodically transfer unexpended funds from the Unclaimed Cash Fund (Fund 7440) to the General Purpose Fund (Fund 1010); and be it

FURTHER RESOLVED, that this Resolution shall take effect immediately upon its passage.

In Council, Oakland, California, \_\_\_\_\_, 2013

PASSED BY THE FOLLOWING VOTE:

Ayes- BROOKS, GALLO, KALB, KAPLAN, MCELHANEY, REID, SCHAAF, AND  
PRESIDENT KERNIGHAN

Noes-

Absent-

Abstention-

Attest:

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

**OAKLAND CITY COUNCIL**

Resolution No. \_\_\_\_\_ C.M.S.

---

**RESOLUTION CONFIRMING THE INFORMATION IN THE ENGINEER'S REPORT FOR THE CITY OF OAKLAND LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT FOR FISCAL YEAR 2013-14 AND THE LEVYING OF ASSESSMENTS**

**WHEREAS**, pursuant to the California Streets and Highways code, Sections 22500, et seq known as the Landscaping and Lighting Act of 1972 (Act of 1972), the City Administrator filed with the City Clerk and presented before Council, on June 4, 2013, reports for the continuation of the Landscape and Lighting Assessment District in order to raise funds for the installation, maintenance and servicing of public landscaping and lighting; and

**WHEREAS**, pursuant to Sections 22500 and following of the Act of 1972, the City took a series of actions preliminary to ordering the establishment of the Landscape and Lighting Assessment District ("District") and did establish such District of June 23, 1989; and

**WHEREAS**, pursuant to Sections 22500 and following of the Act of 1972, the City has renewed the District each subsequent year; and

**WHEREAS**, the voters of the City of Oakland previously approved the continuation of the District, in accordance with Article XIID, Section 5, of the California Constitution (Proposition 218); and

**WHEREAS**, the District Engineer has filed an Engineer's Report for the District confirming the applicability of the existing assessment rates for FY 2013-14; and

**WHEREAS**, Tuesday, June 4, 2013, at the hour of 6:30 p.m. was fixed and properly noticed as the day and hour for the City Council to hear and pass on said reports, together with any objections or protests which may be raised by any of the property owners liable to be assessed for the costs of certain public maintenance and improvements equitably only among those citizens and businesses benefiting from such city programs; and

**WHEREAS**, the Engineer's Report was prepared in accordance with the provisions of Article XIII of the California Constitution and state law; and

# LEGISLATION

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**WHEREAS**, the Engineer's Report, incorporated by this reference, provides for services of particular benefit to the properties located within the District (as more specifically identified in the Engineer's Report); now, therefore be it

**RESOLVED** by the Council of the City of Oakland, as follows:

1. The City Council finds that the City Clerk gave notice of these proceedings as required by Government Code Section 53753 and in compliance with, state law, and Article XIII of the California Constitution, and gave all other notices and took all other actions required by law with regard thereto.
2. A Public Hearing was held on June 4, 2013, (at 6:30 p.m. in the City Council Chambers in City Hall, located at 1 Frank H. Ogawa Plaza, Oakland California) to hear all public comments, protests, and thereafter to take final action as to the annual assessment for the District.
3. At the hearing the testimony of all interested persons for or against the furnishing of the specified types of improvements or activities, and the imposition of the annual assessment for the District was heard. All protests, both written and oral, are overruled and denied, and the City Council finds that there is not a majority protest within the meaning of the law.
4. The City Council finds, determines and declares that the District and each parcel therein is benefited by the improvements, maintenance, and activities funded by the assessment to be levied, including all expenses incurred incidentally thereto, upon the lots and parcels of real property in proportion to the estimated benefits to be received as specified in the Engineer's Report.
5. The Engineer's Report for the District and the proposed assessment district boundary description, assessment roll and map is accepted and approved and the assessments shall be as provided for in the Engineer's Report and assessment roll. The reasons for the assessments and the types of improvements, activities and services proposed to be funded and provided by the levy of assessments on property in the District and the time period for which the proposed assessments are to be made are those specified in the Engineer's Report.
6. The City's Budget shall annually appropriate funds from non-District funds to pay for a low-income rebate.
7. The City's and Successor Agency's budgets shall annually appropriate funds from non-district funds to pay for the district's assessment on City and Agency properties.
8. That the report which the District Engineer filed with the City Clerk and scheduled before Council on June 4, 2013 at the hour of 6:30 p.m. for the continuation of the Landscape and Lighting Assessment District for the FY 2013-14, and the diagram and assessment as set forth in the annual report of the Engineering of Work and each component part of it, including each exhibit incorporated by reference in the report and the levying of each individual assessment as stated in the Assessment Roll described therein, as modified to reflect no increases in the assessment, be and are hereby accepted and confirmed.

9. That upon approval of the Landscape and Lighting Assessments, the City Administrator shall present an itemized report to the Alameda County Auditor-Controller Agency, State of California, to be placed on the FY 2013-14 County Tax Roll, and to take whatever other action necessary to collect the assessments.

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

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF AND  
PRESIDENT KERNIGHAN

NOES –

ABSENT –

ABSTENTION –

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

# LEGISLATION

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**OAKLAND CITY COUNCIL**

Resolution No. \_\_\_\_\_ C.M.S.

