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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Kirsten LaCasse
Controller

SUBJECT: FY 2015-16 Q4 R&E Report

DATE: October 24, 2016

City Administrator Approval

Date:

11/3/16

RECOMMENDATION

Staff Recommends That City Council Accept This Informational Report On The Unaudited Fiscal Year (FY) 2015-16 Fourth 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 fourth quarter for FY 2015-16, the unaudited GPF revenues exceeded expectations however most of that increase was consumed by increased expenditures. Overall, the net result is estimated at a small surplus (*Table 1*) which should be viewed in the context of the City's negative fund balances which total approximately \$72 million. Highlights of this FY 2015-16 Fourth Quarter revenue and expenditure report include:

- One-time revenues eliminated the need for the City to rely on the use of \$16.21 million from fund balance that was adopted in the FY 2015-17 Adopted Policy Budget. The unaudited revenues for the GPF are estimated to be \$559.21 million, which exceeds the third quarter projections by approximately \$20.88 million (**Attachment A-1**);
- FY 2015-16 expenditures exceeded the Adjusted Budget by approximately \$12.11 million, however revenue received off-set this deficit; unaudited expenditures for GPF totaled \$552.23 million (**Attachment A-2**);
- Citywide overtime (OT) expenditures in the GPF decreased compared to FY 2014-15 by approximately \$1.15 million and is attributable to the Police Department. The total OT expenditures across all funds are estimated to be \$56.29 million, of which \$49.13 million is in the GPF. Overtime spending exceeded the Adjusted Budget by \$33.53 million across all City funds; overtime spending by department is listed in **Attachment B**; and,

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- The GPF ending available fund balance is estimated to be \$5.82 million after reducing for the 7.5% GPF Emergency Reserve, and other adopted fund balance uses as shown in *Table 1*);
- The total reserves and set-asides (e.g., 7.5% Emergency Reserve, Vital Services Stabilization, etc.) are estimated at \$66.55 million which equates to 12.11% expenditures adopted in the FY 2016-17 Mid-Cycle Adjusted (refer to table on *Page 8*)

The unaudited year-end available GPF fund balance is estimated to at approximately \$5.82 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 FY 2016-17, (2) items allocated in the FY 2015-17 Adopted Policy Budget, (3) amounts appropriated by Council Resolution, and (4) designated and/or mandated reserves.

Table 1: Estimated Year-End Available Fund Balance:

(\$ in millions)	
GENERAL PURPOSE FUND (1010)	FY 2015-16 Unaudited FYE
Beginning Fund Balance - Audited	\$109.60
Revenue	\$559.21
Expenditures	\$552.23
Estimated Current Year Surplus/(Shortfall)	\$6.98
Subtotal Fund Balance	\$116.59
Use of Fund Balance in FY 2015-16:	
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$37.25)
FY 2016-17 Adopted Council Resolutions	(\$0.22)
FY 2016-17 Mid-Cycle Adjusted Policy Budget	(\$20.86)
FY 15-16 Long Term Obligations Set-Aside ¹	(\$12.61)
All Other ²	(\$8.26)
COPS Grant 2012 Reimbursement to State	(\$0.50)
25% Excess RETT for Long Term Liabilities	(\$5.34)
25% Excess RETT for Vital Services Stabilization Fund	(\$5.34)
Subtotal Use of Fund Balance	(\$69.53)
Designated / Mandated Reserves:	
7.5% GPF Required Reserve (FY 2016-17 Mid-Cycle Adjusted Budget)	(\$41.22)
Subtotal Reserves	(\$41.22)
Estimated Ending Available Fund Balance	\$5.82

¹ Appropriated in FY 16-17; set-aside for long term obligations

² Fund Balance appropriated in FY 2016-17 for projected election costs, third academy costs, COPS grant match, etc.

The available fund balance is considered one-time. Per the City's Consolidated Fiscal Policy (Ordinance No. 13279), one-time resources should be used "to fund one time expenditures, to fund accelerated debt retirement and unfunded long-term obligations: including negative funds balances, to fund the Police and Fire Retirement System (PFRS) liability, to fund other unfunded retirement and pension liabilities, unfunded paid leave liabilities, to fund Other Post-Employment Retirement Benefits (OPEB); or shall remain as fund balance in the appropriate fund." Below is a sample of needs and estimated costs that meet this definition. The 2016 COPS grant acceptance and match will come to the City Council before the end of the calendar year. Staff recommends delaying any action (other than the COPS grant match) until the FY 2016-17 Second Quarter Revenue and Expenditure report is complete (anticipated February 2017).

(\$ in millions)

Fund	Description	Amount
Various Funds (No Repayment Plan)	Historic Negative Balances	\$13.98
General Purpose Fund (1010)	Other Post Employment Obligation (OPEB) Trust Deposit [†]	\$7.41
Capital Reserve Fund (5510)	Part C: Consolidated Fiscal Policy	\$6.00
Municipal Capital Fund (5500)	Unfunded Council Pay-Go	\$2.54
General Purpose Fund (1010)	2016 COPS Grant Match (FY 16-17)	\$1.60

[†] 10% of the City's Annual Required Contribution (ARC)

Generally, revenue receipts in FY 2015-16 reflect continued growth in the local economy. 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 unaudited year-end expenditures for the GPF total \$552.23 million, which is approximately \$12.11 million over the net Adjusted Budget Citywide. The overage is primarily due to overtime costs associated with targeted crime reduction operations, special events, backfill and extension of shift in the Police Department. 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) have maintained positive fund balances, marked declines in the revised State revenue projections warrant concern for FY 2016-17. Three of the five funds analyzed for this report have historically shown negative fund or cash balances have improved with the exception of LLAD. The unaudited FY 2015-16 unaudited ending fund balance/(deficit) is shown below (**Attachments C-1 to F-2**):

- LLAD (\$0.91) million
- State Gas Tax \$1.05 million
- State Gas Tax Prop 42 \$0.39 million
- Facilities Fund (\$11.99) million
- Multipurpose Reserve (\$2.97) million

This report provides analysis and details on the unaudited fiscal year-end revenues and expenditures in the General Purpose Fund (GPF, 1010), Multipurpose Reserve Fund (1750),

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State Gas Tax Fund (2230), State Gas Tax Proposition 42 Replacement Fund (2231), Landscape & Lighting Assessment District Fund (LLAD, 2310), and Facilities Fund (4400) based on data through the end of the Fourth Quarter (July 1, 2015 – June 30, 2016). 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 was off-setting one time expenditures. As a result of additional revenues received, the City did not have to rely on \$16.21 budgeted in FY 2015-16.

This report contains the unaudited fiscal year-end budget and actual information for FY 2015-16, as well as items set-aside for future use in the FY 2016-17 Mid-Cycle Adjusted Policy Budget.

ANALYSIS AND POLICY ALTERNATIVES

GENERAL PURPOSE FUND

I. REVENUES

The FY 2015-16 unaudited General Purpose Fund revenue actuals is \$559.21 million, which represents an increase of \$4.67 million compared to Fiscal Year 2015-16 Third Quarter R&E report projected revenues of \$554.55 million. Although the unaudited revenues exceed the Adjusted Budget by \$20.88 million, it is important to note that as a result of the increase in revenues the City did not have to rely on the one-time budgeted use of fund balance of approximately \$16.21 million (*Table 2*).

