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OFFICE OF THE CITY CLERK
OAKLAND

2015 JUN 26 AM 9:45

AGENDA REPORT

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: KIRAN BAWA

SUBJECT: Responses to Council Questions #7

DATE: June 25, 2015

City Administrator
Approval

Date

6/26/15

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Receive an informational report transmitting Responses to Council Questions #7 ("Responses #7") to Council questions regarding the FY 2015-17 Proposed Policy Budget.

OUTCOME

This is an informational report providing responses to Council questions to help make informed budgetary and operational decisions as part of the FY 2015-17 budget development.

REASON FOR SUPPLEMENTAL

This report responds to questions from the City Council regarding the FY 2015-17 Proposed Policy Budget. *Attachments A* provides Responses #7 to additional City Council questions received.

ANALYSIS

The Mayor and City Administrator's FY 2015-17 Proposed Policy Budget was presented to Council on May 5, 2015 for their consideration. The City Council as part of the budget development process has posed numerous questions for clarifications or additional information on various topics including, but not limited to, revenues, service impacts, project specific questions and financial information.

Attachment A provides responses to Council questions received at the budget hearings or thereafter. Staff have answered as many questions as possible, however, some questions require more analysis. All remaining questions and any new requests will be answered through future memoranda. To the extent additional information becomes available on any of the responses, updates will be provided.

Item: 7
Special City Council
June 30, 2015

These responses along with other information related to the FY 2015-17 Proposed Budget is available at the budget website at www.oaklandnet.com/15-17Budget

PUBLIC OUTREACH/INTEREST

As previously described, the budget process includes various methods for gathering public input and opportunities for public participation including a scientific poll and informal survey done in February, community budget forums in May; and upcoming budget hearings in June.

COORDINATION

This report was prepared by City Administrator's Office in coordination with staff from various departments to consult on specific programs and projects and their service impacts.

COST SUMMARY/IMPLICATIONS

There are no costs or fiscal impacts associated with the acceptance of this report.

SUSTAINABLE OPPORTUNITIES

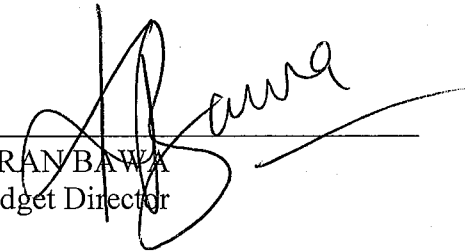
Economic: See the Proposed Policy Budget.

Environmental: See the Proposed Policy Budget.

Social Equity: See the Proposed Policy Budget.

