



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Margaret L. O'Brien  
Director of Finance, Interim

**SUBJECT:** FY 2020-21 Q2 R&E Report

**DATE:** February 23, 2021

City Administrator Approval

Date: February 23, 2021

## **RECOMMENDATION**

**Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2020-21 Second Quarter Revenue and Expenditure (R&E) Results And Year-End Summaries For The General Purpose Fund (GPF, 1010) and All Funds.**

## **SYNOPSIS**

This report details the City of Oakland's (the City) unaudited Second Quarter financial results for FY 2020-21 in the General Purpose Fund (GPF) and other funds. The City is experiencing a financial crisis due to the COVID-19 pandemic which has severely impacted the City's revenue in several key categories, including hotel and parking taxes. If the City takes no substantive action before June 2021, ongoing operating expenses will completely drain the entire emergency reserve and cause the City to end the year with a significant negative deficit in its GPF. This situation puts the City in jeopardy of being unable to pay for its daily operations. Given the size of this problem, this report is departing from the prior years' format to provide additional analysis to give context for the dire need for decisive action. The report is divided into three main sections: executive summary (p.1-8), detailed report (p.9-56), and supporting attachments (p.57-70).

The purpose of quarterly R&E reports is to guide the City in managing its ongoing budget. Because fiscal trends become more refined when more data becomes available, it should be expected that the year-end forecasts change with every report. This is especially true with the unprecedented and unpredictable circumstances of the current public health crisis which is impacting both the revenues and expenditures in unforeseen ways. Though typically not done due to data limitations, the Administration prepared a preliminary Q1 R&E forecast to how drastically the City's fiscal situation has been devolving under the pandemic (see Section 1 below). This Q2 R&E report contains updated projections based on more complete data (6 months from July 1, 2020 to December 31, 2020), and revises the year-end deficit number from \$62.29 million to \$71.62 million. This increase is in part due to the County-imposed shelter-in-place order that started in early December that negatively impacted the GPF revenues. **The updated deficit is presented in this report initially without administrative actions so as to highlight the severity of the problem.** The report then provides the estimated savings of administrative actions and discusses the impact of possible federal aid. The Q3 R&E report will be conducted after the third quarter ends, and will contain even more robust projections based

on fiscal data up to March 31, 2021. It will also provide the opportunity to assess if these administrative actions are on track in producing their estimated savings.

## **EXECUTIVE SUMMARY**

### **Section 1: Facts of this Fiscal Crisis**

The City's fiscal crisis expanded rapidly over the course of the first half of the FY20-21 fiscal year (July 1 to December 31). Here is a brief overview:

1. On June 24, 2020, City Council adopted a balanced FY 2020-21 Budget of \$644.09 million in the General Purpose Fund and \$1.71 billion in all funds. Significant actions were taken to balance the \$122 million all-funds budget deficit, including using the entirety of the City's Rainy Day Fund (\$14.65 million), suspending payments to long-term liabilities, and freezing vacant positions.
2. After FY 2019-20 ended on June 30, 2020, the City's GPF unassigned fund balance decreased from \$97 million to \$40.12 million to cover the year-end deficit in its FY 2019-20 operating budget. A deficit occurs when expenditures are greater than revenues. As a result, on June 30, 2020 the GPF balance ended FY 2019-20 below its mandated 7.5% emergency reserve of \$48.31 million.
3. As the City transitioned into FY 2020-21 on July 1, 2020, the City's Adopted Budget was adjusted upward to \$662.59 million from \$644.09 million to add \$20.55 million in fund balance obligations which includes \$18.50 million in authorized carryforward. Carryforwards are funds that are outstanding obligations from prior budget appropriations that are carried into the next fiscal year. As a result, the GPF's unassigned fund balance further decreased from \$40.12 million to \$19.57 million. **The current unassigned fund balance of \$19.57 million is all that remains of the City's mandated emergency reserve.**
4. The City's current operating GPF budget is projected to have a \$40.52 million shortfall between incoming revenue and ongoing expenditures. This shortfall would drop the GPF's unassigned fund balance from \$19.57 million to a negative \$-20.95 million, completely wiping out the City's emergency reserves.
5. The City's preliminary estimate for the FY 2021-23 budget cycle indicates an approximate \$-150 million deficit in the GPF budget for the next two fiscal years. This means that over the next two fiscal years, expenditures are forecasted to continue to be much greater than revenues.
6. With no emergency reserve available, and if no action is taken, the City will become unable to pay for monthly operating expenses (including public safety and civilian payroll) from the GPF.
7. In response to the fiscal crisis, the Administration imposed cost saving measures of \$27.29 million. These cost savings actions are further discussed in Section 4 beginning on page 5.

These facts are summarized below in **Table 1:**

**Table 1: Summary of FY2020-21 Fiscal Crisis (\$ in millions)**

GENERAL PURPOSE FUND (1010)	FY 2020-21 Q2 Projected FYE
<b>FY2019-20 Year-End Fund Balance</b>	<b>\$40.12<sup>1</sup></b>
FY2019-20 / FY 2020-21 Fund Balance Obligations	\$-20.55
<b>FY20-21 Current Fund Balance</b>	<b>\$19.57</b>
Revenue	\$650.97
Expenditures	\$691.49
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$-40.52</b>
<b>FY 2020-21 Fund Balance Minus Operating Shortfall</b>	<b>\$-20.95</b>
Mandated Emergency Reserves	\$-48.31
OMERS Reserves (Reso. No. 85098 C.M.S)	\$-2.36
<b>FY 2020-21 Projected Year-End Fund Balance with Reserves Included</b>	<b>\$-71.62</b>

The \$-71.62 million deficit is the City's projected year-end GPF fund balance based upon information through the second quarter. It includes the City's mandated emergency reserves that the City is required to maintain unless a fiscal emergency is declared. In order to reverse this deficit, the City needs to take action to return the GPF fund balance to a healthy level. At minimum, a healthy fund balance would be an amount larger than the \$48.31 million threshold needed for maintaining the emergency reserve. Seeing this shortfall, the Administration took immediate actions to reduce expenditures in hopes of preventing an unmitigated fiscal disaster for the City. See Section 4 for more discussion of those particular actions. **Combined, these administrative actions amount to \$27.29 million in cost savings measures and reduce the projected deficit from \$-71.62 million to \$-44.33 million.**

**Section 2: Ongoing Conditions of this Fiscal Crisis**

Incoming City revenue is projected to be \$-11.62 million less than budget as shown in **Table 2.**

**Table 2: Summary of GPF Budget to Actual Results (\$ in millions)**

Description	FY 2020-21 Adopted Budget	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
Revenue	\$ 644.09	\$ 662.59	\$ 650.97	\$ -11.62
Expenditures	\$ 644.09	\$ 662.59	\$ 691.49	\$ -28.90

<sup>1</sup> The FY 2019-20 Q4 & FY 2020-21 Q1 Revenue and Expenditure report stated the unaudited FY 2019-20 ending GPF fund balance as \$45.53 million. The variance is primarily due to year-end accounting adjustments mandated by the City's external independent auditors that moved the CARES Act reimbursement from FY 2019-20 to FY 2020-21.

The COVID-19 pandemic significantly and negatively impacted the local economy. As a result, the City's revenue has been affected in key areas, most notably hotel taxes. The City's ongoing operating expenditures are also contributing to the current deficit with overspending in certain departments largely driving up the City's costs.

Personnel costs in the Police Department (OPD) is the primary area of overspending in the City's budget. The City's expectations for police services (911 response time, investigations, community policing efforts, etc.) exceed the amount budgeted to provide these services during normal times. Oakland has also been experiencing a spike in violent crime and other pressures due to the pandemic, further increasing demand for services. To bring spending into alignment with the adopted budget, OPD must reduce the services it provides. More detailed analysis is provided in the subsection **Public Safety Costs & Analysis** (p. 21).

**Section 3: Analysis of Actions and Outcomes for Fiscal Crisis**

The City's current fiscal crisis is not unique to Oakland, as many other municipalities are facing similar circumstances under this pandemic. At the timing of drafting this report, Congress is deliberating providing federal aid to state and local governments to cover their revenue shortfalls. Depending on the amount of federal aid the City receives, it would help the City with addressing some portion of its fiscal crisis (see Section 6 for more details). Absent federal aid, the City has 3 options for action as summarized in the matrix below:

Action	Target	Results	Notes
#1 Maintain current spending levels	\$0M	-\$72M Fund Balance Deficit <ul style="list-style-type: none"> <li>Carries into the next fiscal year's budget</li> <li>No emergency reserves or cushion, which results in fiscal insolvency</li> </ul>	Please see case studies on fiscal insolvency in the Case Studies Section (p. 53-55)  \$-150M deficit in FY 2021-23 budget would subsequently increase to include the unresolved \$-72M deficit
#2 Fix the deficit for operating shortfall only	\$41M	\$20M Fund Balance <ul style="list-style-type: none"> <li>Cuts to expenditures/ services</li> <li>No deficit added to Fund Balance</li> <li>Requires the City to declare a fiscal emergency</li> <li>\$30M short of required emergency reserves</li> </ul>	No plan to replenish reserves  \$-150M deficit in FY 2021-23 budget would not be increased, but is still an outstanding issue
#3 Fix the deficit for operating shortfall + re-establish emergency reserve	\$72M	\$50M Fund Balance <ul style="list-style-type: none"> <li>Cuts to expenditures/ services</li> <li>May be able to absorb another shock with reserves</li> </ul>	\$-150M deficit in FY 2021-23 budget would not be increased, but is still an outstanding issue

**Action #1:** Maintaining current spending levels has several negative consequences for the City. First, the City's remaining emergency reserve will be gone and the City will enter into a negative fund balance. Second, whatever ending deficit the City accrues in this fiscal year will get carried into the upcoming fiscal year's budget. The City is already facing a \$-150 million operating deficit for its FY 2021-23 budget cycle, which could increase to a \$-222 million deficit. Third, because the City will no longer have any emergency reserve, the City would be unable to absorb any future shocks. Any shock, such as a natural disaster, could result in fiscal insolvency. This report contains several case studies which detail where a local municipality failed to act to address its fiscal deficit and the resulting consequences (read Case Studies Section, p. 53-55).

**Action #2:** Closing the City's current operating deficit would stop the City's fund balance from dipping into the negative. The City's fund balance would remain at \$19.57 million. The fund balance, however, would be roughly \$-30 million short of its mandated emergency reserve, which would mean the City would still be in a vulnerable position in the event of any possible crisis. The City would still need to balance the \$-150 million operating deficit for FY 2021-23 budget cycle to prevent its fund balance further decreasing down to or below zero.

