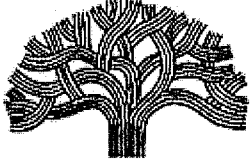


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CITY OF OAKLAND

MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Katano Kasaine
Finance Director

SUBJECT: FY 2018-19 Midcycle Budget
Questions / Responses #2

DATE: June 14, 2018

City Administrator Approval:

Date:

[Signature]
6/15/18

PURPOSE

The purpose of this memorandum is to transmit to the Mayor, City Council and the public, responses to questions raised by City Councilmembers related to the Fiscal Year (FY) 2018-19 Proposed Midcycle Budget. Staff has provided responses to as many questions as possible at this time. Some questions require more analysis and responses will be forthcoming through future memoranda along with responses to additional questions received. To the extent additional information becomes available on any of the responses below, updates will be provided.

QUESTIONS AND RESPONSES

- 1) **How much space in the City Hall/Ogawa Plaza complex is being made available to non-profits or other outside organizations? At what charge? What is the process for such allocation? How much unused space is currently available? [Kaplan]**

There are leases to third party tenants in Plaza buildings totaling over 24,000 square feet. Of this tenants, 50% of the space is leased to nonprofits or cultural arts organizations, including:

- a. Betti Ono in 150 FHOP occupies 2,636 square feet.
- b. Pro Art rents 150 FHOP occupies 2,213 square feet.
- c. Safe Passages, 250 FHOP 6th floor occupies 2,733 square feet.
- d. East Bay Community Foundation, 250 FHOP occupies 3,240 square feet office and 900 square feet Mezzanine, total of 4,140.

The charges for these leases are noted below:

- a. Betti Ono pays a monthly rent of \$3,031.40. Their monthly CAM charge is \$295.27. Their total monthly charge per sq ft is \$1.23.
- b. Pro Art historically hasn't paid rent due to a relocation settlement agreement. Effective June 1st through May 31st their monthly rent will be \$885.20. Their monthly CAM charges is \$221.30. The total monthly charge per sq ft is \$0.50 with escalations each year.
- c. Safe Passages pays a monthly rent of \$4,444.24. Their monthly CAM Charges are \$1,660.10. Their total monthly charge per sq ft is \$2.23.
- d. East Bay Community Foundation pays an annual rent of \$1.00. Their monthly CAM charges are \$621. Their total monthly charge per sq ft is \$0.14.

The Process for such allocations is outlined in Oakland Municipal Code Section 2.42.110; City-owned real property should be leased at a rent or fee equal to or exceeding the property's fair market rental value. Council may approve leases at less than fair market value if it determines it is in the best interests of the City and that certain benefits to the City can be demonstrated. The provision of in-kind services in lieu of cash rent by a lessee may be considered by the City Council in making its determination. "In-kind services" include benefits or values the lessee renders to the City or the community at large, and may include social and cultural benefits to the community. The City has recently adopted or launched a number of public policy initiatives that further support the use of City-owned property to provide space to arts and culture organizations.

On January 19, 2016, the City Council adopted Resolution No. 85958 C.M.S. which established the Black Arts Movement and Business District. The intent of this designation is to support creative place-making, historic preservation, and "a critical mass of arts and entertainment establishments" in portions of Downtown and West Oakland. The City's property at 150 Frank Ogawa Plaza, including both the Betti Ono and the Pro Arts Gallery spaces, falls within the adopted Black Arts Movement and Business District. Both of these galleries were approved for below market rate lease renewals by Council action in February 2018.

- 2) Please provide a breakdown of the proposed uses and programs for the soda tax dollars, how much money allocated to each and how much money remains unallocated, and planned timeline for action on the portion of the funds not yet allocated. [Kaplan]**

The tables below show summarized the revenues and expenditures associated with the Sugar Sweetened Beverage Tax Fund (1030). The FY 2018-19 figures are included within the FY 2018-19 Proposed Budget.

FY 2017-18 - Sugar Sweetened Beverage Tax Funding Summary	
Revenues	
Adopted Budget SSBT Revenues	5,900,000
Additional revenue projections based on FY17/18 Q2 R&E report	4,730,000
Total Revenue	10,630,000
Expenditures	
Allocated Funding	
Revenue collection costs	250,000
HSD administration costs	278,758
Resolution No. 87162 C.M.S. -	
Hydration stations at OUSD	371,000
Hydration stations at HSD and OPR and/or OPL sites	334,000
HSD communication & evaluation	750,000
Subtotal Allocated Funding	1,983,758
Unallocated Funding	
Non-departmental contract contingencies	3,986,242
Additional funding based on FY17/18 Q2 R&E revenue projections	4,660,000
Subtotal Unallocated Funding	8,646,242
Total Expenditures	10,630,000

