



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 FEB 25 PM 5:56

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Kirsten LaCasse
Interim Controller

SUBJECT: FY 2015-16 Q2 R&E Report

DATE: February 19, 2016

City Administrator Approval

Date:

2/25/16

RECOMMENDATION

Staff Recommends That City Council Accept This Informational Report On The Projected Fiscal Year (FY) 2015-16 Second Quarter Revenue and Expenditure Results And Year-End Summaries For Six Selected Funds – General Purpose Fund (GPF, 1010), Multipurpose Reserve Fund (1750), State Gas Tax Fund (2230), State Gas Tax Proposition 42 Replacement Fund (2231), Landscape & Lighting Assessment District Fund (LLAD, 2310), And Facilities Fund (4400); And Overtime Analysis For The General Purpose Fund (1010) And All Funds.

EXECUTIVE SUMMARY

Based on the results of the second quarter for FY 2015-16, the projected GPF available fund balance (excluding the Council appropriated reserves) at year-end is estimated to be a deficit \$1.02 million (*Table 1*). This amount is net of the 7.5% GPF Emergency Reserve, and amounts allocated in the FY 2015-17 Adopted Policy Budget. Revenues are projected to exceed the Adopted Policy Budget estimates by approximately \$2.09 million over the FY 2015-16 Adopted Policy Budget estimates. The year-end expenditures are projected to exceed the second quarter Adjusted Budget by approximately \$4.58 million.

Highlights of this FY 2015-16 second quarter revenue and expenditure report include:

- The projected revenues for the GPF are estimated to be \$537.53 million, which exceeds the Adjusted Budget by approximately \$2.09 million (**Attachment A-1**);
- The projected expenditures for GPF totaled \$540.02 million, which exceeds the Adjusted Budget by approximately \$4.58 million, (**Attachment A-2**);
- The GPF ending available fund balance is a projected deficit \$1.02 million (excluding the 7.5% GPF Emergency Reserve, and other items as shown in *Table 1*);
- Citywide overtime (OT) expenditures across all funds is \$59.25 million, exceeding the Adjusted Budget by \$37.23 million, of which \$34.74 million is in the GPF, and is mostly

Item:

6

Finance and Management Committee
February 23, 2016

absorbed by salary savings as shown in *Table 4*; overtime spending by department is listed in **Attachment B**; and,

- The total designated 7.5% GPF Emergency Reserve balance is \$40.53 million, which is 7.5% of the FY 2015-16 Adopted Policy Budget (net of reserve set-asides).

The projected year-end available GPF fund balance is estimated to be a deficit balance of approximately \$1.02 million (*Table 1*). It should be noted that this balance reflects the net difference between the revenue and expenditure results, as well as, adjustments made for: (1) project and encumbrance balances carried forward into FY2015-16, (2) items allocated in the FY 2015-17 Adopted Policy Budget, (3) amounts appropriated by Council Resolution during FY 2015-16, and (4) designated and/or mandated reserves.

Table 1: Estimated Year-End Available Fund Balance:

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$109.60	\$109.60	
Revenue	\$535.44	\$537.53	\$2.09
Expenditures	\$535.44	\$540.02	\$4.58
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$2.49)	(\$2.49)
Subtotal Fund Balance	\$109.60	\$107.12	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$40.22)	(\$39.01)	
FY 2015-16 Adopted Policy Budget	(\$7.97)	(\$8.03)	
FY 2015-16 Adopted Council Resolutions	\$0.00	(\$8.04)	
FY 2016-17 Adopted Policy Budget	(\$8.92)	(\$8.92)	
25% Excess RETT for OPEB	\$0.00	(\$1.80)	
25% Excess RETT for Vital Services Stabilization Fund	\$0.00	(\$1.80)	
Subtotal Use of Fund Balance	(\$57.11)	(\$67.60)	
Designated / Mandated Reserves:			
7.5% GPF Required Reserve	(\$39.99)	(\$40.53)	
Subtotal Reserves	(\$39.99)	(\$40.53)	
Estimated Ending Available Fund Balance	\$12.50	(\$1.02)	

Generally, the receipts of revenue in FY 2015-16 reflect continued growth in the local economy and recovery from the global recession and housing crisis. Notably, an improved local real-estate market has led to strong growth in real-estate related revenues, including property tax, real estate transfer tax, and transient occupancy tax (**Attachment A-1**).

The projected year-end expenditures for the GPF total \$540.02 million which is approximately \$4.58 million over the net Adjusted Budget Citywide. The overage is primarily attributed to overtime costs in the Oakland Police Department (*Table 4*). Expenditures by department are listed in **Attachment A-2**.

Three additional funds have been added to those typically analyzed in the quarterly revenue and expenditure reports. The Multipurpose Reserve Fund (1750) has a negative fund balance and is on an informal repayment plan. While the two State Gas Tax Funds (2230 & 2231) are projected to maintain positive fund balances, marked declines in the revised State revenue projections warrant concern for FY 2016-17. The Equipment Fund has been removed from the analysis since it now has a positive cash balance which is projected to continue. Three of the five funds analyzed for this report have historically shown negative fund, or cash, balances and are projected to improve with the exception of LLAD. The projected FY 2015-16 projected ending fund balance/(deficit) is shown below (**Attachments C-1 to F-2**):

- LLAD (\$1.27) million
- State Gas Tax \$1.20 million
- State Gas Tax Prop 42 \$0.37 million
- Facilities Fund (\$12.95) million
- Multipurpose Reserve (\$3.63) million

This report provides analysis and details on the actual fiscal year-end revenues and expenditures in the General Purpose Fund (GPF; 1010), Landscaping and Lighting Assessment District Fund (LLAD, 2310), Equipment Fund (4100) and City Facilities Fund (4400) based on data through the end of the second quarter (July 1, 2015 – December 31, 2015). Revenues, expenditures and overtime for these funds, as well as overtime for all funds, are presented in this report, and are compared to the FY 2015-16 Adjusted Budget.

BACKGROUND / LEGISLATIVE HISTORY

On July 1, 2015, Council adopted the FY 2015-17 Adopted Policy Budget of \$534.38 million (both revenues and expenditures) including a transfer of \$19.24 million from fund balance in the General Purpose Fund which is off-setting one time expenditures.

This report contains the projected fiscal year-end budget and actual information for FY 2015-16, as well as items set-aside for future use in the FY 2015-17 Adopted Policy Budget.

ANALYSIS AND POLICY ALTERNATIVES

GENERAL PURPOSE FUND

I. REVENUES

The FY 2015-16 adjusted General Purpose Fund revenue budget is \$535.44 million. Second quarter year-end projections total \$537.53 million, which represents a net increase of \$2.09 million over the FY 2015-16 Adjusted Budget.

Table 2: Summary of GPF Revenue Variance:

(\$ in millions)

Description	FY 2015-16 Revenue
FY 2015-16 Adjusted Revenue Budget	\$535.44
Increases/(Decreases):	
Property Tax	(\$9.42)
Business License Tax	\$3.05
Real Estate Transfer Tax	\$11.17
Miscellaneous	(\$4.40)
All Other	\$1.69
FY 2015-16 Second Quarter Projected Revenue	\$537.53
Net GPF Revenue Growth	\$2.09

II. EXPENDITURES

The projected year-end expenditures are \$540.02 million, which is \$4.58 million over the net Adjusted Budget Citywide. The overspending is primarily attributed to sworn overtime costs.