**Action #3:** Closing the City's current operating deficit and replenishing the emergency reserve would return the City to a healthy fund balance level. The City's fund balance would return to \$48.31 million, which would position it to be able to handle another fiscal shock. The City would still need to address the \$-150 million operating deficit to ensure that its emergency reserve is not depleted again.

**Section 4: Actions City Has Implemented This Fiscal Year to Address Fiscal Crisis**

Since December, the Administration has taken preliminary actions to address the widening FY 2020-21 operating deficit. At the request of the City Council, the Administration further reduced FY 2019-20 authorized carryforward from \$23.22 million to its current amount of \$18.50 million. The Administration instituted a citywide hiring freeze, terminated temporary employees, and reduced public safety services (see **Table 3**). These changes went into effect on January 1, 2021.

**Table 3: Summary of Estimated Savings from Administrative Actions (\$ in millions)**

<b>General Personnel and Spending Cuts</b>	<b>\$10.61</b>
Hiring freeze	\$4.10
Release temporary staff	\$1.00
Pay reductions for staff not represented by a labor group	\$0.50
Freeze discretionary spending	\$0.10
10%/20% Reductions	\$4.91
<b>Public Safety Reductions</b>	<b>\$16.68</b>
Police—reduction in overtime, specialized units, programs	\$15.00
Fire—reduction in overtime	\$1.68
<b>TOTAL*</b>	<b>\$27.29</b>

*\*This table does not include the \$4.72 million in reductions to FY 2019-20 carryforward. These savings are captured "above the line" in FY 2019-20/FY 2020-21 Fund Balance Obligations number in Table 1, Table 7, and Table 17.*

**General Personnel and Spending Cuts**

Some updates from the December 20, 2020 memo:

- a. The hiring freeze number above has been adjusted down to account for select critical positions that have been or will need to be filled this year. This freeze covers the vast majority of vacant, civilian, GPF positions. A full list is online for review. [ADD LINK]
- b. Most temporary staff employed by the City have been or will be released. The criteria to retain some temporary employees include, but are not limited to, revenue-generating, facility and employee safety, classroom requirements, critical services, and language access to City services.
- c. Pay delays/reductions for unrepresented staff were approved by the City Council in December. To date no other employees (other than the Mayor, City Auditor, and City Administrator, who have taken reductions voluntarily) have any pay impacts. Any such impacts require union agreement, and there has been none to date.
- d. In December, the Administration directed all departments to provide proposed FY 2020-21 budget reductions of 10% and 20% percent to their budgets to close the remaining deficit. These drastic target reductions could not be met by simply reducing operations and maintenance costs. As a result of this process, the Administration has identified an additional \$4.91 million in expenditure reductions in the GPF and \$1.23 million in other funds. A summary of these additional reductions is shown below in **Table 4**. A detailed list is attached (**Attachment J**).

**Table 4: Summary of Savings from 10/20% CAO Reductions (\$ in millions)**

Department	Prelim. Est. Cost Savings	Prelim. Est. GPF Cost Savings
City Administrator	\$0.32	\$0.32
Economic & Workforce Dev.	\$0.39	\$0.36
Human Services	\$0.66	\$0.66
Information Technology	\$1.65	\$1.32
Mayor	\$0.18	\$0.18
Parks, Recreation, & Youth Dev.	\$0.78	\$0.78
Public Works	\$2.15	\$1.28
Workplace & Employment Stds.	\$0.01	\$0.01
<b>Total</b>	<b>\$6.14</b>	<b>\$4.91</b>

**Public Safety Reductions**

Reductions in police services were outlined in the December 20, 2020 memo. Slight modifications to that outline include reducing savings expectations from reimbursable overtime and from the alcoholic beverage action team offset by increased savings expectations from backfill overtime reductions.

With regard to fire services, the Administration sought to keep all fire apparatuses in service, but the budget crisis has made it impossible to do so. The Oakland Fire Department (OFD) will be cutting expenditures by approximately \$1.68 million through the end of this fiscal year. In addition to freezing vacant positions to facilitate personnel cost savings and cancelling a Standards of Coverage and Strategic Planning project, the Fire Department will also temporarily suspend the minimum staffing requirements in the operable Memorandum of Understanding with IAFF, Local 55. This flexible deployment staffing model, which temporarily reduces sworn

overtime and the minimum number of fire apparatus regularly and routinely staffed, will be in place between January 21, 2021 and June 30, 2021 to realize these necessary cost savings.

As the end of this period approaches, the Administration will reassess the situation for the next fiscal year and take into account any new information. In order to indefinitely restore all OFD staffing, the Administration will be looking at structural ways to reduce expenditures that do not depend on one-time funds.

### **Estimated Impact of Administrative Actions on FY20-21 Fund Balance**

When combined, the administrative actions taken amount to \$27.29 million in estimated savings. These administrative actions were enacted after the second quarter closed. Their anticipated impact is reflected in **Table 5** where these cost saving measures are estimated to reduce the negative balance in GPF from \$-71.62 million to \$-44.33 million. The Q3 R&E report will provide the opportunity to assess if these administrative actions are on track in producing their estimated savings. Closing the remainder of this negative balance would restore GPF to a healthy fund balance level above the \$48.31 million threshold.

**Table 5: Estimated Effect of Administrative Actions on GPF Fund Balance (\$ in millions)**

<b>FY 2020-21 Projected Year-End Fund Balance with Reserves Included</b>	<b>\$-71.62</b>
<b>Estimated Savings from Administrative Actions</b>	<b>\$27.29</b>
<b>FY 2020-21 Fund Balance After Administrative Actions</b>	<b>\$-44.33</b>

### **Section 5: Non-GPF Funds Summary**

The City's non-GPF funds have also been impacted by the COVID-19 pandemic. Many revenue sources have not met projections due to the decrease in activity within the City due to the State and County mandated stay-in-place orders. As utility and personnel costs rise, fund balances have further decreased. Funds that have vacancies are seeing savings. Several important voter-initiated Measures are included in the detailed report, specifically Measure HH, Measure Q, Measure C, and Measure Z. Measure HH, Sugar Sweetened Beverage Distribution Tax, is projected to have an ending fund balance of \$0.28 million, and Measure Q, Parks & Homelessness Tax, is projected to have an ending fund balance of \$4.01 million. Measure Z, Public Safety and Services Violence Prevention Tax, is projected to have an ending fund balance of \$-0.81 million, and Measure C, which receives revenue from the hotel tax, is projected to have an ending fund balance of \$-0.49 million. In a survey of 97 funds in **Table S** on pages 46-52 of the report, the City had an overall fund balance of \$1.01 billion at the beginning of FY 2020-21 that is now projected to be \$789.89 million by year-end.

### **Section 6: Federal Rescue Funding**

Staff is closely monitoring the strong possibility of receiving federal funding to help alleviate the City's fiscal challenges. The following details regarding said funding reflects what is known at the time of drafting this report. Please know that this information is subject to change as the bill providing this relief may be amended in Congress or may fail to pass at all.

Current estimates of the amount that the City will receive are \$176.96 million. Allowable uses for this funding presently include backfilling loss of City revenues due to COVID-19, and other COVID-19 related services. Staff strongly recommends that the Mayor and City Council use all allocated federal funding to backfill the City's GPF revenue shortfall in the current fiscal year, prior fiscal year, and over the next two fiscal years of the biennial budget. Staff recommends that the Council and Mayor prioritize the restoration and maintenance of existing City functions and services over the creation of new services in regard to this funding. Please be aware that even the best case estimates of federal funding are insufficient to restore the City's services in the current fiscal year and the next two fiscal years across all funds; policymakers likely would still be faced with difficult choices in the upcoming biennial budget cycle.

### **Section 7: Conclusion**

What is at stake in this crisis is the City's ability to control short-term spending so as not to put the City's fiscal health in further jeopardy. The City needs to take decisive action to prevent fund balances from dropping down to or below a zero balance. More in-depth analysis is provided in the detailed report.



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## **DETAILED REPORT**

The remainder of this report provides details on the unaudited fiscal year-end revenue and expenditures in the GPF and selected funds based on second quarter data (July 1, 2020 - December 31, 2020).

The report has the following major sections:

1. Background / Legislative History
2. GPF Analysis & Policy Alternatives
  - a. Key Results: Revenue & Expenditure
  - b. Fund Balance
  - c. Reserves
3. All Funds Analysis
4. Case Studies
5. Conclusion

## **BACKGROUND / LEGISLATIVE HISTORY**

The Administration has produced the following reports related to the current fiscal crisis:

- OPD Overtime Report: 2nd Quarter FY 2019-20 on February 6, 2020
- FY 2019-20 Third Quarter Revenue & Expenditure Report on April 21, 2020
- Resolution 88108 C.M.S. on Suspend Requirements and Use of Reserve Funds in the Consolidated Fiscal Policy on April 21, 2020
- FY 2020-21 Budget Options on May 19, 2020
- FY 2020-21 Midcycle Budget Amendments on May 22, 2020
- FY 2020-21 Midcycle Budget Development Questions Responses #1 on May 29, 2020
- Resolution 88137 C.M.S. on One-Time Revenues on June 2, 2020
- FY 2020-21 Midcycle Budget Development Questions Responses #2 on June 2, 2020
- Explanation of the Exhibits to the Resolution Amending the FY 2020-21 Midcycle Budget on July 2, 2020
- OPD Budget & Operations on July 15, 2020
- Quarterly Police Staffing Report on October 7, 2020
- Status of Negative Funds Citywide Through June 30, 2020 on October 19, 2020
- FY 2019-20 Q4 & FY 2020-21 Q1 R&E Report on October 30, 2020
- Quarterly Police Staffing Report (3rd Quarter) on November 2, 2020
- OPD Overtime Report: 4th Quarter FY 2019-20 and 1st Quarter FY 2020-21 on December 4, 2020
- FY 2019-20 Q4 & FY 2020-21 Q1 R&E Report - Supplemental on December 11, 2020
- Comprehensive Annual Financial Report on FY2019-2020 on December 16, 2020
- Budget Shortfall Closure Actions and Update on Policy Directive Related to Police Department Overtime on December 20, 2020
- Budget Deficit Closure Actions on January 19, 2021

Copies of all of the above reports can be found [here](#) and on the City's FY 2021-23 budget [webpage](#).