Table 2: Summary of GPF Revenue Variance:

(\$ in millions)	
Description	FY 2015-16 Revenue
FY 2015-16 Third Quarter Projected Revenue	\$554.55
Increases/(Decreases):	
Property Tax	\$3.21
Business License Tax	\$2.47
Real Estate Transfer Tax	\$9.07
Parking Tax	(\$1.88)
Fines & Penalties	(\$2.36)
Service Charges	\$4.73
Miscellaneous	\$3.40
All Other	\$2.24
Use of Fund Balance	(\$16.21)
FY 2015-16 Fourth Quarter Revenue	\$559.21
Net GPF Revenue Growth	\$4.67

II. EXPENDITURES

The unaudited year-end expenditures are \$552.23 million, which is \$12.11 million over the net Adjusted Budget Citywide. The overspending is primarily attributed to sworn overtime costs associated with targeted crime reduction operations, special events, backfill and extension of shift.

Table 3: Summary of GPF Expenditure Variance:

(\$ in millions)

Department	Adjusted Budget Q4	FY 2015-16 Unaudited FYE	Year-End (Over) / Under Budget
FY 2015-16 Expenditures	\$540.12	\$552.23	(\$12.11)
MAYOR	\$2.46	\$2.31	\$0.15
CITY COUNCIL	\$4.57	\$4.58	(\$0.01)
CITY ADMINISTRATOR	\$16.03	\$15.33	\$0.69
CITY ATTORNEY	\$7.54	\$7.73	(\$0.20)
CITY AUDITOR	\$1.87	\$1.81	\$0.06
CITY CLERK	\$1.70	\$1.69	\$0.01
PUBLIC ETHICS	\$0.87	\$0.61	\$0.26
FINANCE	\$21.68	\$20.65	\$1.04
INFORMATION TECHNOLOGY	\$11.63	\$11.63	\$0.00
RACE & EQUITY	\$0.23	\$0.08	\$0.15
HUMAN RESOURCES	\$4.86	\$4.75	\$0.11
POLICE	\$222.64	\$243.67	(\$21.04)
FIRE	\$124.99	\$125.85	(\$0.86)
LIBRARY	\$11.42	\$11.50	(\$0.08)
PARKS & RECREATION	\$16.22	\$16.41	(\$0.19)
HUMAN SERVICES	\$6.17	\$6.39	(\$0.22)
ECONOMIC & WORKFORCE DEVELOPMENT	\$5.34	\$4.96	\$0.38
HOUSING & COMMUNITY DEVELOPMENT	\$0.51	\$0.51	\$0.00
PLANNING & BUILDING	\$0.03	\$0.03	(\$0.01)
PUBLIC WORKS	\$2.51	\$2.23	\$0.28
NON-DEPARTMENTAL	\$75.13	\$67.77	\$7.36
CAPITAL IMPROVEMENT PROGRAM	\$1.72	\$1.72	\$0.00

It is important to note that GPF overtime expenditures exceeded the overtime Adjusted Budget by \$49.13 million (**Attachment B**), which is primarily attributed to Public Safety. However, the GPF overtime costs decreased over FY 2014-15 by \$1.15 million as shown below.

(\$ in millions)

Department	FY 2014-15 Overtime	FY 2015-16 Unaudited Overtime	Increase / (Decrease) Year-To-Year
FY 2015-16 Expenditures	\$50.29	\$49.13	(\$1.15)
CITY ADMINISTRATOR	\$0.23	\$0.29	\$0.06
CITY CLERK	\$0.01	\$0.01	(\$0.00)
FINANCE	\$0.03	\$0.17	\$0.15
INFORMATION TECHNOLOGY	\$0.09	\$0.09	(\$0.00)
HUMAN RESOURCES	\$0.02	\$0.03	\$0.01
POLICE	\$31.26	\$27.78	(\$3.48)
FIRE	\$18.35	\$20.66	\$2.31
PARKS & RECREATION	\$0.01	\$0.02	\$0.01
ECONOMIC & WORKFORCE DEVELOPMENT	\$0.02	\$0.01	(\$0.01)
PUBLIC WORKS	\$0.25	\$0.06	(\$0.20)
All Other	\$0.01	\$0.01	(\$0.00)

The overtime (OT) spending in the Police Department is due to costs associated with unanticipated special enforcement, routine overtime and coverage of vacancies as detailed in *Table 4* below.

Table 4: FY 2015-16 GPF OT Expenditures by Category - Police Department:

(\$ in millions)	
DESCRIPTION	ACTUAL EXP Jul 1 - Jun 30
Protests & Special Enforcement :	\$5.84
Reimbursable Events	\$3.48
Coverage of Vacancies	\$7.52
Operational Overtime	\$10.95
TOTAL	\$27.78

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 2016-17. The unaudited year-end available fund balance is estimated to be approximately \$5.82 million, after including year-end revenues and expenditures, project and encumbrance carry forward, and amounts budgeted in FY 2016-17 (Table 6). The City's General Purpose Fund 7.5% GPF Emergency Reserve is set at \$41.22 million.

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

(\$ in millions)	
GENERAL PURPOSE FUND (1010)	FY 2015-16 Unaudited FYE
Beginning Fund Balance - Audited	\$109.60
Revenue	\$559.21
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Estimated Current Year Surplus/(Shortfall)	\$6.98
Subtotal Fund Balance	\$116.59
Use of Fund Balance in FY 2015-16:	
Budgeted Amounts Carried Forward (CF) to FY 2016-17	(\$37.25)
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COPS Grant 2012 Reimbursement to State	(\$0.50)
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Subtotal Use of Fund Balance	(\$69.53)
Designated / Mandated Reserves:	
7.5% GPF Required Reserve (FY 2016-17 Mid-Cycle Adjusted Budget)	(\$41.22)
Subtotal Reserves	(\$41.22)
Estimated Ending Available Fund Balance	\$5.82

¹ Appropriated in FY 16-17; set-aside for long term obligations

² Fund Balance appropriated in FY 2016-17 for projected election costs, third academy costs, COPS grant match, etc.

The available fund balance is considered one-time. Per the City's Consolidated Fiscal Policy (Ordinance No. 13279), one-time resources should be used "to fund one time expenditures, to fund accelerated debt retirement and unfunded long-term obligations: including negative funds

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balances, to fund the Police and Fire Retirement System (PFRS) liability, to fund other unfunded retirement and pension liabilities, unfunded paid leave liabilities, to fund Other Post-Employment Retirement Benefits (OPEB); or shall remain as fund balance in the appropriate fund." Below is a sample of needs and estimated costs that meet this definition. The 2016 COPS grant acceptance and match will come to the City Council before the end of the calendar year. Staff recommends delaying any action (other than the COPS grant match) until the FY 2016-17 Second Quarter Revenue and Expenditure report is complete (anticipated February 2017).

(\$ in millions)

Fund	Description	Amount
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¹ 10% of the City's Annual Required Contribution (ARC)

III. 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 any additional contributions based on the estimated excess RETT in the FY 2015-16 Fourth Quarter results.