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

Respectfully submitted,

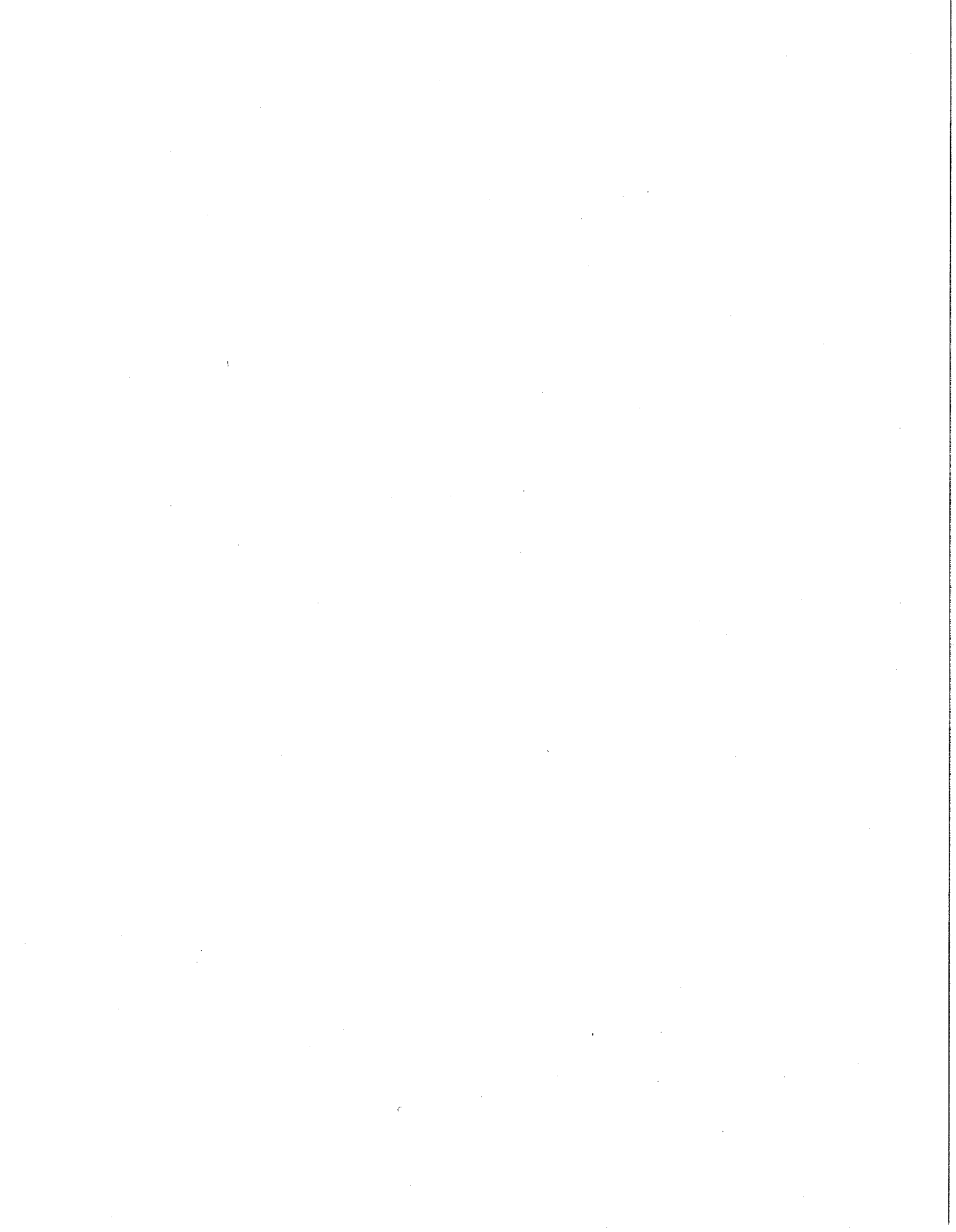


KIRAN BAWA
Budget Director

Prepared by:
Sarah Schlenk, Agency Administrative Manager
City Administrator's Office

Attachments:

A: Budget Questions Response#7





MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Kiran Bawa
Budget Director

SUBJECT: FY 2015-17 Budget Questions
Responses #7

DATE: June 25, 2015

City Administrator

Date

Approval

Donna Hom /s/**6/25/2015**

PURPOSE

The purpose of this memorandum is to transmit to the full City Council and public, responses to questions raised by City Councilmembers regarding the Fiscal Year (FY) 2015-17 Biennial Proposed Policy Budget (proposed budget). We have answered as many questions as possible; however, some questions require more analysis. These questions will be answered through future memoranda along with responses to additional questions received. To the extent additional information becomes available on any of the responses below, updates will be provided.

RESPONSES

- 1) **Correction:** In Response #5, No. 14, a chart was provided that showed the annual Code Enforcement revenues (fees and penalties). Below is a revised/corrected chart.

The Planning & Building Department recently transitioned its financial system from the old system, Permit Tracking System (PTS), to the new system (Accela) – and certain discrepancies were discovered in the historical data. This resulted in inaccuracies in the previous revenue data provided. Please see the *Table 1* below for Code Enforcement revenues for the past four (4) years.