**ANALYSIS AND POLICY ALTERNATIVES**

**GENERAL PURPOSE FUND**

Key Results

Unaudited FY 2020-21 expenditures are projected to exceed revenues due to the impact of the COVID-19 crisis. This will result in a decrease to fund balance of \$-40.52 million (**Table 6**).

**Table 6: Summary of GPF Budget to Actual Results (\$ in millions)**

Description	FY 2020-21 Adopted Budget	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
Revenue	\$ 644.09	\$ 662.59	\$ 650.97	\$ -11.62
Expenditures	\$ 644.09	\$ 662.59	\$ 691.49	\$ -28.90
<b>Estimated Contribution to Fund Balance</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ -40.52</b>	<b>\$ -40.52</b>

The year-end GPF fund balance is projected to be \$-44.33 million (**Table 7**). This balance reflects the net difference between the revenue and expenditure projections, including adjustments such as FY 2019-20 carryforwards, the FY 2020-21 Adopted Budget, mandated reserves, and the estimated savings from midyear administrative actions taken (**Table 17**).

**Table 7: Summary of GPF Estimated Year-End Available Fund Balance (\$ in millions)**

GENERAL PURPOSE FUND (1010)	FY 2020-21 Q2 Projected FYE
<b>Beginning Fund Balance - Audited</b>	<b>\$40.12</b>
Revenue	\$650.97
Expenditures	\$691.49
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$-40.52</b>
<b>Subtotal Fund Balance</b>	<b>\$-0.40</b>
FY19-20 / FY20-21 Obligated Fund Balance	\$-20.55
Mandated Emergency Reserves	\$-48.31
OMERS Reserves (Reso. No. 85098 C.M.S)	\$-2.36
<b>Estimated Ending Available Fund Balance</b>	<b>\$-71.62</b>
Estimated Savings from Administrative Actions	\$27.29
<b>Estimated Ending Available Fund Balance</b>	<b>\$-44.33</b>

**I. REVENUES**

As reflected in **Attachment A-1 and Table 8 below**, Revenue's FY 2020-21 Adjusted Budget is \$662.59 million. Second quarter fiscal year-end revenues are forecasted to be \$650.97 million, which represents a net shortfall of \$-11.62 million. The year-end forecast **includes** the anticipated \$10 million rebate from the Oakland Alameda Coliseum Joint Powers Authority.

**Table 8: Summary of GPF Revenue Variance to FY 2020-21 Adjusted Budget (\$ in millions)**

Description	FY 2020-21 Revenue
<b>FY 2020-21 Adjusted Revenue Budget</b>	<b>\$ 662.59</b>
Increases/(Decreases):	
Real Estate Transfer Tax	\$ 4.27
Transient Occupancy Tax	\$ -7.66
Parking Tax	\$ -4.36
Service Charges	\$ -9.57
Fines & Penalties	\$ -4.30
Miscellaneous	\$ 10.00
<b>Net Projected GPF Revenue Growth</b>	<b>\$ -11.62</b>
<b>Total FY 2020-21 Projected Revenue</b>	<b>\$ 650.97</b>

**REVENUE HIGHLIGHTS**

The GPF revenue shortfall projected in this analysis indicates a revenue loss of \$-11.62 million representing an unprecedented fiscal challenge for the City. **This shortfall would have been \$-21.62 million if not for the one-time expected disbursement from Oakland-Alameda County Coliseum Joint Powers Authority Board of \$10 million as a result of the resolution of the Warriors litigation.** This anticipated revenue is presented in the Miscellaneous category.

While the exact economic impact remains unknown, it is clear that the current emergency will have an enormous impact on the City finances at a time when a historic number of residents are unemployed and the need for City services has never been greater. **Attachment A-1** details the anticipated changes in FY 2020-21 GPF revenues. It is important to note that FY 2020-21 year-end revenues are being forecast with only 6 months of FY 2020-21 revenue data, which makes it exceedingly difficult to identify trends. This forecast will require updating as new information is received.

Loss of Ongoing Revenue

**An important part of the City's prudent budget policy is that ongoing expenses, such as employee compensation, should be funded by ongoing revenues.** Staff anticipates severe impacts of COVID-19 to certain ongoing revenue sources to continue in the near future, presumably until the summer of 2022. The City has several ongoing revenues that have been significantly impacted by the shelter-in-place orders, specifically transient occupancy and parking taxes, as well as revenues derived from parking meters.

Travel for both business and leisure purposes will be slow to recover to pre-COVID activity levels because of significant work culture changes such as extended remote work arrangements, slower COVID vaccinations, and safety concerns. To put this into context, the City has historically generated approximately \$2.9 million in monthly transient occupancy tax revenues (TOT). Since COVID-19 began a year ago, TOT revenues have dropped to about \$0.84 million a month, a drop of 71% in monthly revenue with no end in sight.

Revenues from monthly parking at the parking lots and garages, including City-owned garages, have virtually disappeared, mostly due to companies putting in place work-from-home policies. It is likely that these work-from-home policies, or some hybrid of them, will continue into the foreseeable future. The City historically generated approximately \$1.7 million per month in Parking Tax. Since COVID began a year ago, the City barely generates \$0.68 million a month, an average drop of 61% in monthly revenues. Revenues derived from the City's parking meters historically average \$1.4 million per month. Through the second quarter of FY 2020-21 monthly revenues declined to \$0.56 million. **When taken together, the City is on the brink of losing \$47.1 million this year alone in ongoing revenues due to the ongoing, negative fiscal impact of Covid-19.**

Although revenues from the Business License Tax are projected to be at budget (see below), this revenue source could be affected in a way that the City may not have experienced in the past if the aforementioned work-from-home policies or some hybrid thereof become the new workplace “normal” practice, as opposed to being implemented out of necessity to prevent the spread of COVID-19. Businesses engaging in business activities within and without the City may be entitled to apportionment of gross receipts. Gross receipts are subject to apportionment only when the business can document that the gross receipts are attributed to substantial out-of-city performance by its employees. The work-from-home policies or some hybrid thereof could increase the amount of apportioned gross receipts and result in the City not receiving the same amount of revenue as in years past.

**Attachment A-1** details the anticipated changes in FY 2020-21 GPF revenues. It is important to note that FY 2020-21 year-end revenues are being forecast with 6 months of FY 2020-21 revenue data, which makes it exceedingly difficult to predict trends. This forecast will require updating as new information is received.

*Property Tax: No change compared to FY 2020-21 Adjusted Budget*

Property Tax revenues are projected to meet the FY 2020-21 Adjusted Budget of \$233.15 million based on the most recent assessed valuation received from Alameda County and actual collection through the first half of FY 2020-21. See the progression of revenue in **Table 9**.

**Table 9: Historical Property Tax Revenue: FY 2014-15 through FY 2020-21 (\$ in millions)**

Category	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21 Q2
Property Tax	\$ 141.03	\$ 150.93	\$ 160.98	\$ 172.46	\$ 183.44	\$ 195.69	\$ 208.13
Property Tax - RPTTF	\$ 18.33	\$ 7.77	\$ 10.50	\$ 14.71	\$ 16.53	\$ 22.97	\$ 25.02
<b>Property Tax</b>	<b>\$ 159.36</b>	<b>\$ 158.7</b>	<b>\$ 171.48</b>	<b>\$ 187.17</b>	<b>\$ 199.97</b>	<b>\$ 218.66</b>	<b>\$ 233.15</b>

The City has seen significant year-over-year growth in total assessed valuation. This increase is largely due to property transfers and new construction that trigger reassessments.

**Table 10: Assessed Valuation: FY 2014-15 through FY 2020-21**

FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
5.85%	7.56%	7.47%	7.21%	7.30%	8.03%	9.50%

Sales Tax: No change compared to FY 2020-21 Adjusted Budget.

Reflecting state and county trends, the extended closures resulting from the pandemic slammed restaurants, with many eateries closed or only able to provide limited service. Fuel and service station receipts have tanked as the cost of gas and overall consumption have remained low. As a positive offset to the decline of brick-and-mortar sales receipts, the City's share of the use tax pool allocation made up for the difference due to the surges in online spending. As a result, Sales Tax revenues are projected to meet the FY 2020-21 Adjusted Budget of \$52.55 million based upon second quarter results.

**Table 11: Sales Tax by Category FY 2020-21 (\$ in millions)**

Category	FY 2019-20	FY 2020-21	Inc/Dec
Autos & Transportation	\$ 2.40	\$ 2.00	-16.67%
Building & Construction	\$ 1.76	\$ 1.60	-9.09%
Business & Industry	\$ 1.60	\$ 1.36	-15.00%
Food & Drugs	\$ 1.45	\$ 1.90	31.03%
Fuel & Service Stations	\$ 1.74	\$ 1.01	-41.95%
General Consumer Goods	\$ 1.50	\$ 1.39	-7.33%
Restaurants & Hotels	\$ 2.80	\$ 1.77	-36.79%
County Pool	\$ 2.69	\$ 3.21	19.33%

Real Estate Transfer Tax: +\$4.27 million compared to FY 2020-21 Adjusted Budget

Results from the first quarter indicated that Real Estate Transfer Tax (RETT) would match the Adjusted Budget. However, more recent second quarter analysis provided by the City's economic consultant, and projections from online real estate platforms such as the California Association of Realtors, now indicate that FY 2020-21 year-end Real Estate Transfer Tax to end higher than the Adjusted Budget.

Furthermore, residential property sales are forecasted to remain strong through the remainder of the fiscal year, mostly driven by historically low interest rates which make real estate prices more affordable to finance for buyers. Additionally, the supply of homes being put up for sale has increased as the shelter-in-place order has lifted and the vaccine becomes more widely available.

**Table 12** reflects changes in both total gross sales and transaction volume, when comparing total property transfers that occurred through the second quarter in FY 2020-21 to FY 2019-20. After controlling for property sales over \$100 million, gross sales increased \$269.72 million, while the citywide sales volume increased 17.64%.