Table 3: Summary of FY 2015-16 GPF Expenditure Variance:

(\$ in millions)

Department	Adjusted Budget (Q2 less CF)	Projected Year-End Actuals	Year-End (Over) / Under Budget
FY 2015-16 Expenditures	\$535.44	\$540.02	(\$4.58)
MAYOR	\$2.54	\$2.24	\$0.29
CITY COUNCIL	\$4.53	\$4.53	\$0.00
CITY ADMINISTRATOR	\$15.90	\$15.40	\$0.50
CITY ATTORNEY	\$5.57	\$5.57	\$0.00
CITY AUDITOR	\$1.90	\$1.77	\$0.14
CITY CLERK	\$1.84	\$1.80	\$0.04
PUBLIC ETHICS	\$0.86	\$0.43	\$0.43
FINANCE	\$22.82	\$22.12	\$0.70
INFORMATION TECHNOLOGY	\$10.41	\$10.24	\$0.18
RACE & EQUITY	\$0.30	\$0.23	\$0.08
HUMAN RESOURCES	\$4.69	\$4.57	\$0.13
POLICE	\$220.40	\$229.01	(\$8.61)
FIRE	\$123.63	\$123.26	\$0.37
LIBRARY	\$11.13	\$11.13	\$0.00
PARKS & RECREATION	\$16.06	\$16.06	\$0.00
HUMAN SERVICES	\$6.47	\$6.47	\$0.00
ECONOMIC & WORKFORCE DEVELOPMENT	\$5.06	\$4.92	\$0.14
HOUSING & COMMUNITY DEVELOPMENT	\$0.00	\$0.00	\$0.00
PLANNING & BUILDING	\$0.04	\$0.04	\$0.00
PUBLIC WORKS	\$2.87	\$2.83	\$0.04
NON-DEPARTMENTAL	\$77.37	\$76.37	\$1.00
CAPITAL IMPROVEMENT PROGRAM	\$1.05	\$1.05	\$0.00

It is important to note that GPF overtime expenditures exceeded the overtime Adjusted Budget by \$34.74 million (**Attachment B**), which is primarily attributed to Public Safety. However, salary savings offset most (74%) of these costs with the exception of the Oakland Police Department (OPD) due to unanticipated special enforcement, routine overtime and coverage of vacancies. The comparison of salary savings to overtime overspending is shown in *Table 4* below.

Table 4: FY 2015-16 GPF Net Overtime (OT) Overspending and Salary Savings:

DEPT	Year-End Salary Savings / (Overspending)	Unaudited Year-End OT (Overspending)	NET Savings / (Overspending)
City Administrator	\$409,681	(\$267,675)	\$142,006
Finance	\$621,576	(\$102,118)	\$519,458
Information Technology	\$497,293	(\$83,986)	\$413,307
Police Department	\$3,905,351	(\$14,177,206)	(\$10,271,855)
Fire Department	\$19,697,667	(\$20,056,200)	(\$358,533)
Economic & Workforce Development	\$158,487	(\$21,342)	\$137,145
All Other Departments	\$294,034	(\$30,531)	\$263,503
Grand Total¹	\$25,584,089	(\$34,739,058)	(\$9,154,969)

¹ The Net Savings / Overspending will vary from Attachment A-2 due to O&M variances not captured above.

As mentioned above, the overtime (OT) overspending in the Police Department is due to costs associated with unanticipated special enforcement, routine overtime and coverage of vacancies as detailed in *Table 5* below.

Table 5: FY 2015-16 GPF OT Expenditures by Category - Police Department:

(\$ in millions)

DESCRIPTION	ACTUAL EXP Jul 1 - Dec 31	Q2 PROJECTED Year End
Protests & Special Enforcement¹ :	\$3.10	\$6.20
<i>Protests</i>	\$0.12	
<i>Sideshow Enforcement</i>	\$0.08	
<i>All Other</i>	\$2.90	
Reimbursable Events	\$1.68	\$3.35
Coverage of Vacancies	\$4.16	\$8.31
Routine Overtime	\$5.84	\$11.68
TOTAL	\$14.78	\$29.55

¹ The projection for protests assumes the same level of activity in the last six months of the fiscal year

III. FUND BALANCE

The audited FY 2015-16 gross GPF beginning fund balance is \$109.60 million. Importantly, this amount includes the City Council appropriated reserves discussed earlier in this report, as well as project and encumbrance balances carried forward into FY 2015-16. The projected year-end available fund balance is estimated to be a deficit of approximately \$1.02 million, after including year-end revenues and expenditures, project and encumbrance carryforward, and amounts budgeted in FY 2015-17 (Table 6). The City's General Purpose Fund 7.5% GPF Emergency Reserve is set at \$40.53 million.

Table 6: FY 2015-16 Projected Year-End Available GPF Fund Balance

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$109.60	\$109.60	
Revenue	\$535.44	\$537.53	\$2.09
Expenditures	\$535.44	\$540.02	\$4.58
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$2.49)	(\$2.49)
Subtotal Fund Balance	\$109.60	\$107.12	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$40.22)	(\$39.01)	
FY 2015-16 Adopted Policy Budget	(\$7.97)	(\$8.03)	
FY 2015-16 Adopted Council Resolutions	\$0.00	(\$8.04)	
FY 2016-17 Adopted Policy Budget	(\$8.92)	(\$8.92)	
25% Excess RETT for OPEB	\$0.00	(\$1.80)	
25% Excess RETT for Vital Services Stabilization Fund	\$0.00	(\$1.80)	
Subtotal Use of Fund Balance	(\$57.11)	(\$67.60)	
Designated / Mandated Reserves:			
7.5% GPF Required Reserve	(\$39.99)	(\$40.53)	
Subtotal Reserves	(\$39.99)	(\$40.53)	
Estimated Ending Available Fund Balance	\$12.50	(\$1.02)	

IV. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). The summary below provides the adjusted total set-asides, including

Item: _____

any additional contributions based on the projected excess RETT in the FY 2015-16 second quarter results.

Description	FY 14-15	Q2 Projected FY 15-16	Projected FYE 15-16 Balances
7.5% GPF Required Reserve	\$39.57	\$40.53	\$40.53
Accelerate Long Term Obligations (debt, pension, OPEB, etc.)	\$0.00	\$2.75	\$2.75
Vital Services Stabilization Fund	\$2.02	\$2.75	\$4.78
Total Reserves	\$41.60	\$46.03	\$48.06

On June 3, 2014 Council Resolution No. 85016 authorized an additional set-aside for payment of long-term liabilities to the City's California Employer's Retiree Benefit Trust (CERBT) Fund of \$534,500 which was paid in FY 2013-14 therefore it is not reflected in the table above.

It is important to note that the total reserves and set-asides projected at \$48.06 million is equivalent to just over one month of GPF operating expenditures (8.9%). However, the Government Finance Officers Association (GFOA) recommends maintaining unrestricted budgetary fund balance in the general fund of no less than two months of operating expenditures (16.7%).