Table 1:

Actuals	Revenue			
	FY 11-12	FY 12-13	FY 13-14	FY 14-15*
Code Enforcement	1,891,465	1,408,201	1,748,746	1,805,939
Licenses and Permits	187,080	(154,410)	153,917	55,253
Fines and Penalties	282,859	629,638	220,317	109,872
Interest	210	175	29,590	46,060
Fees	1,421,316	932,798	1,344,923	1,594,754
Grand Total	1,891,465	1,408,201	1,748,746	1,805,939

*Projected

- 2) The Administration's June 12, 2013 Budget Question memo contains the following set of questions beginning on Page 1: "Of the nearly 1,400 Temporary Part-Time (TPT) employees, how many have been in their positions for the last two years? How much would it cost for the Administration to conduct an evaluation to determine which TPT positions should more logically and fairly be classified as Permanent Part-Time positions? If half of the TPT positions were converted into PPT positions effective January 2015 (with commensurate benefits), how much would it cost the city in this two year budget cycle (and as on-going additional expenses going forward)? Given the City's budget realities, how would the Administration recommend phasing in such a transition over time?" The response to the question states, in part: "To assess how many TPT can be converted to permanent part time (PPT) positions, staff would need to assessment (sic) the operational needs of each department. Furthermore, if the funding capacity is not able to absorb increase (sic) cost in personnel, reduction in other areas would have to be assessed. Staff needs to examine this matter and formulate a work plan before committed (sic) to the timeline and magnitude of costs. As staff is fully engaged in labor negotiation, budget development, and fiscal year-end closing, it is more realistic to report back in late fall on this matter. There is no capacity at this time to do this analysis." Subsequently, the City agreed to provide sick leave for TPTs who have been working for the City for at least 4800 hours and an increase in their in lieu rate of pay. While the past reliance on so many TPT positions to fulfill critical public services (especially in Parks & Recreation and the Public Library) has been understandable given Oakland's budget constraints over the years, continuously re-hiring the same people as TPTs for years makes it obvious that these workers are anything but temporary and, therefore, providing many of the TPTs less pay, benefits, and job security than their PPT and FT colleagues is at odds with not only union values but also the City's stated commitment of a fairly treated workforce and basic public interest principles of how governmental employers should lead by example. Since the passage of the 13-15 Budget and completion of 2013 union negotiations, please explain what the Administration has done, if anything, to fully answer all of the TPT questions in the June 12, 2013 Budget Memo, study the appropriate usage of the TPT classification, and create plans for gradually transitioning TPT classifications to PPT or FT. For all of the TPT positions budgeted for FY 15-17, please provide a breakdown by department of all TPTs positions that

are being re-hired on an ongoing basis (as distinguishable from TPT positions filled by rotating students or interns and other truly temporary positions) and which could, therefore, be converted to either Permanent Part-Time (PPT) or Full-Time (FT), as most appropriate, if sufficient funds were available. What is the total ongoing annual cost of making such conversions to PT or FT?

After the adoption of the FY 2013-15 budget, a committee was formed consisting of SEIU Temporary Part-Time staff (TPTs), SEIU leadership/staff, department representatives, and employee relations staff. The Committee's duties included, but were not limited to:

- Investigate and analyze the current hiring and recruiting of temporary employees.
- Identify where Temporary Part-Time employees by classification are located.
- Investigate and analyze the current use(s) of Temporary Part-Time employees.
- Develop a report based on the committees' finding.
- Recommend on a system that permanently reduces the usage of Temporary Part-Time employee throughout the City, and re-defines how Temporary Part-Time employees will be utilized.
- Analyze how Temporary Part-Time employees are coded and linked to budgeted positions.
- Recommend maximum percentage of Temporary Part-Time employees in each classification.
- Track the recruitment for vacancies so that current temporary part time employees can be invited to take a restricted test for the creation of a "priority eligible lists".
- Recommend monitoring systems that oversee the transition, through testing, of long-term TPT employees into permanent classified positions.

The Committee met a total of seven (7) times over a period of 6 months to exam the items listed above. While the Committee made progress, a number of issues remain unresolved and have continued to be discussed / examined in current collective bargaining with SEIU.