---

**RESOLUTION CONFIRMING THE INFORMATION IN THE ANNUAL REPORT FOR THE CITY OF OAKLAND WILDFIRE PREVENTION ASSESSMENT DISTRICT FOR FISCAL YEAR 2013-14 AND THE LEVYING OF ASSESSMENTS**

**WHEREAS**, the City of Oakland Wildfire Prevention Assessment District (WPAD) was established on January 20, 2004 under the authority of the Oakland Fire Suppression, Prevention and Preparedness District Ordinance of 2003 (Ordinance No. 12556 C.M.S.); and

**WHEREAS**, pursuant to the Oakland Fire Suppression, Prevention and Preparedness District Ordinance of 2003 (Ordinance No. 12556 C.M.S.), on May 15, 2012, the City Council adopted the resolution of intention (Resolution No. 83853 C.M.S.) and accepted the FY 2013-14 Annual Report for the City of Oakland Wildfire Prevention Assessment District and setting a date for a public hearing; and

**WHEREAS**, pursuant to the Oakland Fire Suppression, Prevention and Preparedness District Ordinance of 2003 (Ordinance No. 12556 C.M.S.), the City Administrator has filed with the City Clerk and presented before the City Council, on June 5, 2012, reports for the continuation of the District in order to finance the costs and expenses related to fire suppression, prevention and preparedness services and programs in the Oakland hills; and

**WHEREAS**, all the area of land to be assessed is located within the City of Oakland, Alameda County; and

**WHEREAS**, assessment rates will not exceed the rates established in FY 2004-05; and

**WHEREAS**, Tuesday, June 4, 2013, at the hour of 6:30 p.m. was fixed and properly noticed as the day and hour for the City Council to hear and pass on said reports, together with any objections or protests which may be raised by any of the property owners liable to be assessed for the costs of certain public maintenance and improvements equitably only among those citizens and businesses benefiting from such city programs; now, therefore be it

# LEGISLATION

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**RESOLVED:** That the City Council accepts and confirms the Annual Report filed with the City Clerk and scheduled before the City Council on June 4, 2013, for the continuation of the Wildfire Prevention Assessment District; and the diagram and assessment as set forth in the Final Annual Report for FY 2013-14 and each component part of it, including each exhibit incorporated by reference in the report; and be it

**FURTHER RESOLVED:** That the City Council confirms the levying of each individual assessment for FY 2013-14 as stated in the Assessment Roll prepared by the District Engineer; and be it

**FURTHER RESOLVED:** That the City Administrator is authorized to direct the District Engineer to present an itemized report of the FY 2013-14 Wildfire Prevention Assessment District assessments to the Alameda County Auditor-Controller Agency, State of California, to be placed on the FY 2013-14 property tax roll.

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

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALP, KAPLAN, REID, SCHAAF, and  
PRESIDENT KERNIGHAN

NOES –

ABSENT –

ABSTENTION –

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

**OAKLAND CITY COUNCIL**

Ordinance No. \_\_\_\_\_ C.M.S.

---

**ORDINANCE AUTHORIZING A FISCAL YEAR 2013-14 INCREASE TO A SPECIAL TAX IMPOSED FOR EMERGENCY MEDICAL SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE EMERGENCY MEDICAL SERVICES RETENTION ACT OF 1997 (MEASURE M)**

**WHEREAS**, in 1997 the voters of Oakland approved Measure M, a special tax to fund emergency medical services; and

**WHEREAS**, Measure M imposed a special tax on all parcels in the City of Oakland, except where the parcels are otherwise exempt from taxation by Section 3 of the Ordinance; and

**WHEREAS**, Measure M provided that beginning in fiscal year 1998-99 and each fiscal year thereafter, the Oakland City Council may increase the tax only upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown by the Consumer Price Index (CPI) for all items, has increased since the 1997 index year; and

**WHEREAS**, Measure M provided that any tax rate adjustment imposed by the City Council pursuant to the ordinance shall not exceed five percent of the tax rate imposed during the immediately preceding fiscal year; and

**WHEREAS**, a public hearing on this ordinance to increase the Measure M special parcel tax was held on June 4, 2013 at 6:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

1. The Oakland City Council hereby finds that the Consumer Price Index for all items in the San Francisco Bay Area was 233.39 for calendar year 2011 and 239.65 for calendar year 2012.
2. The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 2.7 percent from calendar year 2011 and calendar year 2012.
3. The Measure M special tax rate upward adjustment shall be 2.7 percent, effective July 1, 2013.

# LEGISLATION

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4. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2013 for FY 2013-14:

PROPOSED MEASURE M TAX INCREASES BY PARCEL TYPE			
Parcel Type	Current Parcel Rate	Proposed Increase	FY 2013-14 Parcel Rate
Single Family Residential Parcels	\$12.64	\$0.34	\$12.98
Multiple Residential (2 to 4 units)	\$25.27	\$0.68	\$25.95
Multiple Residential (5 or more units)	\$63.18	\$1.71	\$64.89
Commercial	\$25.27	\$0.68	\$25.95
Industrial	\$50.54	\$1.36	\$51.90
Rural	\$12.64	\$0.34	\$12.98
Institutional	\$12.64	\$0.34	\$12.98

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

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, and PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

**OAKLAND CITY COUNCIL**

Ordinance No. \_\_\_\_\_ C.M.S.

---

**ORDINANCE AUTHORIZING A FISCAL YEAR 2013-14 INCREASE TO A SPECIAL TAX IMPOSED FOR PARAMEDIC EMERGENCY SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE PARAMEDIC SERVICES ACT OF 1997 (MEASURE N)**

**WHEREAS**, in 1997 the voters of Oakland approved Measure N, a special tax to fund paramedic emergency services; and

**WHEREAS**, Measure N imposed a special tax on all parcels in the City of Oakland, except where the parcels are otherwise exempt from taxation by Section 3 of the Ordinance; and

**WHEREAS**, Measure N provided that beginning in fiscal year 2000-01 and each fiscal year thereafter, the Oakland City Council may increase the tax only upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown by the Consumer Price Index (CPI) for all items, has increased since the 1997 index year; and

**WHEREAS**, Measure N provided that any tax rate adjustment imposed by the City Council pursuant to the ordinance shall not exceed five percent of the tax rate imposed during the immediately preceding fiscal year; and

**WHEREAS**, a public hearing on this ordinance to increase the Measure N special parcel tax was held on June 4, 2013 at 6:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

**WHEREAS**, the Consumer Price Index for all items in the San Francisco Bay Area was 233.39 for calendar year 2011 and 239.65 for calendar year 2012.