FY 2015-16 Reserves & Set-Asides

Description	FY 14-15	FY 2015-16 Adopted	Q4 Unaudited FY 15-17	FYE 15-16 Balances
7.5% GPF Required Reserve ¹	\$39.57	\$39.57	\$41.22	\$41.22
Long Term Obligations Set-Aside	\$0.00	\$11.65	\$5.34	\$17.00
Vital Services Stabilization Fund	\$2.02	\$0.95	\$5.34	\$8.32
Total	\$41.60	\$52.18	\$51.91	\$66.55

¹ The 7.5% GPF reserve is not a cumulative balance

It is important to note that the total reserves and set-asides projected at \$66.55 million (including the set-aside for long term obligations) is equivalent to one and a half months of GPF operating expenditures (12.11%)¹. 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 (16.70%).

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>

¹ Once the Long Term Obligation set-aside is allocated to cover the pension obligations, the total reserves will reduce to \$49.55 million, which is 9.01% of the GPF operating expenditures

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

REVENUE HIGHLIGHTS

The FY 2015-16 unaudited General Purpose Fund revenue actuals total \$559.21 million, which represents an increase of \$20.88 million compared to Fiscal Year 2016 Third Quarter R&E report projected revenues of \$554.55 million, net of the \$16.21 transfer from fund balance.

Attachment A-1 provides details of fourth quarter revenue collection in comparison to the third quarter projections. Highlights are provided below.

Property Tax: +\$3.21 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 allocated to the Pension Override Tax Revenue Fund, rather than through the RPTTF. As of January 1, 2016, the County is following this process.

Secured property tax ended the year approximately \$1.28 million higher than forecast; while revenue from the RPTTF ended the year approximately \$1 million higher than forecast. For FY16, Property Tax net of RPTTF grew 6.99% when compared to FY 2014-15.

Table 7: Historical Property Tax Revenue: FY 2012 through FY 2016

Category	FY 2012	FY2013	FY 2014	FY 2015	FY 2015-16 Q3	FY 2016
Property Tax	\$125.77	\$129.27	\$133.12	\$141.03	\$148.79	\$150.93
Property Tax- RPTTF	\$13.03	\$24.88	\$9.71	\$18.33	\$6.69	\$7.77
Total Property Tax	\$138.80	\$154.15	\$142.83	\$159.36	\$155.48	\$158.70

The increase in RPTTF is based on the disallowance by the Department of Finance of requested RPTTF amounts from the review of ROPS 16-17A, which resulted in an increase of RPTTF funds to the City. Note that in accordance with Ordinance No. 13193, 25% of RPTTF will be set aside in the Affordable Housing Trust Fund.

Sales Tax: +\$0.54 million

Revenues derived from sales tax ended the year at \$55.23 million. The City is experiencing negative baseline sales tax growth due to low gasoline and jet fuel prices, as well as the closing of Walmart.

Industry Group	FY 2015	FY 2016	Increase/ (Decrease)
Auto & Transportation	\$8.94	\$9.22	\$0.28
Building & Construction	\$4.53	\$4.69	\$0.16
Business & Industry	\$5.83	\$5.79	(\$0.04)
Food & Drugs	\$5.34	\$4.66	(\$0.68)
Fuel & Service Stations	\$6.83	\$5.24	(\$1.59)
General Consumer Goods	\$5.97	\$6.28	\$0.31
Restaurants & Hotels	\$8.34	\$9.25	\$0.91

Business License Tax: +\$2.47 million

Business License Tax revenue received through the fourth quarter totaled \$75.57 million, a 3.38% increase when compared to the Q3 forecast. 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 4,900 unregistered landlords. The project generated invoices of \$8.25 million, of which approximately \$6.60 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 \$1.93 million.

Real Estate Transfer Tax: +\$9.07 million

Real Estate Transfer Tax (RETT) received through the fourth quarter totaled \$ 89.64 million. This is an 11.26% increase over Q3 forecast. When compared to FY 2014-15 total real estate transactions have decreased 2.78% with 157 fewer properties changing ownership during FY 2015-16. Specifically, the City experienced a 6.86% decrease in residential transactions and a 31.19% increase in commercial transactions. \$3.78 million of the \$9.07 million was derived from two large commercial sales; 2150 Webster (also known as the ATT building) and 555 12th Street (last sold in 2013). \$2.95 million is attributable to the recording of lien receivables and revenue received from audit recoveries. The remainder is due to the City experiencing a 20% growth in revenue derived from real estate transaction net of larger commercial sales, the Q3 forecast utilized a 16% growth rate.

Table 8: FY 2015-16 Large Property Sales

Sales Quarter	Property	FY 2016 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
Quarter 3	300 Lakeside Drive	\$2.96
Quarter 3	988 Broadway	\$0.66
Quarter 3	953 8th Street	\$0.89
Quarter 3	JLS Multiple APNs	\$1.00
Quarter 3	JLS Multiple APNs	\$0.74
Quarter 4	2150 Webster	\$0.66
Quarter 4	555 City Center	\$3.12
Total		\$21.65

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. Furthermore, depending upon how the property is transferred and/or what type of entity is purchasing the property, the application of the City's RETT may not apply. Of the projected RETT increase, \$25.24 million is considered nonrecurring revenues derived from the success of the RETT border audit and the sale of large commercial properties listed above.

RETT Growth Rate Category	FY13-14	FY14-15	FY15-16
RETT	7.97%	15.69%	20.16%
RETT-Larger Commercial Properties	434.42%	-33.30%	172.52%

Transient Occupancy Tax: +\$1.00 million

Transient Occupancy Tax (TOT) revenue received through the fourth quarter totaled \$19.81 million. Based upon fourth quarter data, this is a 5.31% increase when compared to the Q3 forecast; and a revenue growth of 18.03% over Fiscal Year 2014-15 on the heels of a 17.24% growth from FY 2014-15 when compared to FY 2013-14. The increase in TOT is being felt across the Bay Area as the demand for hotel lodging increases due to the improved business climate and an influx of foreign travelers, which also increases room rates based upon simple supply and demand.

Parking Tax: -\$1.88 million

Parking tax revenue received through the fourth quarter totaled \$10.22 million. Based on fourth quarter data, this is -15.54% when compared to Q3 forecast; and a revenue growth of 9.45% when compared to FY2015. Revenues from some parking providers did not grow as forecasted while revenues at the airport and derived from the management of the City's garages exceeded forecast values.

Service Charges: +4.73 million

Revenues received from Service Charges through the fourth quarter totaled \$52.94 million. Based upon fourth quarter data, this is a 5.87% increase over the adjusted budget but a 9.79% increase when compared to the Q3 forecast; and a revenue growth of 14.75% over FY 2013-14. The increase is primarily contributed to:

- \$1.24 million is attributable to higher than anticipated revenue from fees for providing public safety support services at the Port, which is a 12.00% increase over FY 2014-15.
- \$2.08 million sewer and refuse franchise fees, which is a 6.87% increase over FY 2014-15.
- \$1.33 million parking meter revenue, which is a 6.00% increase over FY 2014-15.

Fines & Penalties: -\$2.36 million

In FY 2015-16, the revenues received from parking citations decreased \$1.42 million. The City continues to experience a steady decrease in parking citation revenue due to parking meter patrons being able to pay via mobile phones and credit/debit cards.