It should also be noted that the Mayor's proposed FY 2015-17 budget along with the Council President's proposed budget amendments includes a total of approximately \$1 million over two years for the conversion of TPTs.

The City Administrator's Office, with assistance from Departments, conducted a preliminary analysis that examined the potential conversion of TPTs to permanent part-time and/or full-time positions. A total of 103,553 hours within the classifications listed below were identified to be on-going in nature and could be converted to permanent part-time and/or full-time positions.

Pool Manager, PT
Recreation Attendants I, PT
Recreation Specialist III, PT
Van Driver, PT

Park Attendant, PT
Library Aide, PT
Library Assist. PT
Parking Control Technician PT

In some situations, reorganizations and operational impacts need to be considered prior to conversion of TPT hours to PPT/FT positions.

- 3) **The Administration's May 13, 2013 Budget Question memo contains the following questions on Page 24: "Would a comprehensive inventory system for department equipment and supplies generate budget savings over time? What departments are already doing this?" The Administration's response went on to note the disabling of previously centralized Citywide "Central Store" and Public Works' utilization of FleetFocus. However, the response did not address the central question of whether or not an inventory system would generate savings. Please address whether or not better inventory tracking would likely result in City savings. Do any savings estimates exist?**

Staff does not believe re-establishing Central Stores or something similar would result in any savings. The citywide savings resulting from the elimination of Central Stores was almost \$1 million four year ago in the FY 2011-13 budget cycle.

- 4) **Thank you for the response to Question #35 in the Administration's June 5, 2015 Budget memo #5. Since the response states that no other departments are referring delinquent fines/fees to RBM, does that mean that Administrative Instruction #1051 is not being fully complied with? (See #3 on Page 4 of AI #1051) Since the response also states that RMB only collects taxes and "delinquent accounts greater than 120 days, which is provided by the Controller's office," does that mean that some departments are sending their delinquent accounts to the Controller who then forwards them to RMB? If so, please provide the 2011-2014 annual amounts by the department sent to the Controller and the internal collection rate (prior to referral to the Controller) of each of these departments.**

When the accounts are over 120 days old, the Controllers Bureau notifies the department and then refers the accounts to the Revenue Management Bureau (RMB) for collections.

Please see *Attachment A*, which captures all outstanding accounts receivable referrals from the Controller's Bureau to Revenue Collections (sorted by Department or Unit). In sum:

- Since January 2008, the Controller's Bureau has made 1,661 referrals to RMB
- The total amount REFERRED = \$3,893,379
- The total amount COLLECTED = \$953,238
- The total OUTSTANDING = \$2,940,141

Note: The above totals do not include the following receivables / collection referrals:

1. Returned Checks (returned checks are referred by the Controllers Bureau to Revenue Collections, but they are tracked separately)
 2. Department receivables using 3rd party collection contracts
 - a. Police false alarm unit receivables (OPD refers directly to a third party collection agency)
 - b. Parking citation receivables (Revenue refers directly to a third party collection agency)
 3. Department receivables that are handled outside of Oracle (it is our understanding that these receivables are minor):
 - a. Fire Prevention receivables (tracked in stand-alone system)
 - b. OPR receivables tracked (tracked in stand-alone system, Recware)
- 5) **Provide a breakdown of CDGB funding by program and please distinguish between funding supporting City staff and funding for outside partners within each program – Housing & HSD**

Please see *Table 2* below for a breakdown of proposed use of CDBG funds.