# LEGISLATION

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**WHEREAS**, The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 2.7 percent from calendar year 2011 and calendar year 2012.

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

1. The Measure N special tax rate upward adjustment shall be 2.7 percent, effective July 1, 2013.
2. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2013 for FY 2013-14:

PROPOSED MEASURE N TAX INCREASES BY PARCEL TYPE			
Parcel Type	Current Parcel Rate	Proposed Increase	FY 2013-14 Parcel Rate
Single Family Residential Parcels	\$10.06	\$0.27	\$10.33
Multiple Residential (2 to 4 units)	\$20.12	\$0.54	\$20.66
Multiple Residential (5 or more units)	\$50.29	\$1.36	\$51.65
Commercial	\$20.12	\$0.54	\$20.66
Industrial	\$40.23	\$1.09	\$41.32
Rural	\$10.06	\$0.27	\$10.33
Institutional	\$10.06	\$0.27	\$10.33

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

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, and PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

Approved as to Form and Legality

\_\_\_\_\_  
Oakland City Attorney's Office

**OAKLAND CITY COUNCIL**

Ordinance No. \_\_\_\_\_ C.M.S.

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**ORDINANCE AUTHORIZING A FISCAL YEAR 2013-14 INCREASE TO A SPECIAL TAX IMPOSED FOR LIBRARY SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE LIBRARY SERVICES RETENTION AND ENHANCEMENT ACT OF 2004 (MEASURE Q)**

**WHEREAS**, the voters of Oakland in 2004 approved Measure Q, the Library Services Retention and Enhancement Act of 2004, which extended the original Measure O Library Services Retention and Enhancement of 1994, through June 30, 2024; and

**WHEREAS**, Measure Q continued imposition of this special tax on all parcels in the City of Oakland, except where the parcels are otherwise exempt from taxation by Section 6 of the ordinance; and

**WHEREAS**, the Measure Q legislation allows the City Council to increase the tax annually upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown on the Consumer Price Index (CPI) for all items, has increased since the 1994 index year; and

**WHEREAS**, the Measure Q legislation further provides that any tax rate adjustment imposed by the City Council pursuant to the ordinance shall not exceed five percent of the tax rate imposed during the immediately preceding fiscal year; and

**WHEREAS**, a public hearing on this ordinance to increase the Measure Q special parcel tax was held on June 4, 2013 at 6:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

# LEGISLATION

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## THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

1. The Oakland City Council hereby finds that the Consumer Price Index for all items in the San Francisco Bay Area was 233.39 for calendar year 2011 and 239.65 for calendar year 2012.
2. The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 2.7 percent from calendar year 2011 and calendar year 2012.
3. The Measure Q special tax rate upward adjustment shall be 2.7 percent, effective July 1, 2013.
4. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2013 for FY 2013-14:

PROPOSED MEASURE Q TAX INCREASES BY PARCEL TYPE			
Parcel Type	Current Parcel Rate	Proposed Increase	FY 2013-14 Parcel Rate
Single Family Residential Parcels	\$89.13	\$2.41	\$91.54
Multiple Residential (2 to 4 units)	\$60.88	\$1.64	\$62.52
Non-Residential Parcels	\$45.65	\$1.23	\$46.88

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

### PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, and PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

**OAKLAND CITY COUNCIL**

Ordinance No. \_\_\_\_\_ C.M.S.

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**ORDINANCE AUTHORIZING A FISCAL YEAR 2013-14 INCREASE TO A SPECIAL TAX IMPOSED FOR VIOLENCE PREVENTION AND PUBLIC SAFETY SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE VIOLENCE PREVENTION AND PUBLIC SAFETY ACT OF 2004 (MEASURE Y)**

**WHEREAS**, in 2004 the voters of Oakland approved Measure Y, a special tax to fund violence prevention and public safety services; and

**WHEREAS**, Measure Y imposes a special tax on all parcels in the City of Oakland, except where the parcels are otherwise exempt from taxation by Section 3 of the Ordinance; and

**WHEREAS**, Measure Y provided that beginning in fiscal year 2005-2006 and each fiscal year thereafter, the Oakland City Council may increase the tax only upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown by the Consumer Price Index (CPI) for all items, has increased since the 1997 index year; and

**WHEREAS**, Measure Y provided that any tax rate adjustment imposed by the City Council pursuant to the ordinance shall not exceed five percent of the tax rate imposed during the immediately preceding fiscal year; and

**WHEREAS**, a public hearing on this ordinance to increase the Measure Y special parcel tax was held on June 4, 2013 at 6:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

# LEGISLATION

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## THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

1. The Oakland City Council hereby finds that the Consumer Price Index for all items in the San Francisco Bay Area was 233.39 for calendar year 2011 and 239.65 for calendar year 2012.
2. The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 2.7 percent from calendar year 2011 and calendar year 2012.
3. The Measure Y special tax rate upward adjustment shall be 2.7 percent, effective July 1, 2013, pursuant to the Measure Y requirement that the rate increase equal the annual CPI increase for the San Francisco Bay Area, and at no time may the increase exceed 5.0 percent of the tax rates imposed by the Ordinance during the immediately preceding fiscal year.
4. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2013 for FY 2013-14:

MEASURE Y TAX INCREASES BY PARCEL TYPE			
Parcel Type	Current Parcel Rate	Increase	FY 2013-14 Parcel Rate
Single Family Residential Parcels	\$95.05	\$2.57	\$97.62
Multiple Unit Residential Parcels	\$64.94	\$1.75	\$66.69
Non-Residential Parcels	\$48.68	\$1.31	\$49.99