Miscellaneous Revenue: +\$3.40 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. Of note, in the 4th quarter the City received a single \$2.62 million settlement which was included as a resource in the FY 2016-17 Mid-Cycle Adjusted Policy Budget.

EXPENDITURE HIGHLIGHTS

As outlined in ***Attachment A-2***, the FY 2015-16 Q4 net Adjusted Budget is \$540.12 million. The fiscal year-end General Purpose Fund (GPF) unaudited expenditures were \$552.23 million, resulting in an over-spending of \$12.11 million primarily due to overtime cost associated with targeted crime reduction operations, special events, backfill and extension of shift. Additionally, this attachment also summarizes department-level spending. The breakdown of actual fiscal year-end overtime spending for the General Purpose Fund and All Funds is provided in ***Attachment B***. Provided below is a discussion of each department's actual savings or overspending in the GPF at year-end as compared to the Adjusted Budget, net of unspent carryforward amounts.

Mayor's Office

The Mayor's Office ended the fiscal year with savings of \$0.15 million due to lower than anticipated personnel costs.

City Council

The City Council exceeded the Adjusted Budget by approximately \$0.05 million.

City Administrator

The City Administrator's Office realized \$0.69 million from a combination of O&M savings in Administration, and salary savings from vacancies in CAO Budget and CPRB

City Attorney

The City Attorney has the authority under the Charter to hire at any point within a salary range. However, vacant positions are budgeted at the midpoint of a salary range thus the City Attorney's budget reflects overspending of approximately \$0.20 million. During the biennial budget process, budgets are adjusted to reflect the incumbent's salary.

City Auditor

The City Auditor ended the fiscal year with savings of approximately \$0.06 million compared to the Adjusted Budget.

City Clerk

The Office of the City Clerk achieved a slight savings of \$0.01 million compared to the Adjusted Budget due to unspent O&M.

Public Ethics Commission (PEC)

The PEC is projected to have savings of \$0.26 million when compared to the Adjusted Budget due to salary savings associated with vacancies.

Finance Department

Finance's (Administration, Treasury, Controller, and Revenue Management) fiscal year-end expenditures resulted in a savings of \$1.04 million compared to the Adjusted due to lower than anticipated personnel costs resulting from vacancies; additional savings from unspent O&M.

Information Technology Department (ITD)

ITD remained within their Adjusted Budget.

Race & Equity

The Race & Equity Department is projected to have savings of \$0.15 million when compared to the Adjusted Budget due to salary savings.

Human Resources Department (HRD)

Human Resources spent \$4.75 million compared to the Adjusted Budget resulting in an estimated savings of \$0.11 million as a result of lower than anticipated staff costs.

Oakland Police Department (OPD)

OPD spent approximately \$243.67 million compared to the net Adjusted Budget of \$222.64 million. The estimated overspending of \$21.04 million is due to additional Police Officer Trainees, academy graduates in FY 2015-16, increased cost of repairing vehicles, a decrease in civilian vacancies. Additionally, unanticipated special enforcement, routine overtime and coverage of vacancies have resulted in projected spending of approximately \$27.78 million in overtime, as compared to their annual adjusted budget of \$15.35 million (as shown in **Attachment B**).

Oakland Fire Department (OFD)

The Fire Department ended FY 2015-16 with a deficit of approximately \$0.86 million. Overtime spending in OFD ended the fiscal year at \$20.66 million. The over-expenditure of approximately \$18.44 million in overtime is a result of backfilling the estimated 85 vacant positions as well as conducting the 1-2015 Academy (July 20 through November 6, 2015); the 2-2015 Academy (December 28, 2015 through April 15, 2016); and almost 4 weeks (June 6-June 30, 2016) of the 1-2016 Academy. The savings from vacant positions are used to fund the overtime for mandated staff levels and for Fire Academy recruitment and training.

Oakland Public Library (OPL)

OPL is projected to have a slight deficit (\$0.08 million) compared to the Adjusted Budget due to overspending in both O&M and personnel.

Oakland Parks & Recreation (OPR)

OPR spent \$16.41 million compared to their Adjusted Budget \$16.22 million, resulting in a deficit of \$0.20 million primarily due higher than anticipated personnel costs.

Human Services Department (HSD)

Human Services exceeded the Adjusted Budget by \$0.22 million due to lower than anticipated Departmental Overhead recoveries as a result of vacancies in other funds.

Economic Workforce & Development (EWD)

EWD ended the fiscal year with net under-spending of \$0.07 million primarily from unspent O&M.

Planning & Building

Planning end the fiscal year with a slight deficit (\$0.01 million) compared to the Adjusted Budget due to slightly higher than anticipated personnel costs.

Oakland Public Works (OPW)

OPW spent \$2.23 million compared to their Adjusted Budget of \$2.51 million. The underspending of \$0.09 million is due to salary and O&M savings.

Non-Departmental

The savings reflected of \$7.91 million was appropriated by Council in the FY 2016-17 Mid-Cycle Adjusted Policy Budget and includes Long-Term Obligation set-asides.

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

Landscaping and Lighting Assessment District Fund (LLAD)

In the LLAD Fund (2310) the unaudited year-end show revenue and expenditure results are balanced (**Attachments C-1 & C2**). When accounting for obligated amounts carried forward to FY 2015-16, the deficit fund balance is estimated to be \$0.91 million. The LLAD fund has steadily improved its FY 2008-09 negative fund balance of approximately \$6 million, however increasing costs (e.g., utility rates, personnel, etc.) and the inability to adjust the assessment rate has prevented the City from 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 2016-17 in order to mitigate any further reductions to the fund balance.

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 Unaudited FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$0.29)	(\$0.29)	
Revenue	\$20.13	\$20.17	\$0.03
Expenditures	\$20.13	\$20.17	(\$0.03)
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$0.00	\$0.00
Subtotal Fund Balance	(\$0.29)	(\$0.29)	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF)	(\$0.94)	(\$0.62)	
Estimated Ending Fund Balance	(\$1.23)	(\$0.91)	

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 at fiscal year-end reached \$6.79 million compared to the Adjusted Budget of \$9.35 million, resulting in a shortfall of \$2.56 million. The unaudited expenditures of \$9.41 million are greater than the net Adjusted Budget by \$0.05 million (**Attachments D-1 & D-2**). The variance between revenue and expenditures required use of approximately \$2.61 million from fund balance, which is \$0.48 million higher than budgeted. Table B below shows the unaudited available fund balance at year-end to be approximately \$1.05 million net of the FY 2015-16 budgeted use of fund balance and carry forward obligations.

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

(\$ in millions)

STATE GAS TAX FUND (2230)	FY 2015-16 Adjusted Budget	FY 2015-16 Unaudited FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$3.83	\$3.83	
Revenue	\$9.35	\$6.79	(\$2.56)
Expenditures	\$9.35	\$9.41	(\$0.05)
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$2.61)	(\$2.61)
Subtotal Fund Balance	\$3.83	\$1.22	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF)	(\$0.91)	(\$0.17)	
FY 2015-17 Adopted Policy Budget	(\$2.13)	\$0.00	
Estimated Ending Fund Balance	\$0.79	\$1.05	

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 ended the fiscal year at \$2.03 million, which is \$0.08 million higher than the Adjusted Budget. Expenditures ended the year higher than the net Adjusted Budget by approximately \$0.77 million (**Attachments D-1 & D-2**). Table C below shows the unaudited available fund balance at year-end to be approximately \$0.39 million net of the FY 2015-16 budgeted repayment to fund balance and carry forward obligations.