**Table 12: RETT Growth Rate (\$ in millions and percentage)**

Sale Price	FY 2019-20 Through Q2		FY 2020-21 Through Q2		Year-Over-Year Variance	
	Gross Sales	Volume	Gross Sales	Volume	Gross Sales	Volume
\$300,000 or below	\$ 34.50	219	\$ 38.19	237	10.70%	8.22%
\$300,001 to \$2 Million	\$ 2,030.91	2,448	\$ 2,577.14	2,904	26.90%	18.63%
\$2 - \$5 Million	\$ 252.38	89	\$ 290.73	110	15.20%	23.60%
\$5 -10 Million	\$ 112.20	16	\$ 174.85	24	55.84%	50.00%
\$10 - 50 Million	\$ 473.62	19	\$ 235.07	11	-50.37%	-42.11%
\$50.01-100 Million	\$ 142.65	2	\$ —	—	-100.00%	-100.00%
Over \$100 Million	\$ 175.00	1	\$ 449.77	1	157.01%	—%
<b>Total</b>	<b>\$ 3,221.26</b>	<b>2,794</b>	<b>\$ 3,765.75</b>	<b>3,287</b>	<b>16.90%</b>	<b>17.64%</b>

**Table 13** below reflects changes in the average sale price by taxation category.

**Table 13: RETT Average Transaction**

Sale Price	FY 2019-20 Avg. Transaction	FY 2020-21 Avg. Transaction	Year-over-Year Increase/(Decrease)
\$300,000 or below	\$ 157,521	\$ 161,130	\$ 3,609
\$300,001- \$2 million	\$ 829,619	\$ 887,446	\$ 57,827
\$2 million - \$5 million	\$ 2,835,719	\$ 2,642,973	\$ -192,746
\$5 million - \$10 million	\$ 7,012,219	\$ 7,285,271	\$ 273,052
\$10 million - \$50 million	\$ 24,927,579	\$ 21,370,091	\$ -3,557,488
\$50 million - \$100 million	\$ 71,325,000	\$ —	\$ -71,325,000
Over \$100 million	\$ 175,000,000	\$ 449,765,500	\$ 274,765,500

**Business License Tax: No change compared to FY 2020-21 Adjusted Budget**

The disruption caused by COVID-19 is forecasted to impact various business tax industries such as entertainment, lodging and hotels, etc., which negatively impact revenues. Business tax renewals begin at the end of the second quarter and are due by the end of the third quarter, with the most heavy filing traffic happening during the last week of February.

Based upon early filings and local economic data, revenues derived from residential landlord filings are anticipated to decrease by -10% when compared to last year, while filings from commercial landlords are anticipated to decrease by -8.6%. For other industries, the early filings are trending on the average of -6.02% lower than last year.

Standing out among different industries is the cannabis industry. The City Council's adoption to significantly lower the tax rates in 2019 has eased the tax burden for cannabis businesses operating locally. However, cannabis businesses are not only having to close due to shelter-in-place orders, but are further impacted by their inability to get loans from banks or receive financial assistance from the federal government because cannabis remains illegal under federal law. The widespread targeted looting of cannabis businesses in late May 2020 has also resulted in the closure of many well-established cannabis businesses. These problems have in turn caused many businesses to be unable to pay the existing taxes owed for the 2020 tax year and will likely continue for the 2021 tax year.

Despite the downward trends from the early filings and the difficulty facing many businesses, the business tax forecast is currently being held at budget pending completion of the FY 2020-21 filing season. There are multiple reasons for holding this important revenue source at budget for the time being. It is likely the early filings have been from those businesses whose tax obligations are lower. Large property owners or those with large tax obligations often remit the payment around the due date. Some mid-sized cannabis businesses that struggled to pay or did not pay the tax in FY 2019-20 are expected to resume operation and make their payment. It is possible for there to be a greater than average number of delinquent business taxes from property owners, which will result in a higher amount of revenue being placed as liens on the property and transferred to the Alameda County Tax Collector and Auditor Controller for inclusion in the next property tax roll. Staff will continue to closely monitor and, if necessary, make adjustments in the next quarterly report.

*Utility User Tax: No change compared to FY 2020-21 Adjusted Budget*

Year-end revenue derived from Utility User Tax (UUT) is forecasted to be \$52.00 million. UUT revenues decreased over the past two fiscal years due to PG&E's application of the California Climate Credit that is distributed to rate payers in the months of April and October through calendar year 2020. Upon expiration of the California Climate Credit, UUT revenues should return to more normal levels. Staff projects the decreases from commercial utility usage will be offset by increases in residential usage due to remote workers.

*Transient Occupancy Tax: \$-7.66 million compared to FY 2020-21 Adjusted Budget*

As large public gatherings have been canceled along with all non-essential business travel, and travel restrictions from Europe took effect, hotel occupancy rates in the Bay Area plunged to 20 percent or less, down from occupancy rates around 80 percent. The unprecedented disruption COVID-19 caused in the airline industry created a domino effect to the lodging industry as airlines no longer need as many hotel room for flight crews, impacting local hotels in close proximity to the airport. Drastically reduced hotel occupancy continues to negatively impact Transient Occupancy Tax (TOT) revenues.

Year-end TOT revenues are projected to come in at \$8.24 million, a -57.89% decrease from the Adjusted Budget of \$15.91 million, and an -82.36% decrease when compared to FY 2018-19, the last fiscal year not impacted by the pandemic. **Table 14** reflects year-over-year changes to TOT.

**Table 14: Transient Occupancy Tax Growth Rate**

Category	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Transient Occupancy Tax	17.24%	18.03%	12.89%	5.43%	9.92%	-24.47%	-57.89%

*Parking Tax: \$-4.57 million compared to FY 2020-21 Adjusted Budget*

Due to the COVID-19 shelter-in-place order, vehicle traffic declined sharply, leading to lower estimates for parking tax collections at the airport, surface lots, and City parking garages. Parking tax revenues are derived from the following: 51% from parking garages and surface lots, 37% from Oakland Airport/Port activity, 4% from hotels, and 8% from other sources. Based on decreases in traffic through the Airport/Port, hotels, garages, and surface lots in the last 6 months, parking tax revenues are forecasted to come in at \$4.50 million, a -50.40% decrease from the Adjusted Budget.

*Service Charges: \$-9.57 million compared to FY 2020-21 Adjusted Budget*

Revenues from on street and off-street parking, including City-owned garages, virtually disappeared over night when the first shelter-in-place order was issued on March 16, 2020. Open parking lots and garages, including city-owned garages, were immediately impacted because of business restrictions and companies putting in place work-from-home policies. Although parking meters are fully operational and many garages remain in operation, demand for parking is far lower than pre-COVID levels and is expected to remain low for the foreseeable future. Consequently, revenues derived from parking meters declined 60% through the second quarter of FY 2020-21 when compared to the second quarter of FY 2019-20.

*Fine & Penalties: \$-4.30 million compared to FY 2020-21 Adjusted Budget*

Revenues from fines and penalties are largely derived from parking citations. Without the traveling public and the demand for parking, especially demand for on-street parking, the volume of parking citations issued for various violations was down in the first half of the fiscal year. Furthermore, in response to the shelter-in-place order, the City suspended street sweeping, which impacted the issuance of parking citations. Staff estimates a decline in Fines and Penalties due to reduced citation volume by 50% compared to Midcycle Adopted Budget. It does appear, however, that parking citation revenue has begun to climb back up towards pre-COVID levels based on recent trending in citation issuance. January 2021 citation issuance is only 25% lower than where it was in January 2020.



**II. EXPENDITURES**

The unaudited year-end expenditures in the GPF are estimated at \$691.49 million, which is \$-28.87 million over the Adjusted Budget (**Table 15**). The unaudited year-end result is primarily attributed to overspending in the Police Department.

**Table 15: Summary of FY 2020-21 GPF Projected Expenditure Variance:**

Department	Adjusted Budget	Q2 Projected FYE	Year-End Over / Under Budget	Estimated Savings from Admin Actions	Estimated Year-End Over /Under Budget with Admin Reductions
<b>FY 2020-21 Expenditures</b>	<b>\$ 662.59</b>	<b>\$ 691.48</b>	<b>\$ -28.87</b>	<b>\$ 27.29</b>	<b>\$ -1.58</b>
MAYOR	\$ 3.88	\$ 3.20	\$ 0.68	\$ 0.18	\$ 0.86
CITY COUNCIL	\$ 6.28	\$ 6.24	\$ 0.04	\$ —	\$ 0.04
CITY ADMINISTRATOR	\$ 12.04	\$ 12.34	\$ -0.30	\$ 0.32	\$ 0.02
CITY ATTORNEY	\$ 11.51	\$ 13.00	\$ -1.49	\$ —	\$ -1.49
CITY AUDITOR	\$ 2.48	\$ 2.31	\$ 0.17	\$ —	\$ 0.17
CITY CLERK	\$ 4.50	\$ 4.35	\$ 0.15	\$ —	\$ 0.15
POLICE COMMISSION	\$ 4.62	\$ 3.75	\$ 0.87	\$ —	\$ 0.87
PUBLIC ETHICS COMMISSION	\$ 1.32	\$ 1.36	\$ -0.04	\$ —	\$ -0.04
FINANCE DEPARTMENT	\$ 24.52	\$ 24.07	\$ 0.45	\$ —	\$ 0.45
INFORMATION TECHNOLOGY	\$ 10.59	\$ 11.14	\$ -0.55	\$ 1.32	\$ 0.77
RACE & EQUITY	\$ 0.87	\$ 0.84	\$ 0.03	\$ —	\$ 0.03
HUMAN RESOURCES	\$ 6.71	\$ 7.28	\$ -0.57	\$ —	\$ -0.57
DEPT OF VIOLENCE PREVENTION	\$ 3.24	\$ 3.14	\$ 0.10	\$ —	\$ 0.10
POLICE DEPARTMENT*	\$ 296.49	\$ 318.93	\$ -22.44	\$ 15.00	\$ -7.44
FIRE DEPARTMENT*	\$ 169.10	\$ 164.66	\$ 4.44	\$ 1.68	\$ 6.12
PUBLIC LIBRARY	\$ 11.66	\$ 13.12	\$ -1.46	\$ —	\$ -1.46
PARKS, RECREATION & YOUTH DEV	\$ 16.37	\$ 15.81	\$ 0.56	\$ 0.78	\$ 1.34
HUMAN SERVICES	\$ 15.86	\$ 16.38	\$ -0.52	\$ 0.66	\$ 0.14
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 5.76	\$ 5.58	\$ 0.18	\$ 0.36	\$ 0.54
HOUSING & COMMUNITY DEVELOPMENT	\$ 0.80	\$ 0.80	\$ —	\$ —	\$ —
PLANNING & BUILDING	\$ -0.08	\$ -0.08	\$ —	\$ —	\$ —
PUBLIC WORKS	\$ 0.46	\$ 0.49	\$ -0.03	\$ 1.28	\$ 1.25
TRANSPORTATION	\$ 13.19	\$ 12.27	\$ 0.92	\$ —	\$ 0.92
WORKPLACE & EMPLOYMENT STANDARD	\$ 3.29	\$ 3.64	\$ -0.35	\$ 0.01	\$ -0.34
NON-DEPARTMENTAL*	\$ 34.80	\$ 44.51	\$ -9.71	\$ 5.70	\$ -4.01
CAPITAL IMPROVEMENT PROGRAM	\$ 2.35	\$ 2.35	\$ —	\$ —	\$ —

\*These departments' projections are modified to account for CARES Act funding. If accounting for CARES Act funding were removed, Non-Departmental's estimate would be at \$38.71M and be over budget by \$-3.91M, Police's estimate would be \$323.93M and be over budget by \$-27.44M, and Fire's estimate would be at \$169.66M and be over budget by \$-0.56M.