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

### PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, and PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

Insert Tab



**BUDGET TERMINOLOGY**

<b>AAMLO</b>	African American Museum & Library at Oakland
<b>ABAT</b>	Alcohol Beverage Action Team
<b>Accrual Basis Accounting</b>	Distinct from cash basis, accrual basis accounting records the financial effects of transactions in the periods in which those transactions occur, regardless of the timing of related cash flows. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.
<b>ACS</b>	Automated Collection System
<b>ACTC</b>	Alameda County Transportation Commission, created in July 2010 by the merger of the Alameda County Congestion Management Agency (ACCMA) and the Alameda County Transportation Improvement Authority (ACTIA).
<b>Actual</b>	Actual refers to the expenditures and/or revenues that are actually realized, opposed to those that are forecasted or budgeted.
<b>ADA</b>	Americans with Disabilities Act
<b>Adjusted Budget</b>	The status of appropriations as of a specific date between July 1 at the beginning of the fiscal period and June 30 at the end of the period. Includes the adopted budget, budget amendments, prior year encumbrances, approved project carryforwards from prior years, and transfers between accounts, divisions and departments.
<b>Adopted Budget</b>	Revenues and appropriations (budgeted expenditures) approved by the City Council in June immediately preceding the new fiscal period.
<b>Agency / Department</b>	A major unit of the municipal organization which is managed by an Agency / Department Director and comprised of a number of divisions which are functionally related to one another.
<b>Appropriation</b>	An authorization made by the City Council that permits the City to incur obligations and to make expenditures of resources.
<b>Appropriation Resolution</b>	The official resolution adopted by the City Council to establish legal authority for City officials to obligate and expend funds.
<b>ARRA</b>	The American Recovery and Reinvestment Act of 2009 is an economic stimulus package enacted by the 111th United States Congress in February 2009.
<b>BAC</b>	Budget Advisory Committee
<b>Balanced Budget</b>	Budgeted revenues are equivalent to budgeted expenditures.
<b>BART</b>	Bay Area Rapid Transit

# GLOSSARY

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## BUDGET TERMINOLOGY(continued)

<b>Baseline Budget</b>	Projected revenue and expenditure budgets created as part of the budget development process based on the assumption that current policies will continue unchanged for the upcoming fiscal period.
<b>BID</b>	Business Improvement District
<b>Biennial Budget</b>	Budget lasting or enduring for two fiscal years.
<b>Bond</b>	A form of loan in which the City borrows funds for a defined period of time at a fixed interest rate. Bonds are used by finance capital projects or long-term obligations.
<b>Bond Rating/Credit Rating</b>	A rating given to bonds the City issues that indicates their credit quality, meaning the borrower's ability to pay the principal and interest in a timely fashion. Private independent rating services include Standard & Poor's, Moody's and Fitch. Bond ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'C' ("junk"), which is the lowest grade.
<b>Budget</b>	A financial plan for a specific fiscal period that documents anticipated revenues and associated authorized expenditures.
<b>Budget Adjustment</b>	A procedure governed by accounting controls and City policies through which City staff revises budget appropriations. City staff has the prerogative to adjust expenditures within departmental budgets. Council approval is required for transfers between departments, between funds, and for additional appropriations from fund balance or new revenue sources.
<b>Budget Calendar</b>	The schedule of key dates or milestones that the City follows in the preparation, adoption, and administration of the budget.
<b>Budget Document</b>	A financial and planning document that reflects the proposed (and later adopted) revenues and appropriations (authorized expenditures) for the City (including operating and capital), historical financial information, and organizational structure and goals.
<b>Budgetary Control</b>	The use of controls and monitoring of a governmental unit or enterprise for the purpose of keeping expenditures within the approved limits and achieving revenue targets.
<b>CAFR</b>	Comprehensive Annual Financial Report
<b>CalPERS</b>	California Public Employees' Retirement System
<b>Capital Budget</b>	A budget for capital expenditures, opposed to operating expenditures.
<b>Capital Improvement Program (CIP)/Capital Plan</b>	A plan that identifies an organization's capital project needs, prioritizes the projects, estimates costs, and proposes specific revenues, expenditures, and timeline to complete priority capital projects.

**BUDGET TERMINOLOGY**(continued)

<b>Capital Project</b>	Projects generally costing \$50,000 or more designed to upgrade and repair existing facilities and infrastructure; purchase technology-related equipment and service contracts; and purchase equipment.
<b>CAO</b>	City Administrator's Office
<b>Carryforward</b>	Appropriations brought forward from a previous fiscal year to continue or complete a specific project, program or activity.
<b>CDBG</b>	Community Development Block Grant
<b>CEDA</b>	Community and Economic Development Agency
<b>CIP</b>	Capital Improvement Program
<b>COIN</b>	Caring for Oaklanders in Need
<b>Contingency Reserve</b>	An appropriation of funds to cover unforeseen events, such as emergencies, newly required programs, shortfalls in revenue or other unforeseen eventualities. For example, the City Council has set a policy for the General Fund reserve (of 7.5 percent).
<b>Contractual Services</b>	Operating expenditures for services provided by outside organizations and businesses, including maintenance contracts, consulting services, etc.
<b>Core Services</b>	Key City lines of business.
<b>CORE</b>	Citizens of Oakland Respond to Emergencies Program
<b>CPRB</b>	Citizen's Police Review Board
<b>CSO</b>	Central Service Overhead, expenditures that are incurred by central service organizations, such as information technology, human resources, legal, accounting, and management, that are recovered through cost allocation to user departments and funds.
<b>Debt Service</b>	The expenditure required to pay ("service") interest and principal on outstanding debt.
<b>Deferred Capital Investments/ Deferred Maintenance</b>	The practice of deferring capital maintenance or renewal activities that would be required to minimize a capital asset's total cost of ownership in order to reduce short term expenditures.
<b>Deficit/Shortfall</b>	The amount by which budgeted or actual expenditures exceed revenues.
<b>Department / Agency</b>	A major unit of the municipal organization which is managed by an Agency / Department Director and comprised of a number of divisions which are functionally related to one another.