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

(\$ in millions)

STATE GAS TAX: PROP 42 REPLACEMENT (FUND 2231)	FY 2015-16 Adjusted Budget	FY 2015-16 Unaudited FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	\$2.76	\$2.76	
Revenue	\$1.95	\$2.03	\$0.08
Expenditures	\$1.95	\$2.73	(\$0.77)
Estimated Current Year Surplus/(Shortfall)	\$0.00	(\$0.69)	(\$0.69)
Subtotal Fund Balance	\$2.76	\$2.06	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF)	(\$2.36)	(\$1.68)	
Budgeted Fund Balance Repayment	\$0.03	\$0.00	
Estimated Ending Fund Balance	\$0.44	\$0.39	

Facilities Fund

This fund is reported on a cash basis. Unaudited results for the Facilities Fund (4400) shown in Table D indicate that expenditures and revenues will be the same (**Attachments E-1 & E-2**). The estimated ending cash balance will improve by \$6.67 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 unaudited ending cash balance is a deficit \$11.99 million. The Facilities Fund, on a repayment plan through 2019, has steadily improved its fund balance by approximately \$24 million since FY 2008-09.

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

(\$ in millions)

FACILITIES FUND (4400)	FY 2015-16 Adjusted Budget	FY 2015-16 Unaudited FYE	Year-End Over / Under Budget
Gross Beginning Cash Balance	(\$17.53)	(\$17.53)	
Revenue	\$35.51	\$35.27	(\$0.24)
Expenditures	\$35.51	\$28.61	\$6.91
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$6.67	\$6.67
Subtotal Cash Balance	(\$17.53)	(\$10.86)	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF)	(\$1.68)	(\$1.13)	
Budgeted Fund Balance Repayment	\$6.29	\$0.00	
Estimated Ending Cash Balance	(\$12.91)	(\$11.99)	

Multipurpose Reserve Fund

The Multipurpose Reserve Fund (1750) serves as the City's 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.

Unaudited year-end expenditures are slightly less than the net Adjusted Budget by approximately \$0.41 million. Revenues ended the fiscal year at \$12.68 million, which is \$1.82 million higher than the Adjusted Budget (**Attachments F-1 & F-2**). Table E below shows the unaudited available fund balance improving by year-end to a deficit \$2.97 million, net of the FY 2015-16 budgeted repayment to fund balance, and carryforward obligations.

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

(\$ in millions)			
MULTIPURPOSE RESERVE FUND (1750)	FY 2015-16 Adjusted Budget	FY 2015-16 Unaudited FYE	Year-End Over / Under Budget
Beginning Fund Balance - Audited	(\$4.87)	(\$4.87)	
Revenue	\$10.86	\$12.68	\$1.82
Expenditures	\$10.86	\$10.45	\$0.41
Estimated Current Year Surplus/(Shortfall)	\$0.00	\$2.24	\$2.24
Subtotal Fund Balance	(\$4.87)	(\$2.63)	
Use of Fund Balance in FY 2015-16:			
Budgeted Amounts Carried Forward (CF)	(\$0.79)	(\$0.34)	
FY 2015-16 Adopted Council Resolutions	\$0.00	\$0.00	
Budgeted Fund Balance Repayment	\$0.22	\$0.00	
Estimated Ending Fund Balance	(\$5.43)	(\$2.97)	

Traffic Safety Fund (2416)

The Traffic Safety Fund receives revenue in accordance with State Vehicle Code 42200 – Fines & Forfeitures. The use of the amounts collected can include traffic control devices, maintenance of those devices, equipment and supplies for traffic law enforcement and accident prevention, and compensation of school crossing guards, among others.

FY2015-16, the unaudited revenue received from moving violations and traffic citations totaled \$951,768. This is a decrease of \$216,239 when compared to FY2014-15.

FUND BALANCE

It is important to note that the City continued to make progress in FY 2015-16 on its funds that have negative fund balances. The City ended FY 2015-16 with negative balances totaling an estimated \$71.84 million which is a \$16.66 million reduction over FY 2014-15 (unaudited). Additionally, the estimated year-end reserves, set-asides, and year-end available fund balance in the GPF (\$72.37 million) would cover the negative balance total.

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 2017-19 biennial budget development, 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 \$69.33 million has been repaid**, reducing the negative balances and mitigating the accumulation of negative interest (Table 9). The FY 2015-17 Adopted Policy Budget allocated 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 reduced 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 9: Negative Fund Balance Summary FY 2009-10 through FY 2014-15

Negative Fund Category	Fund Balance FY 2012-13	Fund Balance FY 2013-14	Fund Balance FY 2014-15	Unaudited Fund Balance FY 2015-16
1 Negative Funds with Repayment Plan	(67,926,367)	(62,278,619)	(50,498,495)	(34,460,859)
2 Reimbursable Negative Funds ¹	(30,450,879)	(22,871,116)	(24,084,884)	(23,399,577)
3 Non-Reimbursable Negative Funds without Repayment Plan	(13,447,067)	(13,519,597)	(13,918,886)	(13,980,707)
Total Negative Funds	(111,824,313)	(98,669,332)	(88,502,265)	(71,841,143)
FY 2009-10 through FY 2015-16 Repayment Amount²	66,325,733			

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 2009-2012 not shown in table.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures.

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.

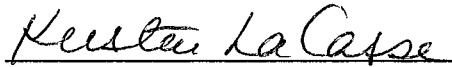
Social Equity: No social equity opportunities have been identified.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that City Council accept this informational report on the projected Fiscal Year (FY) 2015-16 Fourth 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, Controller, at 238-6776.

Respectfully submitted,



KIRSTEN LACASSE
Controller, Controller's Bureau

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Attachments (12):

- 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*
- G: *Detail Expenditure by Council District*

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)
GENERAL PURPOSE FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Third Quarter Projected Year- End	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Year-End \$ Over / (Under) Compared to Q3	Explanation of Over / (Under) Collection
PROPERTY TAX	164.91	155.49	158.69	3.21	Secured property tax ended the year approximately \$1.28 million higher than forecast; while revenue from the RPTTF ended the year approximately \$1 million higher than forecast. For FY16, Property Tax net of RPTTF grew 6.99% when compared to FY 2014-15.
SALES TAX	55.43	54.70	55.23	0.54	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	0.00	0.17	0.17	
BUSINESS LICENSE TAX	70.05	73.10	75.57	2.47	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 \$1.53 million.
UTILITY CONSUMPTION TAX	50.00	50.50	50.97	0.47	
REAL ESTATE TRANSFER TAX	61.18	80.57	89.64	9.07	The revenue increased as a result of large, commercial property sales.
TRANSIENT OCCUPANCY TAX	16.90	18.82	19.81	1.00	Baseline revenues up 6.3% during the third quarter, in addition to revenues derived from transient residential hosting platforms.
PARKING TAX	10.21	12.10	10.22	(1.88)	Overall growth of 9.4% compared to FY15. City did not realized anticipated growth across all parking tax remitters.
LICENSES & PERMITS	2.34	2.34	1.59	(0.75)	
FINES & PENALTIES	24.17	24.17	21.81	(2.36)	Parking citation issuance and subsequent collection is continuing to decline.
INTEREST INCOME	0.74	0.74	0.72	(0.02)	
SERVICE CHARGES	48.29	48.21	52.94	4.73	7% increase in Franchise fees, 6% increase in parking meter revenue, 12% increase in recovery revenue from public safety services provided to the Port.
INTERNAL SERVICE FUNDS	0.00	0.00	0.00	0.00	
GRANTS & SUBSIDIES	0.87	0.69	1.52	0.83	
MISCELLANEOUS	5.15	2.00	5.40	3.40	\$4.4 million land sale anticipated FY 2015-16 will not be received during the fiscal year.
INTER-FUND TRANSFERS	14.92	14.92	14.92	0.00	
Sub-Total Revenue	\$525.14	\$538.34	\$559.21	\$20.88	
TRANSFERS FROM FUND BALANCE	16.33	16.21	0.00	0.00	
Total Revenue	\$541.47	\$554.55	\$559.21	\$20.88	