Table 2:

2015/16 CDBG COST BREAKDOWN	
Cost Category/Department	
1. City operations/Staffing Costs:	\$ 3,587,359
a. Housing & Community Development	\$ 2,342,526
b. Human Services Dept.	\$ 735,789
c. Economic Development	\$ 327,219
d. City Attorneys & Budget Office	\$ 181,825
2. Other Program costs:	
a. Housing & Community Development	\$ 2,021,695
3. Outside Partner Funding:	\$ 2,470,566
a. Housing & Community Development	\$ 2,003,538
b. Human Services Dept.	\$ 434,028
c. Oakland Park & Recreation/STRIDE	\$ 33,000
TOTAL	\$ 8,079,620

- 6) **Please provide in detail the specific methodology and formulas the Administration used to calculate FY 15-17 revenues in the following categories, noting any differences in methodology and formula employed in 2013 for the FY 13-15 revenue projection:**
- i. **Fire inspection fees;**

Please see *Attachment B* for an analysis of the proposed revenue budget for OFD fees for FY 2015-17 compared to prior year's budgeted and actual revenues.

- 7) **In the Administration's response to Question #39 in the June 5, 2015 Budget memo #5, the Administration provides (in Attachment G) FY 15-17 budgeted receivables from the Port but does not provide copies of the Charter Section 715-required annual budget submissions from the Port for 2011-2014.**

The Port of Oakland budgets for the past four years are available on their website: <http://www.portofoakland.com/about/investors.aspx#>.

- 8) **Please explain the positions in the budget associated with the Coliseum Joint Powers Authority (JPA).**

There is one position in the City's budget associated with the JPA – an Executive Assistant. The position is not new. During the period of time when the Assistant City Administrator served as the Finance Director and staffed the JPA, the position that was previously in the Finance Department for the JPA Executive Assistant was erroneously deleted. The JPA position is fully reimbursed by the JPA and has no impact on the GPF.

- 9) **Please provide the amount paid by the City to rent spaces for NCPC meetings. Please distinguish amounts paid for usage of City-owned facilities versus outside facilities.**

The City does not currently pay for the rental of meeting space for NCPC meetings. Since funding was reduced for NCPC's in the FY 2009-10 budget, there are a few instances where the NCPC's fund-raise for incidental costs such as the rental of meeting space, supplies, etc. However, the locations rented have been church or school sites, not City-owned spaces. The rental fees range from \$75 to \$180 per month.