\*\*Details on the administrative actions taken are in Tables 3 and 4 in the Executive Summary.

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## ***EXPENDITURE HIGHLIGHTS***

As outlined in **Table 15**, the FY 2020-21 Adjusted Budget is \$662.59 million. The fiscal year-end General Purpose Fund (GPF) expenditures are \$691.49 million. Most of the overspending in the GPF can be attributed to personnel cost in the Police Department. This is mostly due to increased requests for additional services resulting from the recent spike in violent crime and due to the department's historic under-budgeting for its current levels of services. Overspending in personnel is also occurring city-wide because employees are not taking as much paid time-off as they normally would due to the pandemic. For departments that are projected to overspend by more than 1%, the Administration is required by the Consolidated Fiscal Policy to provide an informational report to Council addressing the actions the Administration is taking to bring their expenditures into alignment with their budget. Below is a discussion of each department's savings or overspending in the GPF at year-end as compared to their Adjusted Budget.

### *Mayor's Office*

The Mayor's Office is projected to have savings of \$0.68 million due to vacancies. With the additional \$0.18 million in estimated savings from administrative actions, its projected savings increases to \$0.86 million.

### *City Council*

The City Council is projected to have a slight savings of \$0.04 million.

### *City Administrator (CAO)*

The City Administrator's Office was initially projected to overspend by \$0.30 million due to personnel. With the additional \$0.32 million in estimated savings from administrative actions, CAO is projected to reverse its overspending and instead have projected savings of \$0.02 million.

### *City Attorney*

The City Attorney is projected to overspend by \$1.49 million due to personnel. An informational report to Council will be prepared to indicate further Administrative action to reduce this department's overspending.

### *City Auditor*

The City Auditor is projected to have a slight savings of \$0.17 million.

### *City Clerk*

The Office of the City Clerk is projected to have a slight savings of \$0.15 million.

### *Police Commission*

The Police Commission is projected to have a slight savings of \$0.87 million.

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Public Ethics Commission (PEC)

The PEC is projected to slightly overspend by \$0.04 million. An informational report to Council will be prepared to indicate further Administrative action to reduce this department's overspending.

Finance Department

Finance is projected to have a slight savings of \$0.45 million.

Information Technology Department (ITD)

ITD was initially projected to slightly overspend by \$0.55 million due to personnel. With the additional \$1.32 million in estimated savings from administrative actions, ITD is projected to reverse its overspending and instead have projected savings of \$0.77 million.

Race & Equity

The Race & Equity Department is projected to have a slight savings of \$0.03 million.

Human Resources Management Department (HRMD)

Human Resources is projected to slightly overspend by \$0.57 million due to personnel. An informational report to Council will be prepared to indicate further Administrative action to reduce this department's overspending.

Department of Violence Prevention (DVP)

DVP is projected to have a slight savings of \$0.10 million.

Oakland Police Department (OPD)

OPD was initially projected to overspend by \$22.44 million. This is primarily due to overtime spending, which is estimated to be \$31.41 million, for backfill, extension of shift, and unanticipated special enforcement. CARES Act funding lowered OPD's overspending by \$5.00 million, which otherwise was projected to be \$27.44 million over budget. **Table 16** provides additional information for overall personnel savings versus costs. With the additional \$15.00 million in estimated savings from administrative actions, its projected overspending decreases down to \$7.44 million. The Administration regularly reports on OPD's expenditures, see report below.

Oakland Fire Department (OFD)

The Fire Department is projected to have savings of \$4.44 million due to the CARES Act funding it received. Without this funding, its budget would have overspent by \$0.56 million, primarily due to overtime spending. **Table 16** provides additional information for personnel savings versus costs. With the additional \$1.68 million in estimated savings from administrative actions, its projected savings increases to \$6.12 million.

Oakland Public Library (OPL)

OPL is projected to overspend by \$1.46 million due to personnel. An informational report to Council will be prepared to indicate further Administrative action to reduce this department's overspending.

Oakland Parks, Recreation, and Youth Development (OPRYD)

OPRYD is projected to have a slight savings of \$0.56 million. With the additional \$0.78 million in estimated savings from administrative actions, its projected savings increases to \$1.34 million.

Human Services Department (HSD)

Human Services was initially projected to slightly overspend by \$0.52 million due to personnel. With the additional \$0.66 in estimated savings from administrative actions, HSD is projected to reverse its overspending and instead have projected savings of \$0.14 million.

Economic Workforce & Development (EWD)

EWD is projected to have slight savings of \$0.18 million. With the additional \$0.36 million in estimated savings from administrative actions, its projected savings increases to \$0.54 million.

Housing & Community Development (HCD)

HCD is projected to end the fiscal year at budget.

Planning & Building (PBD)

PBD is projected to end the fiscal year at budget.

Oakland Public Works (OPW)

OPW was initially projected to slightly overspend by \$0.03 million. With the additional \$1.28 million in estimated savings from administrative actions, OPW is projected to reverse its overspending and instead have projected savings of \$1.25 million.

Department of Transportation (DOT)

DOT is projected to have a savings of \$0.92 million.

Department of Workplace & Employment Standards (DWES)

DWES is projected to overspend by \$0.35 million. With the additional \$0.01 million in estimated savings from administrative actions, its projected overspending decreases to \$0.34 million. An informational report to Council will be prepared to indicate further Administrative action to reduce this department's overspending.

Non-Departmental

Non-Departmental was initially projected be substantially overspent by \$9.71 million. This difference is due in large part from transferring out a reserved negative offset for anticipated CARES Act funding that was equally divided between OPD and OFD personnel costs. If the accounting for CARES Act funding were removed, Non-Departmental would only be overspent by \$3.91 million. The remainder of this difference is due primarily to lower than expected Central Service Overhead recoveries from the vacancies that exist citywide. In addition, there is an estimated savings of \$5.70 million from administrative actions that are currently not attributable to specific departments. This additional savings decreases Non-Departmental's projected overspending to \$4.01 million. An informational report to Council will be prepared to indicate further Administrative action to reduce this department's overspending.

**Public Safety Costs & Analysis**

**Table 16** below shows the personnel expenditures, including overtime, for Public Safety in the GPF. Once all other personnel costs are accounted, the overspending increases to \$-33.98 million in OPD and increases to \$-4.97 million in OFD.

**Table 16: FY 2020-21 Public Safety GPF Personnel Expenditures**

Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Police Department</b>			
Overtime (OT)*	\$ 17.12	\$ 31.41	\$ -14.29
All Other Personnel (non-OT)	\$ 236.70	\$ 256.39	\$ -19.69
<b>OPD Total Personnel</b>	<b>\$ 253.81</b>	<b>\$ 287.80</b>	<b>\$ -33.98</b>
<b>Fire Department</b>			
Overtime (OT)*	\$ 1.77	\$ 27.52	\$ -25.75
All Other Personnel (non-OT)	\$ 146.06	\$ 125.28	\$ 20.78
<b>OFD Total Personnel</b>	<b>\$ 147.83</b>	<b>\$ 152.80</b>	<b>\$ -4.97</b>

\*Details on the factors contributing to Police and Fire overtime projections are provided in a separate report presented to the Finance Committee.

\*\*The Police overtime budget continues to be underfunded. Per the 2019 City Auditor Report on Police Overtime, "the City still does not realistically budget for overtime. OPD has exceeded its overtime budget by an average of \$13.7 million over the last four fiscal years. The City has not considered historical spending in developing a balanced budget nor does it recognize reimbursable overtime revenues, thus contributing to the City consistently underfunding OPD's overtime budget."

OPD's overspending is the result of a historic longstanding misalignment between the Department's adopted budget and the actual level of service that the Department is being requested to fulfill as a part of its ongoing duties. This misalignment results in OPD exceeding its annual personnel budget because it provides these services primarily through the use of overtime. While this has been a reoccurring trend for decades, it has led to significant overspending overall in this last decade in particular. Notably, these ongoing services include maintaining 35 officers on patrol duty at all times as well as responding to unanticipated events such as sideshows or civic demonstrations. In December, the Administration took action and

reduced certain services in order to bring OPD into alignment with its adopted budget for the second half of the current fiscal year. To the extent that such services were provided on regular time by OPD sworn officers, those officers will be transferred to reduce the overtime required to maintain minimum patrol staffing. For further details, please see the OPD Second Quarter Overtime Report which has an in-depth analysis on this matter.

### III. FUND BALANCE

The audited FY 2020-21 GPF beginning fund balance was \$40.12 million. Importantly, this amount is roughly \$8 million below the threshold required for the City's emergency reserve. In reality, FY 2020-21 GPF's current fund balance is much lower once project and encumbrance balances carried forward are included. As mentioned in the Executive Summary, once these obligations are included, the City's GPF current fund balance is \$19.57 million.

The year-end available fund balance is estimated to become a \$-44.33 million deficit. This balance was calculated after including for year-end revenues and expenditures, project and encumbrance carryforward, other required amounts budgeted in FY 2020-21, and the estimated savings from the midyear administrative actions taken (**Table 17**).