FINANCE & MANAGEMENT COMMITTEE

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FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)
GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Year- End Budget (Q4)	Amounts Carried Forward to FY 2016-17 (CF)	FY 2015-16 NET Adjusted Budget (Q4 less CF)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Year-End (Over) / Under Adjusted Budget	Explanation of Overspending / Savings
MAYOR	2.54	0.08	2.46	2.31	0.15	Savings due to lower than anticipated personnel costs.
CITY COUNCIL	4.71	0.17	4.53	4.58	(0.05)	Costs slightly exceeded the adjusted budget due to higher than anticipated personnel costs.
CITY ADMINISTRATOR	18.44	2.41	16.03	15.33	0.69	Savings primarily associated with O&M savings Administration, and salary savings from vacancies in CAO Budget and CPRB.
CITY ATTORNEY	9.58	2.04	7.54	7.73	(0.20)	Overspending due to higher than anticipated personnel costs.
CITY AUDITOR	1.91	0.03	1.87	1.81	0.06	Savings primarily associated with O&M and personnel vacancies.
CITY CLERK	2.30	0.60	1.70	1.69	0.01	Slight savings due to unspent O&M.
PUBLIC ETHICS COMMISSION	0.88	0.01	0.87	0.61	0.26	Savings primarily due to salary savings associated with vacancies.
FINANCE DEPARTMENT	23.97	2.28	21.68	20.65	1.04	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; Savings in O&M due to lower than anticipated convenience fee pass through (Council Resolution 84776) consistent with the decline in citation revenue on Attachment A-1.
INFORMATION TECHNOLOGY	13.27	1.64	11.63	11.63	0.00	Department stayed within the net Adjusted Budget.
RACE & EQUITY	0.30	0.07	0.23	0.08	0.15	Savings primarily due to salary savings associated with vacancies.
HUMAN RESOURCES	5.60	0.74	4.86	4.75	0.11	Lower than anticipated costs in temporary HRMD staffing related to OPD academy recruitments.
POLICE DEPARTMENT	232.78	10.14	222.64	243.67	(21.04)	Overspending due to overtime costs associated with targeted crime reduction operations, special events, backfill and extension of shift. Additionally increased sworn personnel costs associated with additional POTs, and academy graduates.
FIRE DEPARTMENT	126.17	1.18	124.99	125.85	(0.86)	Increased overtime due the 1-2015 Academy (July 20 through November 6, 2015); the 2-2015 Academy (December 28, 2015 through April 15, 2016); and almost 4 weeks (June 6-June 30, 2016) of the 1-2016 Academy; Equipment repair cost increased.
OAKLAND PUBLIC LIBRARY	11.42	(0.00)	11.42	11.50	(0.08)	Overspending due to higher than anticipated personnel costs.
PARKS & RECREATION	16.96	0.75	16.21	16.41	(0.20)	Overspending in part-time personnel costs.
HUMAN SERVICES	8.00	1.83	6.17	6.39	(0.22)	Overspending due to higher than anticipated personnel costs.
ECONOMIC WORKFORCE & DEVELOPMENT	5.87	0.84	5.03	4.96	0.07	Savings primarily due to unspent O&M.
HOUSING & COMMUNITY DEVELOPMENT	1.71	1.21	0.51	0.51	0.00	Department stayed within the net Adjusted Budget.
PLANNING & BUILDING	0.26	0.24	0.03	0.03	(0.01)	Slight overspending in personnel costs.
OAKLAND PUBLIC WORKS	6.13	3.82	2.31	2.23	0.09	Savings primarily associated with salary savings
NON-DEPARTMENTAL	79.62	3.94	75.68	67.77	7.91	Includes Long-Term Obligations set-aside that was appropriated in the FY 2016-17 Mid-Cycle Adjusted Budget.
SUBTOTAL	572.43	34.02	538.41	550.51	(12.10)	
CAPITAL IMPROVEMENT PROGRAM	4.94	3.23	1.71	1.72	(0.00)	Department stayed within the net Adjusted Budget.
Total Expenditures	\$577.37	\$37.25	\$540.12	\$552.23	(\$12.11)	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)

OVERTIME ANALYSIS (in Dollars)

GENERAL PURPOSE FUND

Agency / Department	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Q3 Projected Year-End	FY 2015-16 Q4 Unaudited Year-End	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	8,960	100.0%	
CITY COUNCIL	0	0	0	0	0.0%	
CITY ADMINISTRATOR	4,719	291,330	292,398	(287,679)	(6096.4%)	Costs associated with backfilling vacancies; fully absorbed by salary savings or unspent O&M.
CITY ATTORNEY	0	1,564	524	(524)	0.0%	
CITY AUDITOR	0	887	556	(556)	0.0%	Costs associated with backfilling vacancies; fully absorbed by salary savings.
CITY CLERK	11,570	12,991	13,754	(2,184)	(18.9%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
FINANCE DEPARTMENT	47,521	190,643	173,750	(126,229)	(265.6%)	Costs associated with backfilling vacancies; and additional audit projects that resulted in off-setting revenue receipts.
INFORMATION TECHNOLOGY	2,040	84,024	85,106	(83,066)	(4071.9%)	Costs associated with backfilling vacancies for Oracle R12 project support; fully absorbed by salary savings.
HUMAN RESOURCES	26,390	28,679	31,428	(5,038)	(19.1%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
POLICE DEPARTMENT	15,353,845	28,027,552	27,779,360	(12,425,515)	(80.9%)	Increased costs associated with targeted crime reduction operations, special events, backfill and extension of shift; partially absorbed by salary savings.
FIRE DEPARTMENT	2,216,317	21,514,560	20,660,394	(18,444,077)	(832.2%)	Overspending primarily due backfilling the estimated 85 vacant and modified duty positions, a portion of which is off-set by salary savings.
LIBRARY	6,260	2,755	2,371	3,889	62.1%	
PARKS & RECREATION	0	4,195	20,147	(20,147)	0.0%	
HUMAN SERVICES	0	2,190	1,853	(1,853)	0.0%	
ECONOMIC WORKFORCE & DEVELOPMENT	13,429	15,089	13,681	(251)	(1.9%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
HOUSING & COMMUNITY DEVELOPMENT	0	0	0	0	0.0%	
PLANNING & BUILDING	0	0	0	0	0.0%	
PUBLIC WORKS	34,550	64,691	57,469	(22,919)	(66.3%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
TOTAL	\$17,725,601	\$50,241,150	\$49,132,790	(\$31,407,189)	(177.2%)	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)
OVERTIME ANALYSIS (in Dollars)
ALL FUNDS