The City's Consolidated Fiscal Policy is available in its entirety on the City's website:

<https://oakland.legistar.com/LegislationDetail.aspx?ID=1942449&GUID=CCD3E972-1174-47A9-A2C5-615206063FD9&Options=ID%7cText%7c&Search=13279>

**GENERAL PURPOSE FUND
 (Attachments A-1 and A-2)**

REVENUE HIGHLIGHTS

The FY 2015-16 adjusted General Purpose Fund revenue budget is \$535.44 million. Second Quarter year-end projections total \$537.53 million, which represents a net increase of \$2.09 million over the FY 2015-16 Adjusted Budget.

Attachment A-1 provides details of second quarter revenue collection and year-end projections in comparison to the Adjusted Budget.

Property Tax: -\$9.42 million

Starting in FY 2011-12, the City began receiving a portion of the Residual Property Tax Trust Fund ("RPTTF") as the result of the dissolution of the Redevelopment Agency. The RPTTF is the portion of property tax increment, less wind-down funding obligations, that would have gone to redevelopment agencies if they had not been dissolved. The passage of SB 107 caused property tax increment revenues derived from the portion of the Pension Obligation tax levy approved by the voters prior to 1989, to be reported as allocated to the Pension Override Tax Revenue Fund, rather than through the RPTTF. As of January 1, 2016, the County is following this process.

Table 7: Historical Property Tax Revenue: FY 2011-12 through FY 2015-16
 (\$ in millions)

Category	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	Q2 Forecasted FYE
Property Tax	\$125.77	\$129.27	\$133.12	\$141.03	\$148.79
Property Tax - RPTTF	\$13.03	\$24.88	\$9.71	\$18.33	\$6.69
Total Properties	\$138.80	\$154.15	\$142.83	\$159.36	\$155.48

Sales Tax: -\$0.73 million

Revenues derived from sales tax is projected to end the year at \$ 54.70 million. Based upon second quarter data, this is a 1.31% decrease when compared to the FY 2015-16 Adjusted Budget. The City is experiencing negative baseline sales tax growth due to low gasoline and jet fuel prices, as well as the closing of Walmart.

Table 8: Sales Tax Revenue: FY 2014-15 to FY 2015-16

(\$ in millions)

Industry Group	FY 2014-15 YTD Q2	FY 2015-16 YTD Q2	Increase / (Decrease)
Auto & Transport	\$4.53	\$4.73	\$0.20
Building & Construction	\$2.36	\$2.46	\$0.10
Business & Industry	\$3.00	\$2.96	(\$0.04)
Food & Drugs	\$2.15	\$2.31	\$0.16
Fuel & Service Stations	\$4.01	\$2.94	(\$1.07)
General Consumer Goods	\$2.86	\$2.96	\$0.10
Restaurants & Hotels	\$4.08	\$4.54	\$0.46
Total	\$22.99	\$22.90	(\$0.09)

Business License Tax: +\$3.05 million

Revenues derived from business tax are projected to end the fiscal year at \$73.10 million. This is a 4.36% increase over the FY 2015-16 Adjusted Budget. In October 2015, the Compliance unit of the Revenue Management Bureau, aided by the Business Tax Customer Service and Audit units, conducted the calendar year 2015 non-compliant rental property project. Staff licensed and brought into compliance approximately 4,300 unregistered landlords. The project generated invoices of \$6.58 million of which approximately \$4.60 million has been collected. The FY 2015-16 Adjusted Budget anticipated revenues of \$1.94 million would be derived from this project. Ongoing revenue from newly licensed rental properties is projected to be \$1.4 million.

Real Estate Transfer Tax: +\$11.17million

Revenue derived from real estate transfer tax (RETT) is projected to end the year at \$72.35 million, which is 18.26% above the FY 2015-16 Adjusted Budget. The revenue derived from baseline property sales increased 15% when compared to this time last fiscal year; while revenue derived from larger property transactions is up 44%. Furthermore, residential sales through the second quarter decreased 7.58% but the average sale price increased 14.0%.

Table 9: FY 2015-16 YTD Large Property Sales

(\$ in millions)

Sale Quarter	Property	FY 2015-16 RETT
Quarter 1	300 Lakeside Drive	\$2.90
Quarter 1	1955 Broadway	\$1.85
Quarter 1	505 14th Street	\$0.89
Quarter 2	1300 Clay Street	\$0.83
Quarter 2	Safeway Stores	\$0.81
Quarter 2	3300 Webster	\$0.66
Quarter 2	1330 Broadway	\$1.20
Quarter 2	1221 Broadway	\$2.48
Total		\$11.62

Real Estate Transfer Tax is highly volatile and revenues can increase and decrease rapidly with changing market conditions or as a result of the sale of high value properties. When certain high value commercial properties are sold they can result in anomalously high revenue.

Transient Occupancy Tax: +\$1.92 million

Transient Occupancy Tax (TOT) revenue is projected to end the fiscal year at \$18.82 million, which is 11.33% above the FY 2015-16 adopted budget. The City is still experiencing growth in this revenue category, with baseline revenues up 5.5% during the second quarter, in addition to revenues derived from transient residential hosting platforms.

Miscellaneous Revenue: -\$4.40 million

Miscellaneous Revenue is a category that includes, amongst other items, revenue derived from settlements, land sales, and bond sales. Generally, many items in this category are not budgeted unless staff is certain that the revenue will be received during the fiscal year. For example, if the City is issuing bonds, the anticipated revenue can be budgeted. However, revenues received from settlements are not normally budgeted due to the inconsistency of remittance. In the FY 2015-16 Adjusted Budget, \$4.4 million was budgeted to be received in FY 2015-16 from the sale of land but based upon updated information this revenue will not be received during the fiscal year.

City Council Policy Directive Revenue Report

On June 30, 2015, the City Council adopted the FY 2015-17 Adopted Policy Budget (Resolution No. 85672 C.M.S.), which included Policy Directive #5 Revenue Collections-addressing gaps in revenue collection as part of the Quarterly Revenue & Expenditure Report.

Policy Directive #17 directed staff to review the tax payment status of all residential properties, which have changed hands since 2007 and did not have a homeowner exemption filed with the County. Note that the Revenue Management Bureau does not have records of residential property sales prior to June 2011.

Non-compliant Rental Property Project:

To adhere to Policy Directive #17, in October 2015, the Compliance unit of the Revenue Management Bureau, aided by the Business Tax Customer Service and Audit units, conducted the calendar year 2015 non-compliant rental property project (NCRP). The City emailed notices to residential property owners who 1) were not claiming the homeowner's exemption on their property tax bill; and/or 2) had a mailing address for the property tax bill that was different from the property address. As a result of this comprehensive audit, staff licensed approximately 4,200 unregistered residential rental property business owners. The project generated invoices of \$6.94 million of which approximately \$4.87 million has been collected, leaving an outstanding invoice balance of approximately \$2.07 million.

In 2009, the City conducted an amnesty program for a variety of non-compliant taxpayers¹, including business taxes derived from rental properties. The amnesty program offered forgiveness from penalties and interest on those penalties associated with payment of back taxes, but the tax liability and interest on the tax liability was due and payable. In 2011, the City conducted a compliance project specific to residential rental property business owners. This project did not offer amnesty with regards to penalties and interest on penalties.