# GLOSSARY

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## BUDGET TERMINOLOGY(continued)

<b>DHS</b>	Department of Human Services
<b>Discretionary Funds</b>	Funds that are not restricted to specific purposes.
<b>Division</b>	A unit of the municipal organization which reports to a department or agency.
<b>EBMUD</b>	East Bay Municipal Utilities District
<b>EDI</b>	Economic Development Initiative
<b>EEC</b>	Enhanced Enterprise Community
<b>EEO</b>	Equal Employment Opportunity
<b>EIR</b>	Environmental Impact Report
<b>Encumbrance</b>	Obligations in the form of purchase orders, contracts or salary commitments, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.
<b>Enterprise Fund</b>	A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that the revenues are adequate to meet all necessary expenditures.
<b>EOC</b>	Emergency Operations Center
<b>Expenditure</b>	The actual expending of financial resources, as recorded in the City's financial system.
<b>Expenditure Category</b>	A basis for distinguishing types of expenditures. The major expenditure categories used by the City of Oakland are personnel services; operations and maintenance; and capital outlay.
<b>FEMA</b>	Federal Emergency Management Agency
<b>Fiscal Year</b>	A twelve-month time period signifying the beginning and ending period for recording financial transactions. The City of Oakland has specified July 1 through June 30 as its fiscal year.
<b>FMA</b>	Finance and Management Agency
<b>FMS</b>	Financial Management System (old pre-Oracle)
<b>Forecast</b>	An estimate of future conditions, particularly related to financial conditions

**BUDGET TERMINOLOGY**(continued)

<b>FSA</b>	Fire Services Agency
<b>FTE</b>	An FTE or full-time equivalent is defined as a staff year. For example, two employees who work one-half time are considered one full-time equivalent.
<b>Fund</b>	An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. As required by governmental accounting standards, the City uses different funds to account for expenditures from various revenue sources. Restricted funds may be expended for purposes specified by law or grantor regulations. Discretionary or unrestricted funds may be spent for any lawful purpose designated by the City Council.
<b>Fund Balance</b>	The net effect of a fund's assets less liabilities at any given point in time. The total fund balance includes a designated / reserved portion, usually for encumbrances, projects, or other prior commitments, as well as an undesignated / unreserved (i.e. "available") portion.
<b>Fund Group</b>	A group of funds with similar restrictions and accounting treatment. The seven fund groups included in the City's budget are: general funds; special revenue funds; enterprise funds; internal service funds; capital projects funds; debt service funds; and trust.
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>General Fund</b>	One of seven groups of funds used by the City to account for financial resources for different purposes.
<b>General Obligation (GO) Bond</b>	A type of bond that is repaid and backed by the City's full financial resources. These are distinct from revenue bonds, which are repaid using the revenue generated by the specific project the bonds are issued to fund.
<b>General Purpose Fund (GPF)</b>	One specific fund within the General Fund group of funds. Revenues from many of the City's taxes, fees and service charges are deposited into the General Purpose Fund. It is the fund from which the City has the most flexibility in making expenditures.
<b>GIS</b>	Geographic-based Information System
<b>Grant</b>	A contribution by a government, other organization, or a private individual, to support a particular activity. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed the grantee. Grants may be competitive or based on allocation.
<b>HAAB</b>	Housing Advisory and Appeals Board
<b>HJKCC</b>	Henry J. Kaiser Convention Center

# GLOSSARY

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## BUDGET TERMINOLOGY(continued)

<b>HJKCC</b>	Henry J. Kaiser Convention Center
<b>HMIP</b>	Home Maintenance & Improvement Program
<b>HOPWA</b>	Housing Opportunities for Persons with AIDS
<b>HR</b>	Human Resources
<b>HUD</b>	Federal Department of Housing and Urban Development
<b>HVAC</b>	Heating, Ventilation & Air Conditioning
<b>IAFF</b>	International Association of Firefighters
<b>IMMS</b>	Integrated Maintenance Management System
<b>ISTEA</b>	Intermodal Surface Transportation Efficiency Act
<b>IT</b>	Information Technology
<b>ITD</b>	Information Technology Division (Finance & Management Agency)
<b>JPA</b>	Joint Powers Authority
<b>KTOP</b>	TV Channel 10—Oakland’s Government Channel
<b>LAN</b>	Local Area Network
<b>LBE</b>	Local Business Enterprise
<b>Letter of Transmittal</b>	The opening section of the budget, which provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the previous fiscal years, and the views and recommendations of the Mayor and City Administrator.
<b>LLAD</b>	Landscaping and Lighting Assessment District
<b>MIC</b>	Municipal Improvement Capital Fund
<b>Modified Accrual Basis</b>	Modified Accrual Basis accounting recognizes an economic transaction or event as revenues in the operating statement when the revenues are both measurable and available to liquidate liabilities of the current period. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Similarly, expenditures are generally recognized when an event or transaction is expected to draw on current spendable resources.