Agency / Department	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Q3 Projected Year-End	FY 2015-16 Q4 Unaudited Year-End	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	8,960	100.0%	
CITY COUNCIL	0	0	0	0	0.0%	
CITY ADMINISTRATOR	4,719	291,330	292,398	(287,679)	(6096.4%)	Costs associated with backfilling vacancies; fully absorbed by salary savings or unspent O&M.
CITY ATTORNEY	0	1,564	524	(524)	0.0%	
CITY AUDITOR	0	887	556	(556)	0.0%	Costs associated with backfilling vacancies; fully absorbed by salary savings.
CITY CLERK	11,570	29,429	35,001	(23,431)	(202.5%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
FINANCE DEPARTMENT	50,691	216,707	196,113	(145,422)	(286.9%)	Costs associated with backfilling vacancies; and additional audit projects that resulted in off-setting revenue receipts.
INFORMATION TECHNOLOGY	10,710	149,100	165,124	(154,414)	(1441.8%)	Costs associated with backfilling vacancies for Oracle R12 project support; fully absorbed by salary savings.
HUMAN RESOURCES	26,390	28,679	31,428	(5,038)	(19.1%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
POLICE DEPARTMENT	15,906,785	28,645,568	28,331,107	(12,424,322)	(78.1%)	Increased costs associated with targeted crime reduction operations, special events, backfill and extension of shift; partially absorbed by salary savings.
FIRE DEPARTMENT	4,556,367	23,195,850	22,997,934	(18,441,568)	(404.7%)	Overspending primarily due backfilling the estimated 85 vacant and modified duty positions, a portion of which is off-set by salary savings.
LIBRARY	6,260	8,874	12,960	(6,700)	(107.0%)	
PARKS & RECREATION	0	21,605	39,328	(39,328)	0.0%	
HUMAN SERVICES	(50)	16,199	13,629	(13,679)	27352.2%	
ECONOMIC WORKFORCE & DEVELOPMENT	14,629	20,342	21,046	(6,416)	(43.9%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
HOUSING & COMMUNITY DEVELOPMENT	7,696	41,389	44,218	(36,522)	(474.5%)	
PLANNING & BUILDING	307,520	944,560	945,249	(637,729)	(207.4%)	
PUBLIC WORKS	1,852,149	3,237,439	3,165,346	(1,313,197)	(70.9%)	Costs associated with backfilling vacancies; fully absorbed by salary savings.
TOTAL	\$22,764,396	\$56,849,522	\$56,291,962	(\$33,527,566)	-147.3%	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2015 - June 30, 2016)

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

Revenue Category	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Percent To Date	FY 2015-16 Year-End \$ Over / (Under) Adjusted Budget	Explanation of Over / (Under) Collection
TAX LEVY	19.30	19.16	99.2%	(0.14)	Lower than anticipated revenue from the assessment district.
LICENSES & PERMITS	0.05	0.09	166.3%	0.03	
INTEREST INCOME	0.00	0.00	0.0%	0.00	
SERVICE CHARGES	0.17	0.21	120.8%	0.04	
MISCELLANEOUS	0.00	0.10	0.0%	0.10	Revenue received associated with the LED streetlight conversion project.
INTERFUND TRANSFERS	0.61	0.61	100.0%	0.00	
Total Revenue	\$20.13	\$20.17	100.2%	\$0.03	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)

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

Agency / Department	FY 2015-16 Adjusted Year- End Budget (Q4)	Amounts Carried Forward to FY 2016-17 (CF)	FY 2015-16 NET Adjusted Budget (Q4 less CF)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Year-End (Over) / Under Adjusted Budget	Year-End (Over) / Under Adjusted Budget
CITY ADMINISTRATOR	0.07	0.00	0.07	0.01	0.07	
FINANCE DEPARTMENT	0.03	0.00	0.03	0.03	(0.00)	
PARKS & RECREATION	2.63	0.00	2.63	2.64	(0.01)	
ECONOMIC & WORKFORCE DEVELOPMENT	(0.00)	0.00	(0.00)	0.00	(0.00)	
PUBLIC WORKS	16.44	0.45	15.98	16.07	(0.08)	
NON-DEPARTMENTAL	1.73	0.00	1.73	1.42	0.31	Savings in debt service payment due to interest subsidy for LED Streetlight project.
SUBTOTAL	20.91	0.45	20.46	20.17	0.29	
CAPITAL IMPROVEMENT	0.17	0.17	0.00	0.00	0.00	
Total Expenditures	\$21.08	\$0.62	\$20.46	\$20.17	\$0.29	
Amounts Carried Forward From FY 2014-15	(0.94)					
Total Expenditures	\$20.13	\$0.62	\$20.46	\$20.17	\$0.29	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)
GAS TAX FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Percent to Date	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
STATE GAS TAX (FUND 2230)					
GAS TAX	7.06	6.64	94.1%	(0.42)	
LICENSES & PERMITS	0.00	0.00	0.0%	0.00	
INTEREST INCOME	0.00	0.01	0.0%	0.01	
SERVICES CHARGES	0.02	0.00	19.1%	(0.02)	
GRANTS & SUBSIDIES	0.14	0.14	97.7%	(0.00)	
MISCELLANEOUS	0.00	0.00	0.0%	0.00	
TRANSFERS FROM FUND BALANCE	2.13	0.00	0.0%	(2.13)	
Total Revenue	\$9.35	\$6.79	210.9%	(2.56)	

Revenue Category	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Percent to Date	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	0.01	0.0%	0.01	
SERVICES CHARGES	0.00	0.01	0.0%	0.01	
MISCELLANEOUS	1.95	2.02	103.4%	0.07	
Total Revenue	\$1.95	\$2.03	103.4%	\$0.08	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)
GAS TAX FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Year-End Budget (Q4)	Amounts Carried Forward to FY 2016-17 (CF)	FY 2015-16 NET Adjusted Budget (Q4 less CF)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Explanation of (Overspending) / Savings
STATE GAS TAX (FUND 2230)						
PUBLIC WORKS	9.45	0.13	9.32	9.20	0.11	
CAPITAL IMPROVEMENT PROGRAM	0.81	0.04	0.78	0.20	0.58	
Subtotal Expenditures	\$10.26	\$0.17	\$10.10	\$9.41	\$0.69	
Amounts Carried Forward From FY 2014-15	(0.91)	0.00	0.00	0.00	0.00	
Total Expenditures	\$9.35	\$0.17	\$10.10	\$9.41	\$0.69	