EXPENDITURE HIGHLIGHTS

As outlined in **Attachment A-2**, the FY 2015-16 Q2 net Adjusted Budget is \$535.44 million. The fiscal year-end General Purpose Fund (GPF) projected expenditures were \$540.02 million, resulting in an over-spending of \$4.58 million primarily due to OPD overtime. Additionally, this attachment also summarizes department-level spending. The breakdown of projected fiscal year-end overtime spending for the General Purpose Fund and All Funds is provided in **Attachment B**. Below is a discussion of each department's projected savings or overspending in the GPF at year-end as compared to the Adjusted Budget.

Mayor's Office

The Mayor's Office is projected to underspend by \$0.29 million primarily due to salary savings.

City Administrator

The City Administrator's Office has projected savings of \$0.50 million primarily associated with O&M savings Administration, and salary savings from vacancies in CAO Budget, Animal Services and CPRB.

City Council

The City Council is projected to stay within the Adjusted Budget.

City Attorney

The City Attorney is projected to stay within the Adjusted Budget.

City Auditor

The City Auditor is projected to have a savings of \$0.14 million when compared to the Adjusted Budget.

City Clerk

The Office of the City Clerk is projected to have a slight savings of \$0.04 million when compared to the Adjusted Budget.

¹ Ordinance No.12951 C.M.S. An Ordinance establishing a time-limited tax amnesty program forgiving payment of penalties and interest on penalties applicable to under-reported and unreported business taxes, parking taxes, transient occupancy taxes, and utility user taxes.

Public Ethics Commission (PEC)

The PEC is projected to have savings of \$0.08 million when compared to the Adjusted Budget.

Finance Department (OFD)

Finance's (Administration, Treasury, Controller, and Revenue Management) fiscal year-end expenditures are projected at \$24.36 million compared to the net Adjusted Budget of \$25.07 million. Projected savings in the Revenue and Controller's Bureaus is due to lower than anticipated personnel costs resulting from vacancies which are currently under recruitment or have been recently filled.

Information Technology Department (ITD)

ITD is projected to spend \$12.75 million of their \$12.93 million net Adjusted Budget. The savings of \$0.18 million is attributed to vacancies.

Race & Equity

The Race & Equity Department is projected to have savings of \$0.04 million when compared to the Adjusted Budget.

Human Resources Department (HRD)

Human Resources is projected to spend \$5.30 million compared to the Adjusted Budget resulting in an estimated savings of \$0.13 million as a result of lower than anticipated costs related to OPD academy recruitments.

Oakland Police Department (OPD)

OPD is projected to spend \$238.82 million compared to its net Adjusted Budget of \$230.20 million. The estimated overspending of \$8.61 million is due to overtime (OT) costs associated with targeted crime reduction operations, special events, backfill and extension of shift (*Table 5*). OPD is projected to spend approximately \$29.55 million in overtime, as compared to their annual budget of \$15.38 million (as shown in **Attachment B**). The projected over-expenditure of approximately \$14.18 million in overtime is partially offset by one-time salary savings associated with vacancies (*Table 4*).

Oakland Fire Department (OFD)

The Fire Department is projected to end FY 2015-16 with a savings of approximately \$0.37 million primarily due to the 2016 SAFER grant award. Overtime spending in OFD is projected to end FY 2015-16 at approximately \$23.86 million, an approximate 12% increase over FY 2014-15. The over-expenditure of approximately \$20.05 million in overtime is a result of backfilling the estimated 80 vacant positions, most of which will be off-set by salary savings as shown in *Table 4*. The savings from vacant positions are used to fund the overtime for mandated sworn staffing levels and for Fire Academy recruitment and training.

Item: _____

Oakland Public Library (OPL)

OPL is projected to stay within the Adjusted Budget.

Oakland Parks & Recreation (OPR)

OPR is projected to stay within the Adjusted Budget.

Human Services Department (HSD)

Human Services is projected to stay within the Adjusted Budget.

Economic Workforce & Development (EWD)

EWD is projected to end the fiscal year with underspending of \$0.14 million from salary savings.

Planning & Building

Planning is projected to stay within the Adjusted Budget.

Oakland Public Works (OPW)

OPW is projected to spend \$5.97 million compared to their Adjusted Budget of \$6.01 million. The underspending of \$0.04 million is primarily due to minor salary savings.

Non-Departmental

Non-Departmental shows a savings due to the projected underspending in O&M.

OTHER FUNDS
(Attachments C-1 through F-2)

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310), year-end revenue and expenditure results show a deficit of \$0.03 million (**Attachments C-1 & C2**). When accounting for obligated amounts carried forward to FY 2015-16, the deficit fund balance increases to an estimated \$1.27 million. This is primarily attributed to additional utility rate increases from both EBMUD and PG&E. The LLAD has steadily improved its FY 2008-09 negative fund balance of approximately \$6 million, however rapidly increasing costs (e.g., utility rates, personnel, etc.) and the inability to adjust the assessment rate has prevented the City from reaching its goal of maintaining a positive fund balance. The assessment rate cannot be adjusted without voter approval, therefore Public Works will continue to carefully manage personnel and O&M expenses throughout FY 2015-16 in order to mitigate any further reductions to the fund balance. Additionally, staff will propose alternative solutions as part of the FY 2016-17 Midcycle Budget process.

Table A: FY 2015-16 LLAD Year-End Available Fund Balance

(\$ in millions)

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.29)	(\$0.29)	
Revenue	\$20.11	\$20.46	(\$0.35)
Expenditures	\$20.11	\$20.49	(\$0.38)
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.03)	
Subtotal Fund Balance	(\$0.29)	(\$0.32)	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$0.94)	(\$0.94)	
Estimated Ending Fund Balance	(\$1.23)	(\$1.27)	

State Gas Tax Fund

State Gas Tax Fund (2230) is revenue from a portion of an 18 cent per gallon excise tax for gasoline which is returned to Cities based on a population formula. These funds may be used for the “research, planning, construction, improvement, maintenance and operation” of public streets and roads, including sidewalks, bikeways and public transit facilities. A small amount (\$10,000 per year) must be spent on engineering costs and admin expenses related to city streets.

Revenues are projected to end the fiscal year fiscal year at \$9.58 million which is \$0.23 million higher than the Adjusted Budget. Additionally, projected expenditures of \$9.17 million are slightly less (\$0.18 million) than the net Adjusted Budget of \$9.35 million (**Attachments D-1 & D-2**). Table B below shows the projected available fund balance at year-end to be approximately \$1.20 million net of the FY 2015-16 budgeted use of fund balance and carry forward obligations. While the estimated revenue includes the State’s revised projections as of January 2016, it is important to note that as the economy shifts, the projections may be adjusted again prior to the fiscal year-end.