**BUDGET TERMINOLOGY**(continued)

<b>MSSP</b>	Multi Purpose Senior Services Program
<b>MSC</b>	Municipal Service Center
<b>MTC</b>	Metropolitan Transportation Commission
<b>NCR</b>	Neighborhood Commercial Revitalization
<b>Negative Fund Balance</b>	The situation in which a fund's balance is negative, meaning that its liabilities exceed its assets.
<b>NEH</b>	National Endowment for the Humanities
<b>NSC</b>	Neighborhood Service Coordinator
<b>OBRA</b>	Oakland Base Reuse Authority
<b>OCA</b>	Office of the City Attorney
<b>OMCF</b>	Oakland Museum of California Foundation
<b>OMERS</b>	Oakland Municipal Employees Retirement System
<b>OOB</b>	Oakland Oversight Board, consists of representatives from the local taxing entities; exercises oversight functions over ORSA.
<b>OPACT</b>	Oakland Police and Clergy Together
<b>Other Post-Employment Benefits (OPEB)</b>	Other Post-Employment Benefits refers to benefits due to retirees that are other than pension/retirement benefits. These are primarily composed of retiree medical benefits, but may also include other retiree benefits.
<b>OPED</b>	Oakland Paratransit for the Elderly & Disabled
<b>Operating Budget</b>	A financial plan for the provision of direct services and support functions, as distinct from a capital budget.
<b>Operations and Maintenance</b>	Expenditures related to operating costs including supplies, commodities, contract services, materials, utilities and educational services.
<b>OPOA</b>	Oakland Police Officers' Association
<b>OPR</b>	Office of Parks and Recreation
<b>ORSA</b>	Oakland Redevelopment Successor Agency, successor to the former Oakland Redevelopment Agency that is tasked with winding down all former redevelopment obligations.

# GLOSSARY

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## BUDGET TERMINOLOGY(continued)

<b>OSCAR</b>	Open Space, Conservation and Recreation
<b>OSHA</b>	Occupational Safety & Health Administration
<b>OUSD</b>	Oakland Unified School District
<b>Overhead</b>	Managerial, administrative, and support costs, such as finance, human resources, legal, and others, that are critical to operating the City but that are not associated with a specific direct service provided to the public. These costs are subject to a citywide overhead cost allocation plan to distribute costs on an equitable basis to departments and funds that are the beneficiaries of such activities.
<b>PAL</b>	Police Athletic League
<b>Personnel Services</b>	Expenditures related to employee compensation including wages and salaries, fringe benefits, retirement, premiums, allowances and special / supplemental pay such as shift differentials.
<b>PFRS</b>	Oakland's Police and Fire Retirement System
<b>POB</b>	Pension Obligation Bond
<b>Program Budget</b>	Programs, and associated program codes, are created to identify cross division or departmental efforts that have a common purpose. Using program codes, the budget (both revenues and expenditures) can be described in programmatic terms.
<b>PSA</b>	Police Services Agency
<b>PSB</b>	Public Sector Budgeting, an Oracle module currently used in the City of Oakland to develop the biennial policy budget.
<b>PTS</b>	Permit Tracking System
<b>PWA</b>	Public Works Agency
<b>ROPS</b>	Recognized Obligation Payment Schedule, a schedule every six months of estimated payments of the Oakland Redevelopment Successor Agency that serves as its budget.
<b>Reserve</b>	A portion of a fund's balance or a separate fund that is restricted for a specific purpose and is, therefore, not available for general appropriation.
<b>Restricted Funds</b>	Funds that can be spent only for the specific purposes stipulated by external source providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. It also includes a legally enforceable requirement that the resources can only be used for specific purposes enumerated in the law.

**BUDGET TERMINOLOGY**(continued)

<b>Revenue</b>	Funds that the City receives as income. It includes such items as taxes, licenses, user fees / charges for services, fines/penalties, grants, and internal revenue.
<b>RLF</b>	Revolving Loan Fund
<b>SBE</b>	Small Business Enterprise
<b>SCDI</b>	Sustainable Community Development Initiative
<b>SLBE</b>	Small Local Business Enterprise
<b>Special Purpose Funds</b>	Funds, exclusive of the General Fund and capital funds, which are separately administered because they are associated with a distinct function or enterprise.
<b>Structural Deficit</b>	A situation in which a fund's expenditures are expected to routinely exceed its revenues, creating a regular shortfall/deficit.
<b>THP</b>	Transitional Housing Program
<b>Transfer</b>	A movement of budgetary or actual revenues or expenditures between organizational units, accounts, projects, programs or funds. Transfers between funds appear as an expenditure ("transfer out") in one fund and revenue ("transfer in") in the other. Transfers between fiscal years represent the carryforward of funds received in previous years to be expended in the new year and appear as a revenue in the new year. Transfers between departments, funds or from one fiscal year to another must be approved by City Council.
<b>UBC</b>	Uniform Building Code
<b>UCR</b>	Uniform Crime Report
<b>Unaudited</b>	In reference to financial figures, the term unaudited means prior to the completion of a financial audit of an organization's financial statements.
<b>Unfunded Liability</b>	A liability for which there is not an offsetting asset, often used in reference to OPEB liabilities and other long-term liabilities.
<b>USAR</b>	Urban Search and Rescue
<b>VLF</b>	Vehicle License Fee
<b>WIA</b>	Workforce Investment Act

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## Service Impact Statements

*The following provide, in brief, the service impacts anticipated in the FY 2013-2015 Proposed Policy Budget.*

### Public Safety

- Complete four (4) police academies over the next two years (two per fiscal year), bringing the sworn staffing level from the current budgeted staff level of 633 to 665 (by the end of FY 2013-14) and to 697 (by the end of FY 2014-15).
- Complete two (2) fire academies in FY 2013-2014, filling approximately 30 vacant firefighter positions (24 funded through the SAFER grant) and hiring approximately 10 paramedics.
- Add five (5) Police Communication Dispatchers.
- Earmark \$2 million for service agreements with outside law enforcement agencies to provide supplemental patrol services, subject to their agreement to provide continued services.
- Freeze one (1) vacant Animal Control Officer position, resulting in delayed services.
- Restore two (2) fire engines that have been on rotating closures since July 1, 2012.
- Begin efforts to streamline Plan Check and Engineering functions among the Fire, Planning & Building, and Public Works departments, which will result in faster reviews, improved efficiency, and reduced redundancy in our permitting process. Increase 1 FTE Fire Plan Check position to improve review time.