Agency / Department	FY 2015-16 Adjusted Year-End Budget (Q4)	Amounts Carried Forward to FY 2016-17 (CF)	FY 2015-16 NET Adjusted Budget (Q4 less CF)	FY 2015-16 Unaudited Year-End Actuals Q4	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	0.17	1.97	2.07	(0.10)	
CAPITAL IMPROVEMENT PROGRAM	2.17	1.51	0.66	0.66	0.00	
Subtotal Expenditures	\$4.31	\$1.68	\$2.63	\$2.73	(\$0.10)	
Amounts Carried Forward From FY 2014-15	(2.36)	0.00	0.00	0.00	0.00	
Total Expenditures	\$1.95	\$1.68	\$2.63	\$2.73	(\$0.10)	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS
Through Fourth Quarter (July 1, 2015 - June 30, 2016)
FACILITIES FUND REVENUES (\$ in millions)

Revenue Category	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Percent to Date	FY 2015-16 Year-End \$ Over / (Under) Adjusted Budget	Explanation of Over / (Under) Collection
INTEREST INCOME	(0.08)	(0.05)	61.5%	0.03	
SERVICE CHARGES	0.11	0.52	461.7%	0.41	
INTERNAL SERVICE	34.17	34.08	99.7%	(0.09)	
GRANTS & SUBSIDIES	0.12	0.00	0.0%	(0.12)	
MISCELLANEOUS	0.64	0.17	26.3%	(0.47)	
INTERFUND TRANSFERS	0.55	0.55	100.0%	0.00	
Total Revenue	\$35.51	\$35.27	99.3%	(0.24)	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS

Through Fourth Quarter (July 1, 2015 - June 30, 2016)

FACILITIES FUND EXPENDITURES (\$ in millions)

Agency / Department	FY 2015-16 Adjusted Year-End Budget (Q4)	Amounts Carried Forward to FY 2016-17 (CF)	FY 2015-16 NET Adjusted Budget (Q4 less CF)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Year-End (Over) / Under Adjusted Budget
FINANCE DEPARTMENT	(0.00)	0.00	(0.00)	(0.82)	0.82	
HUMAN RESOURCES	0.11	(0.00)	0.11	0.10	0.01	
PUBLIC WORKS	35.81	1.10	34.70	28.72	5.98	Budgeted repayment to Fund Balance.
NON-DEPARTMENTAL	0.00	0.00	0.00	(0.00)	0.00	
CAPITAL IMPROVEMENT PROGRAM	1.28	0.03	1.25	0.61	0.65	
Subtotal Expenditures	\$37.20	\$1.13	\$36.07	\$28.61	\$7.46	
Amounts Carried Forward From FY.2014-15	(1.68)	0.00	0.00	0.00	0.00	
Total Expenditures	\$35.51	\$1.13	\$36.07	\$28.61	\$7.46	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS**Through Fourth Quarter (July 1, 2015 - June 30, 2016)****MULTIPURPOSE RESERVE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2015-16 Adjusted Year- End Budget (Q4)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Percent to Date	FY 2015-16 Year-End \$ Over / (Under) Adj. Bud.	Explanation of Over / (Under) Collection
FINES & PENALTIES	0.00	0.00	0.0%	0.00	
INTEREST INCOME	(0.03)	(0.01)	38.5%	0.02	
SERVICES CHARGES	7.68	9.27	120.7%	1.59	Increase in revenues attributed to successful pilot programs in the City's garages
MISCELLANEOUS	0.00	0.22	0.0%	0.22	
INTER-FUND TRANSFERS	3.20	3.20	99.9%	(0.00)	
Total Revenue	\$10.86	\$12.68	259.1%	\$1.82	

FY 2015-16 REVENUE AND EXPENDITURE ANALYSIS**Through Fourth Quarter (July 1, 2015 - June 30, 2016)****MULTIPURPOSE RESERVE FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2015-16 Adjusted Year-End Budget (Q4)	Amounts Carried Forward to FY 2016-17 (CF)	FY 2015-16 NET Adjusted Budget (Q4 less CF)	FY 2015-16 Unaudited Year-End Actuals Q4	FY 2015-16 Year-End \$ (Over) / Under Adjusted Budget	Year-End (Over) / Under Adjusted Budget
CITY ADMINISTRATOR	0.05	0.00	0.05	0.07	(0.01)	
FINANCE DEPARTMENT	3.11	0.15	2.96	2.47	0.49	Savings from unspent O&M.
ECONOMIC WORKFORCE & DEVELOPMENT	0.39	0.00	0.39	0.37	0.02	
PUBLIC WORKS	2.82	0.18	2.64	2.34	0.30	Savings primarily from budget repayment to fund balance.
NON-DEPARTMENTAL	5.20	0.00	5.20	5.20	0.00	
CAPITAL IMPROVEMENT PROGRAM	0.07	0.00	0.07	0.01	0.06	
Subtotal Expenditures	\$11.65	\$0.34	\$11.31	\$10.45	\$0.86	
Amounts Carried Forward From FY 2014-15	(0.79)					
Total Expenditures	\$10.86	\$0.34	\$11.31	\$10.45	\$0.86	

FY 2015-16 CITY COUNCIL DISTRICT EXPENDITURES *

EXPENDITURES *	ADMIN	DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7	AT-LARGE	TOTAL
COUNCIL MEMBER										
SALARY		77,090.78	81,550.22	76,100.18	81,549.32	76,100.18	81,550.04	76,100.18	76,100.18	626,141.08
FRINGE & BENEFITS		59,623.29	63,848.28	60,022.20	63,297.38	60,022.20	63,848.10	58,565.04	58,565.04	487,791.53
TOTAL **		136,714.07	145,398.50	136,122.38	144,846.70	136,122.38	145,398.14	134,665.22	134,665.22	1,113,932.61
COUNCIL STAFF										
SALARY	119,169.78	179,072.53	166,880.99	198,280.74	153,363.22	180,962.52	129,062.28	179,138.13	181,101.02	1,487,031.21
FRINGE & BENEFITS	130,287.50	173,200.78	183,582.09	218,492.10	169,161.07	169,638.35	121,326.71	197,535.62	199,557.25	1,562,781.47
TOTAL	249,457.28	352,273.31	350,463.08	416,772.84	322,524.29	350,600.87	250,388.99	376,673.75	380,658.27	3,049,812.68
TOTAL PERSONNEL	249,457.28	488,987.38	495,861.58	552,895.22	467,370.99	486,723.25	395,787.13	511,338.97	515,323.49	4,163,745.29
TOTAL O&M	354,572.98	12,648.28	9,091.57	5,398.89	6,540.36	6,900.77	12,165.53	2,912.75	2,011.16	412,242.29
TOTAL EXPENDITURES	604,030.26	501,635.66	504,953.15	558,294.11	473,911.35	493,624.02	407,952.66	514,251.72	517,334.65	4,575,987.58
TOTAL BUDGET **	637,343.56	482,056.24	480,842.91	567,111.14	470,298.43	476,474.86	446,029.27	484,807.49	485,988.49	4,530,952.39
(OVER) / UNDER	33,313.30	(19,579.42)	(24,110.24)	8,817.03	(3,612.92)	(17,149.16)	38,076.61	(29,444.23)	(31,346.16)	(45,035.19)

* Budget and Expenditure numbers exclude year-end project carryforwards.

** Budgeted variances in Council Districts reflect differences in premium pay elements and the Employee Revenue Share Agreement; voluntary reductions in Council Member salaries are reflected in actual expenditures