Table B: FY 2015-16 State Gas Tax Fund Projected Year-End Available Fund Balance

(\$ in millions)

STATE GAS TAX FUND (2230)	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$3.83	\$3.83	
Revenue ¹	\$9.35	\$9.58	(\$0.23)
Expenditures	\$9.35	\$9.17	\$0.18
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.41	
Subtotal Fund Balance	\$3.83	\$4.24	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$0.91)	(\$0.91)	
FY 2015-17 Adopted Policy Budget	(\$2.13)	(\$2.13)	
Estimated Ending Fund Balance	\$0.79	\$1.20	

¹ Includes revised State projections as of January 2016

State Gas Tax - Prop 42 Replacement Fund

State Gas Tax Fund (2231) serves as a replacement of Prop 42 (sales tax on gasoline). The revenue is a portion of a variable excise tax on gasoline that is returned to Cities based on a population formula. Currently its 12 cents and it changes annually to equal the value of the former Prop 42 Sales Tax so it can be adjusted up or down. A downward adjustment would have a negative fiscal impact on revenues received. These funds may be used for the "research, planning, construction, improvement, maintenance and operation" of public streets and roads, including sidewalks, bikeways and public transit facilities.

Revenues are projected to end the fiscal year fiscal year at \$1.93 million which is \$0.02 million lower than the Adjusted Budget. Expenditures are projected to be slightly more (\$0.05 million) than the net Adjusted Budget of \$1.95 million (**Attachments D-1 & D-2**). Table C below shows the projected available fund balance at year-end to be approximately \$0.37 million net of the FY 2015-16 budgeted repayment to fund balance and carry forward obligations. While the estimated revenue includes the State's revised projections as of January 2016, it is important to note that as the economy shifts, the projections may be adjusted again prior to the fiscal year-end.

Table C: FY 2015-16 State Gas Tax – Prop 42 Fund Projected Year-End Available Fund Balance

(\$ in millions)

STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$2.76	\$2.76	
Revenue ¹	\$1.95	\$1.93	\$0.02
Expenditures	\$1.95	\$2.00	(\$0.05)
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.07)	
Subtotal Fund Balance	\$2.76	\$2.69	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$2.36)	(\$2.36)	
Budgeted Fund Balance Repayment	\$0.03	\$0.03	
Estimated Ending Fund Balance	\$0.44	\$0.37	

¹ Includes revised State projections as of January 2016

Facilities Fund

This fund is reported on a cash basis. Projected results for the Facilities Fund (4400) shown in Table C indicate that expenditures and revenues will be the same (**Attachments E-1 & E-2**). The estimated ending cash balance will improve by \$6.29 million due to (1) the ten-year plan scheduled repayment of \$2.29 million and, (2) an additional one-time payment to the negative Fund Balance of \$4.0 million that was allocated in the FY 2015-17 Adopted Policy Budget. The projected ending cash balance is a negative \$12.95 million. The Facilities Fund, on a repayment plan through 2019, has steadily improved its fund balance by approximately \$18 million since FY 2008-09.

Table C: FY 2015-16 Facilities Fund Year-End Available Cash Balance

(\$ in millions)

FACILITIES FUND (4400)	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 Projected FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$17.53)	(\$17.53)	
Revenue	\$35.51	\$35.51	\$0.00
Expenditures	\$35.51	\$35.51	\$0.00
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.00	
Subtotal Fund Balance	(\$17.53)	(\$17.53)	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$1.71)	(\$1.71)	
Budgeted Fund Balance Repayment	\$6.29	\$6.29	
Estimated Ending Cash Balance	(\$12.95)	(\$12.95)	

Multipurpose Reserve Fund

The Multipurpose Reserve Fund (1750) serves as the City' the off-street parking and traffic control fund. Fund 1750 is used to budget and record the gross revenue and operating expenses of the City's off-street parking facilities. Revenues are used for staff support, parking operations and maintenance, and authorized contract management services and fees.

Expenditures are projected to be slightly less (\$0.03 million) than the net Adjusted Budget of \$10.21 million. Revenues are projected to end the fiscal year fiscal year at \$11.98 million which is \$1.77 million higher than the Adjusted Budget (**Attachments F-1 & F-2**). Table E below shows the projected available fund balance improving by year-end to a negative \$3.63 million, net of the FY 2015-16 budgeted repayment to fund balance and carryforward obligations.

Table E: FY 2015-16 Multipurpose Reserve Fund Projected Year-End Available Fund Balance

(\$ in millions)

MULTIPURPOSE RESERVE FUND (1750)	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 Projected FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$4.87)	(\$4.87)	
Revenue	\$10.21	\$11.98	(\$1.77)
Expenditures	\$10.21	\$10.18	\$0.03
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$1.80	
Subtotal Fund Balance	(\$4.87)	(\$3.07)	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF) to FY 2015-16	(\$0.79)	(\$0.79)	
Budgeted Fund Balance Repayment	\$0.22	\$0.22	
Estimated Ending Fund Balance	(\$5.43)	(\$3.63)	

FUND BALANCE

It is important to note that the City continues to make progress in FY 2015-16 on its funds that have negative fund balances. Over the past decade, many Non-GPF funds have been depleted creating financial pressures on the GPF. They are largely attributable to historical overspending and/or under-recovery and transfers to the GPF for budget balancing measures. It is important that the City continues to plan for this contingency and cautiously approach the FY 2016-17 midcycle budget adjustments, especially in light of large unfunded liabilities, negative fund balances, unanticipated expenditures, economic downturn, and other risks that may impact the fund balance in future years.

The last three Adopted Policy Budgets (FY 2009-2016) included repayment plans for the City to repay itself for the use of pooled cash for both Program Funds and Internal Service Funds (ISFs). The Repayment Plan has been monitored closely by staff, and staff has also instituted more frequent draw-downs of grant funds, as well as increased oversight and management of expenditures for funds with negative balances. Since FY 2009-10, **over \$49 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest (Table 10). The FY 2015-17 Adopted Policy Budget allocates additional one-time repayments to the Facilities Fund negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduces the on-going repayments from the GPF while still meeting the scheduled elimination of the negative balances. Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. Continued commitment to repayment is strongly encouraged to ensure the necessary financial progress as a commitment to external auditors.

Table 10: Negative Fund Balance Summary FY 2011-12 through FY 2014-15

Negative Fund Category		Fund Balance FY 2011-12	Fund Balance FY 2012-13	Fund Balance FY 2013-14	Fund Balance FY 2014-15
1	Negative Funds with Repayment Plan	(78,072,482)	(67,926,367)	(62,278,619)	(50,498,495)
2	Reimbursable Negative Funds ¹	(18,629,957)	(30,450,879)	(22,871,116)	(24,084,884)
3	Non-Reimbursable Negative Funds without Repayment Plan	(14,091,416)	(13,447,067)	(13,519,597)	(13,916,383)
Total Negative Funds		(110,793,855)	(111,824,313)	(98,669,332)	(88,499,762)
FY 2009-10 through FY 2014-15 Repayment Amount²		49,667,114			

¹ As of June 30, 2013, the City has spend approximately \$4.1 million of former Redevelopment 3rd Party Contracts that the State Department of Finance (DOF) has disallowed. On July 29, 2013 the Oversight Board approved the Bond Expenditure Agreement between the City and Oakland Redevelopment Successor Agency (ORSA) to reimburse these funds. These amounts are excluded from the above totals in FY 2012-13, and included the totals in FY 2013-14.

² Cumulative amount; FY 2009-2011 not shown in table

PUBLIC OUTREACH / INTEREST

Not applicable.