**Table 17: FY 2020-21 Year-End Available GPF Fund Balance**

<b>GENERAL PURPOSE FUND (1010)</b>	<b>FY 2020-21 Q2 Projected FYE</b>
<b>Beginning Fund Balance - Audited</b>	<b>\$ 40.12</b>
Revenue	\$ 631.93
Expenditures	\$ 691.49
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$ -40.52</b>
<b>Subtotal Fund Balance</b>	<b>\$ -0.40</b>
<b>Use of Fund Balance:</b>	
Projects & Encumbrance Carried Forward (CF) to FY 2020-21	\$ -18.50
FY 2018-19 Kid's First True Up (FY20-21 Midcycle Adjustment)	\$ -1.52
FY 2020-21 Adopted Budget*	\$ -0.54
<b>Subtotal Use of Fund Balance</b>	<b>\$ -20.55</b>
<b>Designated / Mandated Reserves:</b>	
7.5% GPF Required Reserve	\$ -48.31
OMERS Reversion of Assets (held with Trustee; Resolution 85098)	\$ -2.36
<b>Subtotal Reserves</b>	<b>\$ -50.67</b>
<b>Estimated Ending Available Fund without Admin Actions</b>	<b>\$ -71.62</b>
Estimated Savings from Administrative Actions	\$ 27.29
<b>Estimated Ending Available Fund Balance after Admin Actions</b>	<b>\$ -44.33</b>

#### 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*<sup>2</sup>). It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups.

##### Emergency Reserve

The City's 7.5% GPF Emergency Reserve is set at \$48.31 million based on the FY 2020-21 Adopted Budget (**Table 18**). The reserve is equivalent to almost one month of FY 2020-21 Adopted Budget of \$644.09 million in GPF (7.50%). Maintaining the required specified amount for the emergency reserve is mandatory for the City, however, this requirement can be suspended temporarily if the City declares a fiscal emergency. Under the declaration of a fiscal emergency, the City can both use its reserves and waive the mandate to retain a specific amount.

If the City plans to forego its emergency reserves, that decision places the City in a precarious position because it means that the City will be operating without a guaranteed source of back-up funds in the case of a natural disaster, other economic shock, or department overspending. The City would also be deviating from best practices for sound municipal fiscal management. As it stands, the City's reserves policy does not meet the amount recommended by the Government Finance Officer's Association (GFOA) of two months (16.7%) operating expenditures.

##### Vital Services Stabilization Fund

The Vital Services Stabilization Fund (VSSF) was established in 2014 by City Council after the Great Recession to serve as the City's "Rainy Day" fund. By the beginning of FY 2019-20, the VSSF had a healthy balance of \$14.65 million, all of which was used in FY 2020-21 to balance the Midcycle budget as discussed above.

The purpose of a "rainy day" fund is similar to an emergency reserve in that it is a savings mechanism for the City to set aside additional funds to use at a later date to avert a possible crisis. However, the key differences between the VSSF and City's mandated emergency reserve are their uses. The VSSF is intended to be drawn down upon in times of fiscal hardship and then replenished in years with revenue growth, helping to smooth the effects of economic cycles on the City's finances. The Emergency Reserve is intended to only be used during seemingly insurmountable catastrophes like a major fire or earthquake where the City's economy is paralyzed and critical functions are in danger of being suspended. The City's mandated emergency reserves must be maintained at a minimum threshold annually while the amount in the VSSF varies depending on where in time the City is during an economic cycle.

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<sup>2</sup> Real estate transfer tax is a general tax assessed on the value

**Table 18: FY 2020-21 Year-End Reserve Balances**

<b>Description</b>	<b>FYE 2020-2021 Balances</b>
<i>7.5% GPF Required Reserve<sup>1</sup></i>	\$ 48.31
<i>Vital Services Stabilization Fund</i>	\$ —
<b>Total Reserves</b>	<b>\$ 48.31</b>

<sup>1</sup> *The 7.5% GPF reserve is not a cumulative balance.*



**OTHER FUNDS**

**(Attachments B through H)**

This Q2 report contains additional analysis on other non-GPF funds. The first seven funds listed in **Table 19** are major non-GPF funds that are of special interest to the City because their revenue comes from a special tax or measure (**Attachments B to I**). The second set of funds are grouped because of their similarity in revenues or expenditure restrictions. The FY 2020-21 ending fund balance/(deficit) compared to FY 2019-20 is shown in **Table 19** below for these funds. A final table (**Table S**) displays other funds.

The following sections contain some funds with a projected negative fund balance. The City's historical negative balances largely arose from operating expenses that could not be sustained and/or expenditures that outpaced or preceded the receipt of revenues. Cumulative citywide negative fund balances had fallen from more than \$138 million in 2010 to less than \$58 million pre-pandemic. These include the Self insurance Liability Fund (1100) and the Internal Service Funds of Reproduction, City Facilities, Central Stores, and Purchasing. These funds are on a repayment plan. Measure C - Transient Occupancy Tax (TOT) also has a negative fund balance because its revenues have been impacted negatively by the COVID-19 pandemic. **Tables A-S** on the following pages provide additional information on fund balance calculations.

Please note that some of the fund tables below show a budgeted transfer from fund balance. These amounts represent either approved obligated carryforward from the prior year or dollars designated to balance the adopted budget.

**Table 19: FY 2020-21 Ending Fund Balance for Eighteen Major Non-GPF Funds**

<b>FUND</b>	<b>FY 2019-20 Audited Ending Balance</b>	<b>FY 2020-21 Projected Ending Balance</b>
Measure HH (SSBDT)	\$ 9.92	\$ 0.28
Self-Insurance Liability Fund	\$ -14.16	\$ -15.43
Measure Q (OPR Preservation, Litter Reduction, Homelessness Support Act)	\$ -0.33	\$ 4.01
Measure Z (Violence Prevention and Public Safety Act of 2014)	\$ 5.28	\$ -0.81
Landscaping & Lighting Assess. District Fund (LLAD)	\$ -1.01	\$ 0.57
Development Service Fund	\$ 149.42	\$ 86.52
Measure C: Transient Occupancy Tax (TOT) Surcharge	\$ -0.16	\$ -0.49
<b>Special Revenues</b>		
Multipurpose Reserve	\$ 4.46	\$ -2.00
OPRCA Self Sustaining Revolving Fund	\$ 2.01	\$ 1.05
Affordable Housing Trust Fund	\$ 32.52	\$ 10.61
Vacant Property Tax Act Fund	\$ -0.42	\$ 1.18
<b>Transportation Funds - State Level</b>		
Gas Tax	\$ 5.73	\$ 6.73
<b>Transportation Funds - County Level</b>		
Measure B/BB/F	\$ 16.48	\$ 8.87
<b>ISF Funds</b>		
Reproduction*	\$ -1.52	\$ -1.66
City Facilities*	\$ 1.47	\$ 0.10
Central Stores*	\$ -3.71	\$ -3.54
Purchasing*	\$ -0.13	\$ -0.24
<b>Affordable Housing Funds</b>		
Measure KK	\$ 191.09	\$ 57.58

*\*Funds reported on a modified full accrual basis to reflect current assets and liabilities.*

Measure HH (SSBDT) Fund (1030)

Measure HH SSBDT Fund (1030) is a City of Oakland ballot initiative approved by voters on November 8, 2016 that established a general tax of one cent per ounce on sugar sweetened beverage products. The tax was imposed in 2017. While this revenue is not restricted by State statute, City Council has elected to restrict it by policy and separate it into its own fund.

The measure formed a nine-member Community Advisory Board, appointed by the Mayor, and approved by City Council. The Board is responsible for:

1. Making recommendations to City Council on use of funding/programs that will reduce the health consequences from consuming sugar-sweetened beverages (final allocations are still determined by City Council);
2. Publishing an annual report regarding the implementation of the Board's recommendations and the impact on the use of these funds.

Revenues continue to decline each year in this fund as people are buying fewer sugar sweetened beverages in Oakland. FY 2018-19 revenues decreased by -16.63%, FY 2019-20 revenues decreased by -3.93%, and in the current fiscal year revenue is down by -21.68% for the same time period last year.

Projected revenues at fiscal year-end are \$19.16 million, which is \$-0.75 million less than the Adjusted Budget. Projected expenditures are \$18.09 million, which is a savings of \$1.82 million when compared to the Adjusted Budget. Additional details are provided in **Attachment B**.

The fund balance in the Measure HH (SSBDT) Fund (1030) is projected to decrease from \$9.92 million in FY 2019-20 to \$0.28 million in FY 2020-21. **Table A** below shows the projected year-end balance for FY 2020-21

**Table A: FY 2020-21 Measure HH (SSBDT) Fund Year-End Available Fund Balance**

MEASURE HH SSBDT (1030)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 9.92	\$ 9.92	
Revenue	\$ 19.91	\$ 19.16	\$ -0.75
Expenditures	\$ 19.91	\$ 18.09	\$ 1.82
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 1.07	\$ 1.07
<b>Subtotal Fund Balance</b>	<b>\$ 9.92</b>	<b>\$ 10.99</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 10.71	10.71	
<b>Estimated Ending Fund Balance</b>	<b>\$ -0.79</b>	<b>\$ 0.28</b>	

Self-Insurance Liability Fund (1100)

The Self-Insurance Liability Fund (1100) receives contributions from the General Purpose Fund and select funds to cover costs associated with liability claims and settlements, insurance premiums, outside legal services and court costs.

Projected revenues at fiscal year-end are at Adjusted Budget at \$36.08 million. Projected expenditures are at Adjusted Budget \$36.86 million. Additional details are provided in **Attachment C**.

The negative fund balance in the Self Insurance Liability Fund (1100) - which is on a City Council approved repayment plan - has decreased from \$-14.16 million to \$-15.43 million in FY 2020-21. **Table B** below shows the projected year-end balance for FY 2020-21 .

**Table B: FY 2020-21 Self-Insurance Liability Fund Year-End Available Fund Balance**

SELF-INSURANCE LIABILITY FUND (1100)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ -14.16	\$ -14.16	
Revenue	\$ 36.08	\$ 36.08	\$ —
Expenditures	\$ 36.86	\$ 36.86	\$ —
Estimated Current Year Surplus/(Shortfall)	\$ -0.78	\$ -0.78	\$ —
<b>Subtotal Fund Balance</b>	\$ -14.94	\$ -14.94	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 0.49	\$ 0.49	
<b>Estimated Ending Fund Balance</b>	\$ -15.43	\$ -15.43	

Measure Q Fund (2244)

Measure Q (Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act) Fund (2244) is a City of Oakland ballot initiative approved by voters in March 2020. This measure, which passed by more than a two-thirds majority, imposes a special parcel tax for the purpose of raising revenue to provide services for parks, landscape maintenance, and recreational services; to address homelessness and enable unsheltered and unhoused residents to access temporary shelters, transitional, supportive, and permanent housing; and to address water quality and litter reduction, including the maintenance and cleaning of stormwater trash collection systems. Staff is actively recruiting to fill vacancies in this fund that were partial-year funded to allow time for the necessary equipment purchases to be delivered for staff use.

