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2015 OCT 15 PM 5:10

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Kiran Bawa
Budget Director

SUBJECT: Supplemental Report on Amending
the FY 2015-17 Biennial Budget

DATE: October 6, 2015

City Administrator Approval

Date:

10/15/15

RECOMMENDATION

Accept This Supplemental Report On The Timeline For The Proposal Amending The City Of Oakland's Fiscal Year 2015-2017 Biennial Budget, Which Was Adopted Pursuant To Resolution No. 85672 C.M.S. On June 30, 2015.

EXECUTIVE SUMMARY

Vice Mayor Kaplan and Councilmember Brooks have prepared an amendment to the FY 2015-16 budget to fund \$990,000 worth of economic justice / affordable housing programs (**Attachment A**). The funding for these programs is proposed to come from shifting the cost of the Woodminster Amphitheater Phase II Americans with Disabilities Act (ADA) capital improvements from the General Purpose Fund (GPF/1010) to the Self Insurance Fund (1100).

REASON FOR SUPPLEMENTAL

This supplemental report was prepared to provide the City Council with information from staff on the timing of potentially amending the FY 2015-17 Biennial Budget, and the impact of shifting the cost of Woodminster ADA capital improvements from the GPF to Fund 1100.

BACKGROUND / LEGISLATIVE HISTORY

The Woodminster Phase II ADA improvements are required to be complete by December 2018 to meet the terms of a lawsuit settlement. The City Council passed Resolution No. 85672 C.M.S., which adopted the FY 2015-17 Biennial Budget on June 30, 2015. The budget included an appropriation of \$1 million in the GPF for the necessary ADA capital improvements at the Woodminster Amphitheater per the settlement.

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ANALYSIS AND POLICY ALTERNATIVES

The Self Insurance Fund (1100) has a sizable negative fund balance (FY 2014-15 year-end unaudited negative of \$15.3 million) and is on a formal repayment plan. Funding for Fund 1100 comes from transfers from various other funds, including the GPF. The GPF contributes 85 percent (%) of the funding for Fund 1100; therefore, the source for this ADA settlement project would indirectly come from the GPF. Rather than budgeting this expense in Fund 1100 and showing an additional transfer to Fund 1100 from the GPF, the adopted budget funded the project directly within the GPF. Shifting the cost of the Woodminster ADA settlement to any other fund, including Fund 1100, would require additional balancing measures within the receiving fund(s).

Additionally, several collective bargaining agreements with employee labor groups require revenue sharing as a component of the agreement. Several of these agreements have yet to be approved by the City Council. Any funds that become available should first be used to meet the revenue sharing agreement prior to any new expenditure amendment being made. The FY 2014-15 Fourth Quarter report is anticipated to come before the Finance and Management Committee on November 10, 2015. Per the labor agreements, *"In the event there are insufficient funds [to meet the revenue sharing provision], the City agrees to make available FY 2015-16 GPF available projected fund balance prior to any new expenditure commitments."*

FISCAL IMPACT

Shifting the \$1 million cost of the Woodminster Amphitheater Phase II ADA capital improvements from the General Purpose Fund (GPF) (1010) to the Self Insurance Fund (1100) without a corresponding transfer from the GPF would result in Fund 1100 from being unbalanced, and out of compliance with the Consolidated Fiscal Policy, Part B. "Policy on Balanced Budgets".

PUBLIC OUTREACH / INTEREST

No additional outreach was necessary for this report.

COORDINATION

This report and legislation have been reviewed by the Office of the City Attorney and the Controller's Bureau.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

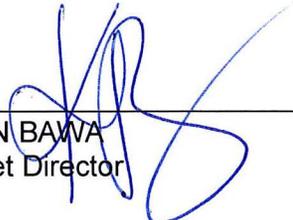
Social Equity: The proposed budget amendment allocates \$1 million to various programs to improve social equity across the City, including support for the local minimum wage and various housing initiatives such as loans for low income residents to repair their home and rapid rehousing funds to enable low-income or homeless residents to pay the deposit and first/last months' rent on rental housing.

ACTION REQUESTED OF THE CITY COUNCIL

Accept an informational report on the timeline for the proposal amending the City of Oakland's FY 2015-2017 Biennial Budget, which was adopted pursuant to Resolution No. 85672 C.M.S. on June 30, 2015.

For questions regarding this report, please contact Sabrina B Landreth, City Administrator, 510-238-6840.

Respectfully submitted,



KIRAN BAWA
Budget Director

Prepared by:
Sarah T. Schlenk, Administrative Manager
City Administrator's Office

Attachments (1):
Brooks-Kaplan Budget Amendment (Exhibit A)

Exhibit "A"

FUND CHANGE				
Item #	Description	One-Time	Totals	Notes
1	Change Fund: ADA settlement for Woodminster	\$ (1,000,000)	\$ (1,000,000)	<i>Reallocate to liability fund, per prior Council action</i>
ADDITIONS				
Item #	Description	One-Time	Totals	Notes
2	Minimum Wage - Community education and enforcement	\$ 240,000	\$ 240,000	
3	Tenant's rights - Community education and enforcement	\$ 100,000	\$ 100,000	
4	Low-income homeowners to seismically retrofit their homes	\$ 100,000	\$ 100,000	
5	Blight abatement program	\$ 200,000	\$ 200,000	<i>Allocate \$25,000 to each Council District for blight remediation</i>
6	Loans for lower-income rental property owners for property repairs	\$ 150,000	\$ 150,000	<i>City Rehabilitation fund for owner-occupants and 1-4 unit owners</i>
7	Tenant rental loan fund, to enable low-income/homeless tenants to pay first, last and deposit to get into rental housing	\$ 200,000	\$ 200,000	<i>Rapid Rehousing Funds for rental assistance and other financial support for homeless to return to permanent housing</i>