### Public Works

- Invest \$82.7 million in infrastructure repairs and improvements: \$34.5 million for buildings and facilities, \$25.5 million for sewer services, \$18.8 million for streets and sidewalks, and \$3.8 million for traffic improvements.
- Add two (2) positions to begin implementation of the Council-approved Graffiti Abatement Program.

### Human Services

- Reduce service subsidy contracts with the following organizations by 10 percent: Oakland Unified School District; Family Bridges; Vietnamese Community Development, Inc.; and Vietnamese American Community Center. These agencies would need to determine the types of service impacts resulting from this reduction.
- Eliminate one (1) Senior Services Supervisor in FY 2014-2015 and reduce operations/maintenance funds for senior centers.
- **Head Start**--Due to federal sequestration and operating cost increases, reduce the Head Start program by \$1.7 million, which will result in the following service impacts:
  - Reduce 15 days of service, which still provides 15 days of service above the minimum requirement.
  - Close the San Antonio Center and eliminate 13.47 FTEs positions, of which the budget proposes to add back 3.00 FTEs and save 34 slots.
  - Reduce enrollment by 68 slots. Currently there are 1,778 slots, which will be reduced to 1,710.
  - Longer waiting lists: With 68 fewer slots, we will only be able to enroll 432 new children next year, instead of 500, and will carry those not registered on an existing waiting list, which currently ranges from 300-400 children.
  - Subsidize one Family Advocate and two Early Childhood Instructors to keep the Eastmont Center open and all Program classes intact. This preserves a full classroom at the Eastmont Center.

# SERVICE IMPACTS

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## Housing

- Approximate 85% reduced funding for affordable housing programs, from roughly \$13 million to \$2 million since 2011, due to dissolution of Redevelopment Agency, operating cost increases, and potential sequestration (not yet included in the proposed budget and additional service impacts likely).
  - Maintains ROPS staffing level, no filled staff reductions in FY 2013-15, funded at: Y1: \$1,740,016; Y2: \$1,782,861; but, does eliminate 2 vacant FTE positions. This results in a staffing complement of 9.75 FTEs in FY 2014-2015.
  - 55% of the projects are scheduled to be completed by June, 2014 as such the staff will be reduced accordingly.
- The budget proposes that any one-time dollars received from the City's claim to the County regarding the extra fee for administering the "triple flip" –a tax transfer resulting in less revenue from vehicle license tax, but more from property taxes—be appropriated for Y1 (2013-14) for supporting affordable housing programs and other quality of life services (e.g., homeless services, graffiti, etc.) and close funding gaps should the Department of Finance deny project management staffing that is currently being disputed through the Recognized Obligation Payment Schedule. The City's claim for "triple flip" funds paid to the County is about \$2.6 million, generally equal to the policy goal of establishing a 20% set aside for affordable housing programs generated through new tax revenue distributed from the dissolution of redevelopment. The City would use FY 2013-2014 to put in place a sustainable program to set aside, as a goal, 20% of future tax revenues distributed from the dissolution of the redevelopment for affordable housing programs within operating fiscal constraints; but, this begins implementation of the policy goal of an affordable housing set aside in the absence of one established through legislation.<sup>1</sup>
- Sustain the City's partnership with the Oakland Housing Authority to provide project-based subsidy at each affordable housing development funded by the City. This public-partner collaboration ensures the maximum potential for a well-operated and well-maintained affordable housing inventory in the City of Oakland.

## Economic Development

- Sustain Youth Employment Program (at \$1.4M), Adult Employment Training Program (at \$1.4M), Dislocated Worker Training Program (at \$1.1M); provide limited funding for system administration support.
- Start construction at the Army Base by December 2013, which includes constructing a new marine terminal and 1 million square feet of trade and logistics space that will generate approximately 2,000 jobs.
- Support efforts to break ground in spring 2014 at the Brooklyn Basin Project, which includes 3,100 units of housing, 30 acres of open space, and 200,000 square feet of commercial space, with an approximate job count of about 8,000 over the 6 to 8 year build-out of the project.
- Eliminate the Walking Tour program in FY 2014-2015; other Oakland tours offered by private or non-profit groups minimize the impact.
- Stabilize Cultural Arts Programs by transferring some staff costs to Measure C funds.
- Maintain funding for festivals and street events and slightly increase the General Fund allocation established by the City Council to \$80,000.

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<sup>1</sup> Until a permanent funding stream to support affordable housing is identified to replace the 25% Redevelopment Agency Housing set-Aside, Housing's annual Notice of Funding Availability (NOFA) will focus on preserving the fiscal and structural integrity of the City's affordable housing portfolio. Oakland's affordable housing inventory includes 83 developments comprising more than 4,000 housing units, with an additional 2,000 affordable housing units in the pipeline. Since January 2011, significantly reduced funding for affordable housing has had a two-fold impact: (1) developers are less likely to leverage other loans for affordable housing developments without sufficient local contribution and (2) it further exacerbates the already severe un-met demand for affordable housing. For example, more than 21,000 families are currently on the Oakland Housing Authority (OHA) Section 8 waiting list for affordable housing assistance programs and 121 families sought urgent housing assistance in first two months of operating the new Housing Assistance Center, but could not be served for lack of resources.

## Economic Development (cont'd)

- Add one (1) FTE to add capacity to basic economic development activities related to business recruitment, retention, and development services.
- Transfer the Neighborhood Investment unit to the Department of Economic and Workforce Development for increased synergy with economic development activities.