Projected revenues at fiscal year-end are \$23.02 million, which is \$-0.01 million less than the Adjusted Budget. Projected expenditures are \$19.01 million, which is \$4.02 million less than budget. Additional details are provided in **Attachment D**.

The fund balance in the Measure Q (2244) is projected to increase from \$-0.33 million to \$4.01 million in FY 2020-21. **Table C** below shows the projected year-end balance for FY 2020-21 .

**Table C: FY 2020-21 Measure Q Fund Year-End Available Fund Balance**

MEASURE Q (2244)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ -0.33	\$ -0.33	
Revenue	\$ 23.03	\$ 23.02	\$ -0.01
Expenditures	\$ 23.03	\$ 19.01	\$ 4.02
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 4.01	\$ 4.01
<b>Subtotal Fund Balance</b>	\$ -0.33	\$ 3.68	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ -0.33	\$ -0.33	
<b>Estimated Ending Fund Balance</b>	\$ —	\$ 4.01	

Measure Z Fund (2252)

Measure Z (Public Safety and Services Violence Prevention Act of 2014) Fund (2252) is a City of Oakland ballot initiative approved in November 2014 that provides annual funding for ten years for violence prevention programs, police officers, fire services, and evaluation services. The measure requires a citizen's oversight commission to oversee the proper administration of the revenue collection, spending, and implementation of the strategies funded through the measure. The Measure has two revenue sources: a parcel tax which is stable and grows with inflation, and an 8.5% parking tax which is subject to economic pressures.

Projected revenues at fiscal year-end are \$25.07 million, which is \$-4.72 million less than the Adjusted Budget. Projected expenditures are \$27.76 million, which is a savings of \$2.59 million when compared to the Adjusted Budget. Additional details are provided in **Attachment E**.

The fund balance in the Measure Z Fund (2252) is projected to decrease from \$5.28 million in FY 2019-20 to \$-0.81 million in FY 2020-21 . **Table D** below shows the projected year-end balance for FY 2020-21. Please note that at year-end the available balances for any Measure Z activity may vary greatly due to the strict allocation formula required by the Measure.

**Table D: FY 2020-21 Measure Z Fund Year-End Available Fund Balance**

MEASURE Z (2252)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 5.28	\$ 5.28	
Revenue	\$ 29.79	\$ 25.07	\$ -4.72
Expenditures	\$ 30.35	\$ 27.76	\$ 2.59
Estimated Current Year Surplus/(Shortfall)	\$ -0.56	\$ -2.69	\$ -2.13
<b>Subtotal Fund Balance</b>	\$ 4.72	\$ 2.59	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 3.40	\$ 3.40	
<b>Estimated Ending Fund Balance</b>	\$ 1.32	\$ -0.81	

Landscaping and Lighting Assessment District (LLAD) Fund (2310)

The Landscaping and Lighting Assessment District (LLAD) Fund (2310) revenue is generated through a direct benefit assessment, or special assessment and is restricted by statute to be used for street lighting, landscaping, and public parks and recreation facility maintenance, and multi-use fields.

The LLAD Fund eliminated a roughly \$6.0 million negative fund balance in FY 2014-15. However, rapidly increasing costs put this fund at risk of going negative again. The assessment rate cannot be adjusted without voter approval; therefore, the City must continue to carefully manage personnel and O&M expenses throughout FY 2020-21 to mitigate any further reductions in the fund balance.

Projected year-end revenues at fiscal year-end are \$19.97 million, which is \$0.08 million over Adjusted Budget. Projected expenditures are \$17.92, which is a savings of \$1.97 when compared to the Adjusted Budget. Additional details are provided in **Attachment F**.

The fund balance in the LLAD Fund (2310) is projected to increase from \$-1.01 million in FY 2019-20 to \$0.57 million in FY 2020-21. **Table E** below shows the projected year-end balance for FY 2020-21.

**Table E: FY 2020-21 LLAD Year-End Available Fund Balance**

LANDSCAPING & LIGHTING ASSESSMENT DISTRICT FUND (2310)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ -1.01	\$ -1.01	
Revenue	\$ 19.89	\$ 19.97	\$ 0.08
Expenditures	\$ 19.89	\$ 17.92	\$ 1.97
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 2.05	\$ 2.05
<b>Subtotal Fund Balance</b>	\$ -1.01	\$ 1.04	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 0.47	\$ 0.47	
<b>Estimated Ending Fund Balance</b>	\$ -1.48	\$ 0.57	

Development Service Fund (2415)

The Development Service Fund (2415) was created on June 20, 2006 by Ordinance No. 12741 C.M.S. This fund collects revenues from licenses, fees, and permits from housing and commercial planning and construction-related activities to support planning and zoning services, construction inspections and permit approvals, building code enforcement, plan checks and engineering services.

Fiscal Year	Budgeted Revenue	Actual Revenue
FY 2019-20	\$ 61.58	\$ 60.71
FY 2018-19	\$ 49.92	\$ 63.20
FY 2017-18	\$ 45.14	\$ 90.13
FY 2016-17	\$ 38.03	\$ 77.15

The large fund balance, \$149.42 million at the end of FY 2019-20, has accumulated over the life of the fund due to revenues exceeding the budget as well as longstanding underspending or delays in expenditures attributed to a high number of vacancies within the Planning and Building Department. Although the fund is projected to be underspent by \$5.33 million, the projected revenues of \$100.21 million show that Fund 2415 has also been negatively impacted by the COVID-19 pandemic. This fund is required to keep a minimum 7.5% reserve of annual budgeted revenues for its balance, which would be \$4.72 million.

Projected revenues at fiscal year-end are \$100.21 million, which is \$-7.30 million less than Adjusted Budget. Projected expenditures are \$102.18, which is a savings of \$5.33 when compared to the Adjusted Budget. Additional details are provided in **Attachment G**.

The fund balance in the Development Service Fund (2415) is projected to decrease from \$149.42 million in FY 2019-20 to \$86.52 million in FY 2020-21 . **Table F** below shows the projected year-end balance for FY 2020-21.

**Table F: FY 2020-21 Development Service Fund Year-End Available Fund Balance**

DEVELOPMENT SERVICE FUND (2415)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	<b>\$ 149.42</b>	<b>\$ 149.42</b>	
Revenue	\$ 107.51	\$ 100.21	\$ -7.30
Expenditures	\$ 107.51	\$ 102.18	\$ 5.33
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -1.97	\$ -1.97
<b>Subtotal Fund Balance</b>	<b>\$ 149.42</b>	<b>\$ 147.45</b>	

Use of Fund Balance in FY 2020-21			
Budgeted Transfer from Fund Balance	\$ 60.93	\$ 60.93	
<b>Estimated Ending Fund Balance</b>	<b>\$ 88.49</b>	<b>\$ 86.52</b>	



Measure C Fund (2419)

The Measure C (Hotel Tax) Fund (2419) is a City of Oakland initiative approved by voters in July 2009 that imposed a 3% special transient occupancy tax on the privilege of renting a hotel room in the City. The revenue generated by this special tax is allocated as follows: 50% to the Oakland Convention and Visitor’s Bureau for its expenses and promotion of tourism activities, and 12.5% each to the Oakland Zoo, the Oakland Museum of California, the Chabot Space and Science Center and the City’s Cultural Arts Programs and Festivals.

Projected revenues at fiscal year-end are \$2.34 million, which is \$-2.08 million less than the Adjusted Budget. Projected expenditures are \$2.59 million, which is a savings of \$1.83 million when compared to the Adjusted Budget. Additional details are provided in **Attachment H**.

The fund balance in the Measure C Fund (2419) is projected to decrease from \$-0.16 million in FY 2019-20 to \$-0.49 million in FY 2020-21 . **Table G** below shows the projected year-end balance for FY 2020-21.

**Table G: FY 2020-21 Measure C Fund Year-End Available Fund Balance**

<b>MEASURE C (2419)</b>	<b>FY 2020-21 Adjusted Budget</b>	<b>FY 2020-21 Q2 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited</b>	<b>\$ -0.16</b>	<b>\$ -0.16</b>	
Revenue	\$ 4.42	\$ 2.34	\$ -2.08
Expenditures	\$ 4.42	\$ 2.59	\$ 1.83
Estimated Current Year Surplus/(Shortfall)	—	<b>-0.25</b>	<b>-0.25</b>
<b>Subtotal Fund Balance</b>	<b>-0.16</b>	<b>-0.41</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 0.08	\$ 0.08	
<b>Estimated Ending Fund Balance</b>	<b>\$ -0.24</b>	<b>\$ -0.49</b>	

Multipurpose Reserve Fund (1750)

The Multi-Purpose Reserve Fund (1750) collects fees from City-owned off-street parking facilities, and other revenues at Council discretion. The off-street parking facilities revenue is not derived from a special, restricted revenue source, it is restricted by Council policy to use for parking facility construction and operation. All other revenue may be spent at Council discretion.

The current economic downturn caused by the COVID-19 pandemic has had a negative impact on the collection of off street parking fees. In FY 2019-20, actual revenues of \$10.88 million were lower than the Adjusted Budget by \$-3.07 million. Actual expenditures in FY 2019-20 of \$9.65 million were under the Adjusted Budget by \$4.3 million.

Projected revenues at fiscal year-end are \$5.24 million, which is \$-6.09 million less than the Adjusted Budget. Projected expenditures are \$10.58 million, which is a savings of \$0.75 million when compared to the Adjusted Budget.

The fund balance in the Multipurpose Reserve Fund (1750) is projected to decrease from \$4.46 million in FY 2019-20 to \$-2.00 million in FY 2020-21 See **Table H** below.

**Table H: FY 2020-21 Multipurpose Reserve Fund Year-End Available Fund Balance**

MULTIPURPOSE RESERVE FUND (1750)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 4.46	\$ 4.46	
Revenue	\$ 11.33	\$ 5.24	\$ -6.09
Expenditures	\$ 11.33	\$ 10.58	\$ 0.75
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -5.34	\$ -5.34
<b>Subtotal Fund Balance</b>	\$ 4.46	\$ -0.88	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 1.12	\$ 1.12	
<b>Estimated Ending Fund Balance</b>	\$ 3.34	\$ -2.00	

OPRCA Self Sustaining Revolving Fund (1820)

The OPRCA Self Sustaining Revolving Fund (1820) is a fee-based fund that supports OPRYD's recreation, cultural arts, science, sports, and aquatics programs for families in Oakland. Revenues in this funds have been significantly impacted by COVID-19 and the mandated stay-in-place orders that closed OPRYD facilities and decreased the availability of provided services.