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

Respectfully submitted,

/S/

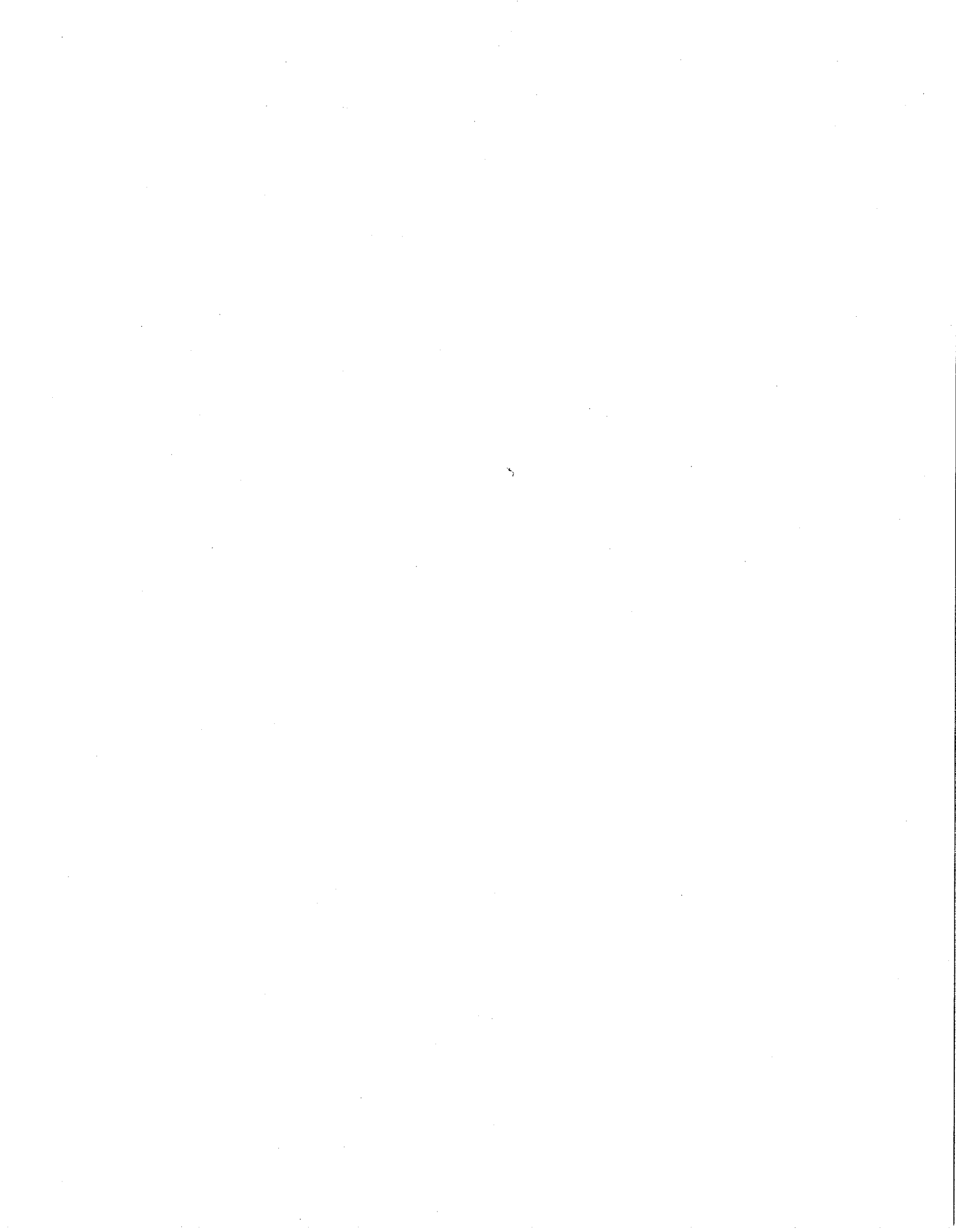
Kiran Bawa

Budget Director/Deputy City Administrator

Attachments:

A -- Outstanding Accounts Receivable referred to RMB for Collection

B -- OFD Fees for FY 2015-17 compared to prior year's budgeted and actual revenues



Total Outstanding Collection		
Fund Name	Amount Outstanding	DEPT
1010 - General Purpose Fund	\$ 1,222,946.95	POLICE
1250 - Paid Leave	\$ 38,897.68	Payroll
1720 - Comprehensive Clean Up	\$ 332,719.93	Illegal Dumping
1750 - Multi-Purpose Reserve	\$ 26,443.31	PUBLIC WORKS
1820 - OPR Self-Sustaining Fund	\$ 16,777.26	PARKS & REC
2230 - State Gas Tax	\$ 3,001.83	PWA - CITY DAMAGES
2310 - Lighting and Landscape Assessment District	\$ 837,299.71	PWA - CITY DAMAGES
2415 - Development Service Fund	\$ 6,669.67	CEDA - CODE ENFORCEMENT
2995 - Police Grants	\$ 1,356.76	POLICE GRANTS
3100 - Sewer Fund	\$ 327,382.09	PWA - BOARDUP'S
4100 - Equipment	\$ 38,049.05	IT - EQUIPMENT
4200 - Radio/Telecommunications	\$ 792.00	IT - RADIOS
4210 - Telephone Equipment and Software	\$ 3,456.01	IT - TELEPHONE EQUIPMENT
4400 - Facilities	\$ 12,155.37	PWA
4500 - Central Stores	\$ 99.71	GL - POSTAGE FROM SAFE PASSAGES
7100 - PFRS	\$ 53,425.65	RETIREMENT
7120 - OMERS	\$ 16,354.12	RETIREMENT
7420 - Unclaimed Cash	\$ 2,314.00	Police - Forfeiture Assets
Total	\$ 2,940,141.10	