FY 2018-19 - Sugar Sweetened Beverage Tax Funding Summary	
Revenues	
Midcycle Proposed Budget SSBT Revenues	10,626,000
Total Revenue	10,626,000
Expenditures	
Allocated Funding	
Revenue collection costs	250,000
HSD administration costs	470,097
One-time funding for Hunger Program	100,000
One-time funding for Youth Summer Jobs	400,000
Subtotal Allocated Funding	1,220,097
Unallocated Funding	
Non-departmental contract contingencies	9,405,903
Subtotal Unallocated Funding	9,405,903
Total Expenditures	10,626,000

3) What is the current status of the number and type of equipment that has been acquired and total hired illegal dumping crew staff numbers? [Guillen]

As part of the approved 2017-19 budget, the following staff and equipment were added to the Keep Oakland Clean & Beautiful Section:

Equipment

- One (1) Lightning Loader, one (1) 25 cubic yard Packer and one (1) 6 cubic yard Packer was added to the Keep Oakland Clean and Beautiful Illegal Dumping Section

Illegal Dumping Equipment	
Equipment	TOTAL
25 Cu/Yd Packer	6*
6 Cu/Yd Mini-Packer	6
Dingo	2
Lightening Loader	1

* The number includes one vehicle currently under a month-to-month lease.

Staff

In May 2018, the department filled five (5) Public Works Maintenance Worker (PMMW) positions and extended job offers to fill five (5) Street Maintenance Leader positions. The newly hired or promoted Street Maintenance Leaders are scheduled to start work June 18th, 2018. While all PMMW positions in KOCB are currently filled, seven (7) vacancies will be created by promotions to Street Maintenance Leader. Although there is an existing list that Public Works will utilize to fill these seven (7) vacancies, the list is nearing exhaustion and new recruitment will be necessary. This recruitment will be a very high priority as PMMW is an essential classification to both OPW and DOT.

- 4) **What are the impacts of the mid-cycle additions and filling the existing vacancies on the pickup rates of illegal dumping? What metrics will be used for these impacts? [Guillen]**

The current Fiscal Year 2018-19 Mid-cycle Budget proposal is to add three (3) FTE to augment the illegal dumping unit. This includes one (1) Street Maintenance Leader and two (2) Public Works Maintenance Worker positions. If approved, the additional staff will serve as part of a Rapid Response Crew and proactively remove illegal dumping in areas that experience the highest volume, which is mainly East and West Oakland. Major arterials, main residential streets, and known "Hot Spot" locations will be given priority.

To determine the effectiveness of the program staff will collect and analyze the number of requests for service and amount of material removed for areas that require more frequent service.

- 5) **I have heard from Public Works that the illegal dumping crews consist of 3.0 FTEs—the budget proposal includes 3.0 FTEs for an additional illegal dumping crew, what are the potential cost impacts of an additional 5.0 FTEs? [Guillen]**

The size of a crew and equipment used varies depending on the resources needed to eradicate dumping. For example, a 1-2-person crew is assigned to a six-cubic yard packer to remove small quantities of debris; a 2-person crew is assigned to a 25-cubic yard packer to remove medium to large quantities of debris. A larger crew is assembled to handle large

objects like mattresses and appliances and/or large quantities of debris that exceed the capacity of the packer trucks. In situations requiring greater resources, Public Works deploys dump trucks, front-end loaders, flat-bed trucks, and other specialized equipment, and increases the crew size to operate the additional equipment and remove debris safely.

An additional 5.0 FTE would result in the addition of two (2) Street Maintenance Leaders and three (3) Public Works Maintenance Workers. The additional FTE would increase flexibility in crew size, allow partial expansion of the successful Rapid Response model throughout the City, and increase Public Works' ability to address issues that are unreported and remove them in a timely manner.

The cost to add 5.0 FTE and necessary equipment would be as follows:

Position	Cost/FTE	Total Cost
Two (2) Street Maintenance Leader	\$150,043	\$300,086
Three (3) Public Works Maintenance Workers	\$118,041	\$354,123
Total Personnel Cost for additional staff		\$654,209

Equipment and Maintenance	One-time	Ongoing	Total
One (1) 25 cubic yard Packer	\$325,000		\$325,000
One (1) 6 cubic yard Packer	\$125,000		\$125,000
One (1) 25 cubic yard Packer - O&M Cost		\$57,000	\$57,000
One (1) 6 cubic yard Packer - O&M Cost		\$43,000	\$43,000
Total Equipment and Maintenance Costs	\$450,000	\$100,000	\$550,000

The total cost of the five (5) additional staff would be estimated at \$1,204,209 (\$450K one-time and \$754K ongoing).

For questions, please contact Adam Benson, Budget Administrator, at (510) 238-2026.

Respectfully submitted,



KATANO KASAINÉ
Finance Director