COORDINATION

This report was prepared in coordination between the Controller's Bureau, the Revenue Management Bureau, the City Administrator's Budget Office, the City Attorney's Office and various departments.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

Social Equity: No social equity opportunities have been identified.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that City Council accept this informational report on the projected Fiscal Year (FY) 2015-16 Second Quarter Revenue and Expenditure results and year-end summaries for six selected funds – General Purpose Fund (GPF, 1010), Multipurpose Reserve Fund (1750), State Gas Tax Fund (2230), State Gas Tax Proposition 42 Replacement Fund (2231), Landscape & Lighting Assessment District Fund (LLAD, 2310), and Facilities Fund (4400); and overtime analysis for the General Purpose Fund (1010) and All Funds.

For questions regarding this report, please contact Kirsten LaCasse, Interim Controller, at 238-6776.

Respectfully submitted,



KIRSTEN LACASSE
Interim Controller, Controller's Bureau

Prepared by:

Kirsten LaCasse
Interim Controller
Controller's Bureau

Margaret O'Brien
Interim Revenue & Tax Administrator
Revenue Management Bureau

Attachments (11):

- A-1: *General Purpose Fund Revenues*
- A-2: *General Purpose Fund Expenditures*
- B: *Overtime Analysis*
- C-1: *Landscape and Lighting Assessment District Fund Revenues*
- C-2: *Landscape and Lighting Assessment District Fund Expenditures*
- D-1: *State Gas Tax & Prop 42 Replacement Fund Revenues*
- D-2: *State Gas Tax & Prop 42 Replacement Fund Expenditures*
- E-1: *Facilities Fund Revenues*
- E-2: *Facilities Fund Expenditures*
- F-1: *Multipurpose Reserve Fund Revenues*
- F-2: *Multipurpose Reserve Fund Expenditures*

Item: 6

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adi. Bud.	Explanation of Over / (Under) Collection
PROPERTY TAX	164.91	72.98	44.3%	155.49	(9.42)	The passage of SB 107 caused property tax increment revenues derived from the portion of the Pension Obligation tax levy approved by the voters prior to 1989, to be reported as allocated to the Pension Override Tax Revenue Fund, rather than through the RPTTF
SALES TAX	55.43	15.50	28.0%	54.70	(0.73)	The City is experiencing negative baseline sales tax growth due to low gasoline and jet fuel prices, as well as the closing of Walmart
VEHICLE LICENSE FEES	0.00	0.17	0.0%	0.00	0.00	
BUSINESS LICENSE TAX	70.05	5.23	7.5%	73.10	3.05	The landlord compliance project generated approximately \$4.60 million compared to anticipated revenues of \$1.94 million. Ongoing revenue from newly licensed rental properties is projected to be \$1.4 million.
UTILITY CONSUMPTION TAX	50.00	20.80	41.6%	50.50	0.50	
REAL ESTATE TRANSFER TAX	61.18	36.27	59.3%	72.35	11.17	The revenue increased as a result of large property sales in the first 2 quarters
TRANSIENT OCCUPANCY TAX	16.90	9.28	54.9%	18.82	1.92	Baseline revenues up 5.5% during the second quarter, in addition to revenues derived from transient residential hosting platforms
PARKING TAX	10.21	4.34	42.5%	10.21	0.00	
LICENSES & PERMITS	2.34	0.95	40.9%	2.34	0.00	
FINES & PENALTIES	24.17	8.05	33.3%	24.17	0.00	
INTEREST INCOME	0.74	0.16	21.5%	0.74	0.00	
SERVICE CHARGES	48.21	18.89	39.2%	48.21	0.00	
INTERNAL SERVICE FUNDS	0.00	0.00	0.0%	0.00	0.00	
GRANTS & SUBSIDIES	0.12	0.46	386.5%	0.12	0.00	
MISCELLANEOUS	5.15	0.46	8.9%	0.75	(4.40)	\$4.4 million land sale anticipated FY 2015-16 will not be received during the fiscal year.
INTER-FUND TRANSFERS	14.92	7.46	50.0%	14.92	0.00	
Sub-Total Revenue	\$524.31	\$201.01	38.3%	\$526.40	\$2.09	
TRANSFERS FROM FUND BALANCE	11.13	0.00	0.0%	11.13	0.00	
Total Revenue	\$535.44	\$201.01	38.3%	\$537.53	\$2.09	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent To Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	FY 2015-16 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Overspending / Savings
MAYOR	2.54	1.12	43.9%	2.25	0.29	11.4%	Projected savings primarily due to lower than anticipated personnel costs
CITY COUNCIL	4.69	2.22	47.3%	4.69	0.00	0.0%	Projected to stay within the adjusted budget
CITY ADMINISTRATOR	18.19	7.09	39.0%	17.70	0.50	2.7%	Savings primarily associated with O&M savings Administration, and salary savings from vacancies in CAO Budget, Animal Services and CPRB
CITY ATTORNEY	9.58	4.16	43.4%	9.57	0.00	0.0%	Projected to stay within the adjusted budget
CITY AUDITOR	1.91	0.83	43.3%	1.77	0.14	7.2%	Projected savings primarily due to lower than anticipated personnel costs
CITY CLERK	2.30	0.76	33.0%	2.26	0.04	1.9%	Projected savings primarily due to lower than anticipated personnel costs
PUBLIC ETHICS COMMISSION	0.88	0.21	24.0%	0.46	0.43	48.3%	Projected savings primarily due to salary savings associated with vacancies
FINANCE DEPARTMENT	25.07	9.99	39.9%	24.36	0.70	2.8%	Projected savings in the Revenue and Controller's Bureaus is due to lower than anticipated personnel costs resulting from vacancies which are currently under recruitment or have been recently filled
INFORMATION TECHNOLOGY	12.93	5.38	41.6%	12.75	0.18	1.4%	Projected savings primarily due to salary savings associated with vacancies
RACE & EQUITY	0.30	0.00	0.0%	0.23	0.08	25.3%	Projected savings primarily due to salary savings associated with vacancies
HUMAN RESOURCES	5.43	2.30	42.4%	5.30	0.13	2.4%	Lower than anticipated costs related to OPD academy recruitments.
POLICE DEPARTMENT	230.20	116.96	50.8%	238.82	(8.61)	(3.7%)	Projected overspending due to overtime costs associated with targeted crime reduction operations, special events, backfill and extension of shift
FIRE DEPARTMENT	124.72	61.49	49.3%	124.36	0.37	0.3%	Salary savings primarily due to the 2016 SAFER grant award
OAKLAND PUBLIC LIBRARY	11.13	5.60	50.3%	11.13	0.00	0.0%	Projected to stay within the adjusted budget
PARKS & RECREATION	16.67	8.48	50.9%	16.67	0.00	0.0%	Projected to stay within the adjusted budget
HUMAN SERVICES	7.72	2.36	30.6%	7.72	0.00	0.0%	Projected to stay within the adjusted budget
ECONOMIC WORKFORCE & DEVELOPMENT	5.87	2.59	44.1%	5.73	0.14	2.4%	Projected savings primarily due to lower than anticipated personnel costs
HOUSING & COMMUNITY DEVELOPMENT	1.61	0.01	0.9%	1.61	0.00	0.0%	Projected to stay within the adjusted budget
PLANNING & BUILDING	0.56	0.02	3.4%	0.56	0.00	0.6%	Projected to stay within the adjusted budget
OAKLAND PUBLIC WORKS	6.01	1.06	17.6%	5.97	0.04	0.7%	Projected savings primarily due to lower than anticipated personnel costs
NON-DEPARTMENTAL	81.14	36.62	45.1%	80.14	1.00	1.2%	Projected savings due to lower than anticipated O&M costs
SUBTOTAL	569.47	269.25	47.3%	574.05	(4.58)	0.0%	
CAPITAL IMPROVEMENT PROGRAM	4.99	0.33	6.6%	4.99	0.00	0.0%	Projected to stay within the adjusted budget
Subtotal Expenditures	\$574.46	\$269.58	46.9%	\$579.03	(\$4.58)		
Amounts Carried Forward From FY 2014-15 (Project & Encumbrances)	(39.01)			(39.01)	0.00		
Total Expenditures	\$535.44	\$269.58	46.9%	\$540.02	(\$4.58)		