FIRE DEPARTMENT - FIRE PREVENTION & PUBLIC EDUCATION OUTREACH: REVENUE ANALYSIS

General Fund: General Purpose - Fund 1010

FY 2010 - 2017

Prepared: June 23, 2015

Account	Account Description	FY 2010-11		FY 2011-12		FY 2012-13*		FY 2013-14		FY 2014-15		Projected Increase		Proposed Budget	
		Adopted Budget	Actual	Adopted Budget	Actual	Modified Budget	Actual	Adopted Budget	Actual	Adopted Budget	Actual **	FY 2015-16	FY 2016-17	FY 2015-16 ***	FY 2016-17 ***
		42412	Special Permits: Fire	73,507	104,616	73,510	65,768	58,742	58,742	65,768	77,568	67,083	139,888	0	0
42413	Special Permits: Fire Clearance	9,020	0	9,020	0	0	0	0	0	0	0	0	0	0	0
43115	Fines: Miscellaneous	268,960	377,893	268,960	67,698	5,672	5,672	67,698	41,648	67,698	305,370	324,691	325,409	392,389	393,107
43215	Penalties: Service Fees for Returned Checks	0	(33)	0	40	(5)	(5)	0	6	0	19	0	0	0	0
43322	Delinquent Accounts Collections	0	0	0	0	0	0	0	6,746	0	5,164	0	0	0	0
43326	Collections: Miscellaneous	1,840	0	1,840	0	0	0	0	0	0	0	0	0	0	0
45114	Public Works Fee: Inspection/Ap	127,680	120,663	127,680	180,692	137,188	137,188	179,543	88,103	183,134	130,845	118,450	118,711	301,584	301,845
45115	Plot Plan Review Fees	0	0	0	0	0	0	0	1,422	0	0	0	0	0	0
45414	Other Fees: Fire Plan Checking, Inspection and	893,630	908,778	893,630	651,077	1,068,124	1,068,124	648,448	762,812	618,448	980,425	0	0	618,448	618,448
45415	Report of Residential Building Records	0	1,724	0	0	0	0	0	0	0	0	0	0	0	0
45419	Other Fees: Miscellaneous	94,720	6,678	94,720	19,819	5,217	5,217	18,862	6,110	18,862	14,716	0	0	18,862	18,862
45420	Other Fees: R-1 Occupancy Inspection	8,670	0	8,670	0	0	0	0	0	0	0	0	0	0	0
45421	Other Fees: Annual High-Rise In	27,650	45,881	27,650	22,189	74,821	74,821	22,189	31,168	22,189	240,536	66,890	67,037	89,079	89,226
45424	Other Fees: Field Check Inspect	693,803	662,618	1,193,800	1,113,178	708,952	708,952	1,113,170	400,585	772,000	573,174	317,724	318,426	1,089,724	1,090,426
45428	Other Fees: Underground Tank In	44,090	0	44,090	0	0	0	0	0	0	0	0	0	0	0
45511	Sales: Special Reports	640	0	640	0	0	0	0	0	0	0	0	0	0	0
45519	Sales: Miscellaneous	10	0	490	12	0	0	0	0	0	0	0	0	0	0
45712	Other Svc Charges: Subpoena Jury	480	630	0	0	0	0	0	0	0	0	0	0	0	0
45729	Other Svc Charges: Miscellaneous Service Cha	23,230	1,500	23,230	2,610	0	0	0	0	0	0	0	0	0	0
48720	Revenue Adjustments	0	(392)	0	0	392	392	0	0	0	0	0	0	0	0
TOTAL		2,267,930	2,230,555	2,767,930	2,123,081	2,059,102	2,059,102	2,115,678	1,416,168	1,749,414	2,390,136	827,755	829,583	2,577,169	2,578,997

Notes: * The Budget for FY 2012-13 was modified from \$2,545,288 to \$2,059,102.

** \$2,390,136 is actual FY14-15 revenue posted as of May 31, 2015.

*** Revenue projection for FY15-17 is based on Mayor's Proposed Budget for FY15-17.

SPECIAL MEETING OF
 THE OAKLAND CITY COUNCIL
 JUN 20 2015