## Parks and Recreation Services

- Reduce support by 10% for the: Oakland Zoo, Chabot Space and Science Center, Hacienda Peralta, and the Asian Cultural Center.
- Eliminate 3.25 FTEs in recreation center staffing, resulting in reductions to the hours of operation for all recreation centers and programs that are supported by the General Purpose Fund.
  - The following programs/centers are cost-recovering for staff and material costs, so the hours of operation will not change; however, program offerings may be reduced:

<i>Adult Sports</i>	<i>Franklin Recreation Center</i>
<i>Central Reservation Unit</i>	<i>Ira Jinkins Recreation Center</i>
<i>Carmen Flores Recreation Center</i>	<i>Lake Merritt Boating</i>
<i>Davies Tennis</i>	<i>Malonga Casquelourd Center for the Arts</i>
<i>deFremery Recreation Center</i>	<i>Montclair Recreation Center</i>
<i>Dimond Recreation Center</i>	<i>Mosswood Recreation Center</i>
<i>Discovery Centers (grant funded)</i>	<i>Redwood Heights Recreation Center</i>
<i>Dunsmuir Hellman Historic Estate</i>	<i>Studio One Recreation Center</i>
<i>East Oakland Sports Center</i>	
  - All other recreation centers and programs will have the flexibility to determine when the reduced hours are implemented, which will limit the negative impacts to their respective communities as long as the reduced-funding target is achieved.
- Increased fee at swimming facilities by \$1.00.
- Negotiations for golf course agreements, including subsidies, are currently underway; however, our focus will be on subsidy reductions subject to operational constraints.
- Transfer of funding for various types of services to the Enterprise Fund to sustain current levels of service.

## Planning & Building

- Eliminate nine (9) currently vacant positions in order to balance the Special Revenue Fund: Planners (2 FTEs), Inspectors (3 FTEs), Engineers (2 FTEs) and Process Coordinator (1 FTE). While these positions are currently vacant, the loss of capacity will double the response time to process and issue permits, as well as complete inspections.
- Plan-check review and approval will be delayed by approximately two weeks from current review time.
- Slower response times to complaints about blight, illegal dumping, graffiti, etc.
- Proceed with implementation of Accela system to improve the effectiveness and efficiency of the permit process, as scheduled.

# SERVICE IMPACTS

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## Administrative Services and General Government

- Add three (3) FTEs in the City Attorney's Office to pilot a cost-reduction program that reduces the cost of hiring more expensive, outside legal support by increasing in-house capacity at the cost of \$615,652. This assumes that the cost of adding 3 FTEs will be offset by an equivalent reduction in expenditures to hire outside legal support. The pilot program will be evaluated as part of the Mid-Cycle Budget and adjusted accordingly, if necessary. This Pilot Program would be tested in the Self-Insurance Liability Fund.
- Consolidate support for Boards & Commissions by adding one (1) FTE to support the Youth Commission and administratively support the Public Ethics Commission and Citizens' Police Review Board; eliminate the 1 FTE currently assigned only to the Youth Commission.
- Reduce General Fund budgets (personnel costs and operations & maintenance) for all elected offices by 5% in FY 2013-14 and 10% in FY 2014-15.
- Freeze the Administrative Services Department Director and Community Services Director positions.
- Freeze one (1) FTE for information technology and one (1) FTE for accounting supervisor.
- Eliminate/Freeze the Human Resource Manager position in Treasury (1 FTEs), an Accountant III and an Accounting Supervisor in Controller's Office (2 FTEs), an Administrative Services Manager I (1FTEs) in Contract Compliance, Telecommunications System Engineer in Information Technology (1 FTE), a Cable Operations Technician, a Graphic Design Specialist, two Urban Economic Analyst I, an Administrative Assistant, a Program Analyst III, and a part-time Management Intern, City Administration's Office (11.50 FTEs).
- Establish a non-discretionary, one-time Capital Improvement Program Fund for Information Technology at \$8.5 million. Propose use of a portion of these funds for: license renewal and critical software upgrades (e.g., Oracle Payroll upgrade), with remaining funds earmarked for critical system upgrades or replacement.
- Overall, reductions listed above will result in reduced responsiveness to the general public and internal administrative support services, which have already been significantly impacted.

## Corrections and Clarification

*The following information is provided to correct some misstated or unclear information in other sections of the FY 2013-15 Proposed Policy Budget.*

- **Former Redevelopment Transactions:** The State is reviewing all of the former Redevelopment Agency's fiscal and asset transactions, which may be subject to reversal. Fiscal impacts associated with this review will be issued later this spring and will be included when available.
- **Negotiated Settlement Agreement (NSA):** The Oakland Police Department continues to implement the NSA and a remedial action plan and associated budget are due on May 1, 2013. The actual fiscal impacts are still being determined and will be issued when available.
- **Head Start Program:** As described in the Policy Tradeoffs and Service Buybacks section and the Service Impacts section, cuts in federal funding necessitate the elimination of 102 Head Start slots and the complete closure of the San Antonio Center. The proposed budget allocates General Purpose Fund dollars to compensate for the lost federal funding, restoring three FTEs for Family Advocates and Early Childhood Instructors and 34 slots for children at Eastmont Town Center.
- **Senior Services:** The community-based organization service contracts for senior services will be reduced at the same rate as the City's own senior center reduction, which is 0.58% and 0.40% in FY 2013-14 and FY 2014-15 respectively.
- **Housing:** Affordable Housing -- Since 2011, funding for affordable housing has decreased by 85%, from \$13 million to \$2 million. This was mainly caused by the dissolution of the state redevelopment program. Rising operating costs and the unknown impacts of federal sequestration add to the loss.

To stabilize the housing programs staff, which allows the City to encourage development and leverage state and federal funds, this budget proposes the following:

- The City is expecting up to \$2.6M in one-time revenues from the county. Those one-time funds can be used in the short term to secure and stabilize housing program staff in year one.
- When boomerang property tax funds stabilize, we can then supplement the one-time revenues and sustainably fund housing staff by allocating 20% of those funds.
- **OUSD Academy:** Funding for Oakland Unified School District academy will not be reduced.
- **Walking tour:** Sustain the walking tour in FY 2013-14 and seek alternative funding for FY 2014-15 outside of General Purpose Fund.