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)

OVERTIME ANALYSIS (in Dollars)

GENERAL PURPOSE FUND

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Overtime Actuals	FY 2015-16 Percent To Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	FY 2015-16 Year-End (Over) / Under as % of Adjusted Budget	Explanation of Over / (Under) Collection
MAYOR	8,960	0	0.0%	0	8,960	100.0%	
CITY COUNCIL	0	0	0.0%	0	0	0.0%	
CITY ADMINISTRATOR	4,719	136,197	2886.2%	272,394	(267,675)	(5672.4%)	Projected costs fully absorbed by salary savings
CITY ATTORNEY	0	878	0.0%	1,756	(1,756)	0.0%	Projected costs fully absorbed by salary savings
CITY AUDITOR	0	350	0.0%	699	(699)	0.0%	Projected costs fully absorbed by salary savings
CITY CLERK	11,570	6,166	53.3%	12,331	(761)	(6.6%)	Projected costs fully absorbed by salary savings
FINANCE DEPARTMENT	53,521	74,439	139.1%	148,878	(95,357)	(178.2%)	Projected costs fully absorbed by salary savings
TREASURY	0	3,381	0.0%	6,761	(6,761)	0.0%	Projected costs fully absorbed by salary savings
INFORMATION TECHNOLOGY	2,040	43,013	2108.5%	86,026	(83,986)	(4117.0%)	Projected costs fully absorbed by salary savings
HUMAN RESOURCES	26,390	17,307	65.6%	34,615	(8,225)	(31.2%)	Projected costs fully absorbed by salary savings
POLICE DEPARTMENT	15,375,997	14,776,601	96.1%	29,553,202	(14,177,206)	(92.2%)	Increased costs associated with targeted crime reduction operations, special events, backfill and extension of shift; partially absorbed by salary savings
FIRE DEPARTMENT	1,466,633	10,761,417	733.7%	21,522,833	(20,056,200)	(1367.5%)	Overspending primarily due backfilling the estimated 80 vacant positions, most of which will be off-set by salary savings
LIBRARY	6,260	1,597	25.5%	3,194	3,066	49.0%	
PARKS & RECREATION	0	3,146	0.0%	6,293	(6,293)	0.0%	Projected costs fully absorbed by salary savings
HUMAN SERVICES	0	1,643	0.0%	3,286	(3,286)	0.0%	Projected costs fully absorbed by salary savings
ECONOMIC WORKFORCE & DEVELOPMENT	0	10,671	0.0%	21,342	(21,342)	0.0%	Projected costs fully absorbed by salary savings
HOUSING & COMMUNITY DEVELOPMENT	0	480	0.0%	960	(960)	0.0%	Projected costs fully absorbed by salary savings
PLANNING & BUILDING	0	0	0.0%	0	0	0.0%	
PUBLIC WORKS	34,550	27,563	79.8%	55,127	(20,577)	(59.6%)	Projected costs fully absorbed by salary savings
TOTAL	\$16,990,639	\$25,864,849	152.2%	\$51,729,697	(\$34,739,058)	(204.5%)	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)

OVERTIME ANALYSIS (in Dollars)

ALL FUNDS

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD	FY 2015-16 Percent	FY 2015-16 Year-End	FY 2015-16 Year-End \$	FY 2015-16 Year-End	Explanation of Over / (Under) Collection
MAYOR	8,960	0	0.0%	0	8,960	100.0%	
CITY COUNCIL	0	0	0.0%	0	0	0.0%	
CITY ADMINISTRATOR	4,719	136,197	2886.2%	272,394	(267,675)	(5672.4%)	Projected costs fully absorbed by salary savings
CITY ATTORNEY	0	878	0.0%	1,756	(1,756)	0.0%	Projected costs fully absorbed by salary savings
CITY AUDITOR	0	350	0.0%	699	(699)	0.0%	Projected costs fully absorbed by salary savings
CITY CLERK	11,570	14,364	124.2%	28,729	(17,159)	(148.3%)	Projected costs fully absorbed by salary savings
FINANCE DEPARTMENT	56,691	82,347	145.3%	164,694	(108,003)	(190.5%)	Projected costs fully absorbed by salary savings
TREASURY	0	3,917	0.0%	7,835	(7,835)	0.0%	Projected costs fully absorbed by salary savings
INFORMATION TECHNOLOGY	10,710	66,429	620.3%	132,858	(122,148)	(1140.5%)	Projected costs fully absorbed by salary savings
HUMAN RESOURCES	26,390	17,307	65.6%	34,615	(8,225)	(31.2%)	Projected costs fully absorbed by salary savings
	15,903,139	15,267,962	96.0%	30,535,925	(14,632,786)	(92.0%)	Increased osts associated with targeted crime reduction operations, special events, backfill and extension of shift; partially absorbed by salary savings
POLICE DEPARTMENT							
FIRE DEPARTMENT	3,806,683	11,930,449	313.4%	23,860,898	(20,054,215)	(526.8%)	Overspending primarily due backfilling the estimated 80 vacant
LIBRARY	6,260	4,740	75.7%	9,480	(3,220)	(51.4%)	Projected costs fully absorbed by salary savings
PARKS & RECREATION	0	16,073	0.0%	32,146	(32,146)	0.0%	Projected costs fully absorbed by salary savings
HUMAN SERVICES	(253)	3,351	(1322.2%)	6,702	(6,955)	2744.4%	Projected costs fully absorbed by salary savings
ECONOMIC WORKFORCE & DEVELOPMENT	0	13,381	0.0%	26,763	(26,763)	0.0%	Projected costs fully absorbed by salary savings
HOUSING & COMMUNITY DEVELOPMENT	0	22,219	0.0%	44,439	(44,439)	0.0%	Projected costs fully absorbed by salary savings
PLANNING & BUILDING	307,520	464,857	151.2%	929,713	(622,193)	(202.3%)	Projected costs fully absorbed by salary savings
PUBLIC WORKS	1,872,321	1,579,523	84.4%	3,159,046	(1,286,725)	(68.7%)	Projected costs fully absorbed by salary savings
TOTAL	\$22,014,710	\$29,624,346	134.6%	\$59,248,692	(\$37,233,982)	-169.1%	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent To Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
TAX LEVY	19.30	9.84	51.0%	19.30	0.00	
LICENSES & PERMITS	0.05	0.04	75.7%	0.08	0.03	
INTEREST INCOME	0.00	(0.01)	0.0%	(0.01)	(0.01)	
SERVICE CHARGES	0.17	0.10	57.2%	0.20	0.02	
MISCELLANEOUS	0.00	0.09	0.0%	0.18	0.18	
INTERFUND TRANSFERS	0.59	0.29	50.0%	0.59	0.00	
Sub-Total Revenue	\$20.11	\$10.36	51.5%	\$20.33	\$0.22	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)

LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent To Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	FY 2015-16 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.07	0.01	8.0%	0.07	0.00	0.00%	
FINANCE DEPARTMENT							
FINANCE ADMINISTRATION	0.00	0.00	50.0%	0.00	0.00	0.00%	
CONTROLLER	0.01	0.00	2.4%	0.01	0.00	2.44%	
REVENUE MANAGEMENT	0.03	0.02	62.6%	0.03	(0.01)	(25.25%)	
PARKS & RECREATION	2.63	1.43	54.4%	2.86	(0.23)	(8.80%)	
ECONOMIC & WORKFORCE DEVELOPMENT	(0.00)	0.00	0.0%	(0.00)	0.00	0.00%	
PUBLIC WORKS	16.40	7.72	47.1%	16.54	(0.14)	(0.86%)	
NON-DEPARTMENTAL	1.73	0.00	0.0%	1.73	0.00	0.00%	
SUBTOTAL	20.87	9.17	43.9%	21.25	(0.38)	(1.81%)	
CAPITAL IMPROVEMENT	0.19	0.00	0.0%	0.19	0.00	0.00%	
Subtotal Expenditures	\$21.05	\$9.17	43.9%	\$21.43	(\$0.38)	(1.81%)	
Amounts Carried Forward From FY 2014-15	(0.94)	0.00	0.0%	(0.94)	0.00		
Total Expenditures	\$20.11	\$9.17	43.9%	\$20.49	(\$0.38)	(1.81%)	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
GAS TAX FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
STATE GAS TAX (FUND 2230)						
GAS TAX	7.06	3.21	45.4%	7.17	0.10	
INTEREST INCOME	0.00	0.00	0.0%	0.01	0.01	
SERVICES CHARGES	0.02	0.00	0.0%	0.00	(0.02)	
GRANTS & SUBSIDIES	0.14	0.14	97.7%	0.28	0.13	
MISCELLANEOUS	0.00	0.00	0.0%	0.00	0.00	
TRANSFERS FROM FUND BALANCE	2.13	0.00	0.0%	2.13	0.00	
Total Revenue	\$9.35	\$3.35	143.1%	\$9.58	\$0.23	

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)						
INTEREST INCOME	0.00	0.00	0.0%	0.01	0.01	
SERVICES CHARGES	0.00	0.00	0.0%	0.01	0.01	
MISCELLANEOUS	1.95	1.14	58.4%	1.91	(0.04)	
Total Revenue	\$1.95	\$1.15	58.4%	\$1.93	(0.02)	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
GAS TAX FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
STATE GAS TAX (FUND 2230)						
PUBLIC WORKS	9.48	4.61	48.6%	9.30	0.17	
CAPITAL IMPROVEMENT PROGRAM	0.79	0.00	0.0%	0.78	0.01	
Subtotal Expenditures	\$10.26	\$4.61	44.9%	\$10.08	\$0.18	
Amounts Carried Forward From FY 2014-15	(0.91)	0.00	0.0%	(0.91)	0.00	
Total Expenditures	\$9.35	\$4.61	44.9%	\$9.17	\$0.18	

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)						
PUBLIC WORKS	2.14	1.07	50.1%	2.18		
CAPITAL IMPROVEMENT PROGRAM	2.17	0.01	0.4%	2.17	0.00	
Subtotal Expenditures	\$4.31	\$1.08	25.1%	\$4.35	\$0.00	
Amounts Carried Forward From FY 2014-15	(2.36)	0.00	0.0%	(2.36)	0.00	
Total Expenditures	\$1.95	\$1.08	25.1%	\$2.00	\$0.00	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	(0.08)	(0.02)	24.9%	(0.04)	0.04	
SERVICE CHARGES	0.11	0.27	244.3%	0.55	0.44	
INTERNAL SERVICE	34.17	17.02	49.8%	34.17	0.00	
GRANTS & SUBSIDIES	0.12	0.00	0.0%	0.00	(0.12)	
MISCELLANEOUS	0.63	0.14	21.4%	0.28	(0.35)	
INTERFUND TRANSFERS	0.55	0.27	50.0%	0.55	0.00	
Total Revenue	\$35.51	\$17.69	49.8%	\$35.51	\$0.00	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	FY 2015-16 Year-End (Over) / Under as % of Adjusted Budget	Explanation of (Overspending) / Savings
FINANCE DEPARTMENT							
TREASURY	(0.00)	0.00	0.0%	(0.00)	0.00	0.00%	
HUMAN RESOURCES	0.13	0.05	36.0%	0.13	0.00	0.00%	
PUBLIC WORKS	29.55	12.96	43.9%	29.55	0.00	0.00%	
NON-DEPARTMENTAL	6.29	0.00	0.0%	6.29	0.00	0.00%	
CAPITAL IMPROVEMENT PROGRAM	1.25	0.34	27.2%	1.25	0.00	0.00%	
Subtotal Expenditures	\$37.22	\$13.35	35.9%	\$37.22	\$0.00	0.00%	
Amounts Carried Forward From FY 2014-15	(1.71)	0.00	0.0%	(1.71)	0.00		
Total Expenditures	\$35.51	\$13.35	35.9%	\$35.51	\$0.00	0.00%	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
MULTIPURPOSE RESERVE FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
INTEREST INCOME	(0.03)	(0.00)	17.9%	(0.01)	0.02	
SERVICES CHARGES	7.03	4.31	61.3%	8.63	1.60	
MISCELLANEOUS	0.00	0.08	0.0%	0.16	0.16	
INTER-FUND TRANSFERS	3.20	1.60	50.0%	3.20	0.00	
Total Revenue	\$10.21	\$5.99	129.2%	\$11.98	\$1.77	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Second Quarter (July 1, 2015 - December 31, 2015)
MULTIPURPOSE RESERVE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Budget	FY 2015-16 Q2 YTD Actuals	FY 2015-16 Percent to Date	FY 2015-16 Year-End Estimate	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
CITY ADMINISTRATOR	0.05	0.03	59.3%	0.06	(0.01)	
FINANCE DEPARTMENT	3.11	0.95	30.7%	3.11	(0.00)	
ECONOMIC WORKFORCE & DEVELOPMENT	0.39	0.17	43.7%	0.39	0.00	
PUBLIC WORKS	2.23	0.74	33.1%	2.19	0.04	
NON-DEPARTMENTAL	5.20	2.60	50.0%	5.20	0.00	
CAPITAL IMPROVEMENT PROGRAM	0.01	0.01	99.8%	0.01	0.00	
Subtotal Expenditures	\$11.00	\$4.51	41.0%	\$10.97	\$0.03	
Amounts Carried Forward From FY 2014-15	(0.79)	0.00	0.0%	(0.79)	0.00	
Total Expenditures	\$10.21	\$4.51	41.0%	\$10.18	\$0.03	

6

FINANCE & MANAGEMENT COMMITTEE

MAR 08 2016