Projected revenues at fiscal year-end are \$3.98 million which is \$-3.39 million below the Adjusted Budget. Projected expenditures are \$4.87 million, which is a savings of \$2.50 million when compared to the Adjusted Budget.

The fund balance in the OPRCA Self Sustaining Revolving Fund (1820) is projected to decrease from \$2.01 million in FY2019-20 to \$1.05 million in FY 2020-21. **Table I** below shows the projected year-end balance for FY 2020-21.

**Table I: FY 2020-21 OPRCA Self Sustaining Revolving Fund Year-End Available Fund Balance**

OPRCA SELF SUSTAINING REVOLVING FUND (1820)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 2.01	\$ 2.01	
Revenue	\$ 7.37	\$ 3.98	\$ -3.39
Expenditures	\$ 7.37	\$ 4.87	\$ 2.50
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -0.89	\$ -0.89
<b>Subtotal Fund Balance</b>	\$ 2.01	\$ 1.12	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 0.07	\$ 0.07	
<b>Estimated Ending Fund Balance</b>	\$ 1.94	\$ 1.05	

Affordable Housing Trust Fund (1870)

The Affordable Housing Trust Fund (1870) receives revenue from jobs/housing impact fees, affordable housing impact fees, fines and penalties, and redevelopment dissolution funds from the County's Real Property Tax Trust Fund (RPTTF). RPTTF is a unrestricted property tax revenue source collected by the County, however, City Council has chosen to restrict 25% of its value for uses related to affordable housing. Fund 1870 revenues are then provided as loans and grants for the development of rental and owner-occupied affordable housing within the City.

Projected revenues at fiscal year-end are \$38.63 million which is \$-0.66 less than the Adjusted Budget. Projected expenditures are \$39.04 million, which is a savings of \$0.25 million when compared to the Adjusted Budget.

The fund balance in the Affordable Housing Trust Fund (1870) is projected to decrease from \$32.52 million in FY2019-20 to \$10.61 million in FY 2020-21. **Table J** below shows the projected year-end balance for FY 2020-21.

**Table J: FY 2020-21 Affordable Housing Trust Fund Year-End Available Fund Balance**

<b>AFFORDABLE HOUSING TRUST FUND (1870)</b>	<b>FY 2020-21 Adjusted Budget</b>	<b>FY 2020-21 Q2 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited</b>	<b>\$ 32.52</b>	<b>\$ 32.52</b>	
Revenue	\$ 39.29	\$ 38.63	\$ -0.66
Expenditures	\$ 39.29	\$ 39.04	\$ 0.25
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -0.41	\$ -0.41
<b>Subtotal Fund Balance</b>	<b>\$ 32.52</b>	<b>\$ 32.11</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 21.50	\$ 21.50	
<b>Estimated Ending Fund Balance</b>	<b>\$ 11.02</b>	<b>\$ 10.61</b>	

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Measure B/BB and Measure F Funds (2211, 2212, 2213, 2215, 2217, 2218, 2219, 2220)

Measure B, BB, and F Funds are administered by the Alameda County Transportation Commission (Alameda CTC) which manages the following three local fund sources:

1. Measure B, passed by voters in 2000, authorized a special half-cent sales tax and will be in effect for 20 years. Sales tax collection began on April 1, 2002 and will extend through March 31, 2022. Uses of funds support traffic and transportation projects, including street and signal construction, bicycle and pedestrian, paratransit, maintenance and repair.
2. Measure BB, passed by voters in November 2014, authorized collection of the initial half-cent transportation sales tax by the Board of Equalization. Collection began on April 1, 2015 and will extend through March 31, 2022. The full one-cent sales tax authorized by Measure BB will begin April 1, 2022 and will extend through March 31, 2045. Starting in July 2015, Alameda CTC began making monthly direct local distribution payments to local jurisdictions and transit agencies, per the 2014 Transportation Expenditure Plan, for the following programs: local streets and roads (including county bridges), bicycle and pedestrian, transit, and paratransit.
3. Measure F, approved by voters in November 2010, authorizes the collection of \$10 per year per vehicle registration fee to fund the Local Road Improvement & Repair Program and other congestion relief, transportation technology, and pedestrian/bicyclist safety programs in Alameda County.

Projected revenues at fiscal year-end are \$45.77 million which is \$1.18 more than the Adjusted Budget. Revenues in these funds include a \$6.10 million grant for committed ACTC projects at the Oakland Army Base. Projected expenditures are \$40.83 million, which is a savings of \$3.76 million when compared to the Adjusted Budget.

The fund balance in the Measure B/BB and Measure F Funds (2211-2213, 3315, 2216-2220) are projected to decrease from \$16.48 million in FY 2019-20 to \$8.87 million in FY 2020-21. Additional details are provided in **Table K** which shows the projected year-end balance for FY 2020-21.

**Table K: FY 2020-21 Measure B/BB/F Funds Year-End Available Fund Balance**

<b>Measure B/BB/F Funds (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, 2220)</b>	<b>FY 2020-21 Adjusted Budget</b>	<b>FY 2020-21 Q2 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited</b>	<b>\$ 16.48</b>	<b>\$ 16.48</b>	
Revenue	\$ 44.59	\$ 45.77	\$ 1.18
Expenditures	\$ 44.59	\$ 40.83	\$ 3.76
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 4.94	
<b>Subtotal Fund Balance</b>	<b>\$ 16.48</b>	<b>\$ 21.42</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 12.58	\$ 12.58	
Budgeted Fund Balance Repayment	\$ 0.03	\$ 0.03	
<b>Estimated Ending Fund Balance</b>	<b>\$ 3.93</b>	<b>\$ 8.87</b>	

State Transportation (Gas Tax) Funds (2230, 2232)

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel, and registration taxes on motor vehicles, with allocations dedicated to transportation purposes. The local (city and county) portions of these allocations flow through the Highway Users Tax Account (HUTA), into the Gasoline Tax (Fund 2230) and the Road Maintenance and Rehabilitation Account (RMRA) (Fund 2232), which allocates much of the revenue from the Road Repair and Accountability Act of 2017.

Projected revenues at fiscal year-end are \$21.81 million, which is \$1.95 million higher than the Adjusted Budget. Projected year-end expenditures of \$18.49 million were lower than the Adjusted Budget by \$1.37 million. Additional details are provided in **Table L**.

The fund balance in the State Transportation Gas Tax Funds (2230, 2232) is projected to increase from \$5.73 million in FY 2019-20 to \$6.73 million in FY 2020-21. **Table L** below shows the projected year-end balance for FY 2020-21.

**Table L: FY 2020-21 State Transportation Funds Year-End Available Fund Balance**

State Transportation Funds - Gas Tax (2230, 2232)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 5.73	\$ 5.73	
Revenue	\$ 19.86	\$ 21.81	\$ 1.95
Expenditures	\$ 19.86	\$ 18.49	\$ 1.37
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 3.32	
<b>Subtotal Fund Balance</b>	<b>\$ 5.73</b>	<b>\$ 9.05</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 2.32	\$ 2.32	
<b>Estimated Ending Fund Balance</b>	<b>\$ 3.41</b>	<b>\$ 6.73</b>	

Vacant Property Tax Fund (2270)

The Vacant Property Tax Fund (2270) is a City of Oakland 2018 voter-approved tax initiative that imposes a special parcel tax on vacant lots and developed properties for the purpose of raising revenue necessary to support and fund programs and services for homeless people, affordable housing, code enforcement, cleanup of blighted properties, and remedy illegal dumping.

Projected revenues at fiscal year-end are \$7.13 million, which is at the Adjusted Budget. Projected year end expenditures of \$6.54 million are lower than the Adjusted Budget by \$0.59 million. Additional details are provided in **Table M**.

The fund balance in the Vacant Property Tax Fund (2270) is projected to increase from negative \$-0.42 million to \$1.18 million in FY 2020-21. **Table M** below shows the projected year-end balance for FY 2020-21

**Table M: FY 2020-21 Vacant Property Tax Fund Year-End Available Fund Balance**

VACANT PROPERTY TAX ACT FUND (2270)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ -0.42	\$ -0.42	
Revenue	\$ 7.13	\$ 7.13	\$ —
Expenditures	\$ 7.13	\$ 6.54	\$ 0.59
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 0.59	\$ 0.59
<b>Subtotal Fund Balance</b>	\$ -0.42	\$ 0.17	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Fund Balance Repayment	\$ 1.01	\$ 1.01	
<b>Estimated Ending Fund Balance</b>	\$ 0.59	\$ 1.18	



Reproduction Fund (4300)

The Reproduction Fund (4300) is reported on a modified full accrual basis to reflect current assets and liabilities. Revenues are generated from equipment rental and services charges to operating departments for personnel, maintenance and replacement of equipment in the City's print shop.

Projected revenues at fiscal year-end are \$1.51 million, which is \$0.01 million higher than the Adjusted Budget. Projected year end expenditures of \$1.57 million are higher than the Adjusted Budget by \$0.07 million.

The cash balance in the Reproduction Fund (4300) is projected to decrease from \$-1.52 million to \$-1.66 million in FY 2020-21. **Table N** below shows the projected year-end balance for FY 2020-21

**Table N: FY 2020-21 Reproduction Fund Year-End Available Fund Balance**

<b>REPRODUCTION FUND (4300)</b>	<b>FY 2020-21 Adjusted Budget</b>	<b>FY 2020-21 Q2 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited*</b>	<b>\$ -1.52</b>	<b>\$ -1.52</b>	
Revenue	\$ 1.50	\$ 1.51	\$ 0.01
Expenditures	\$ 1.50	\$ 1.57	\$ -0.07
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -0.06	\$ -0.06
<b>Subtotal Fund Balance</b>	<b>\$ -1.52</b>	<b>\$ -1.58</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 0.08	\$ 0.08	
<b>Estimated Ending Fund Balance</b>	<b>\$ -1.60</b>	<b>\$ -1.66</b>	

*\*Funds reported on a modified full accrual basis to reflect current assets and liabilities.*

Facilities Fund (4400)

The Facilities Fund (4400) is reported on a modified full accrual basis to reflect current assets and liabilities. The Fund supports the Citywide function for building maintenance and janitorial services of City-owned facilities. Revenues are generated by charges to internal user departments.

Projected revenues at fiscal year-end are \$44.33 million, which is \$0.01 million higher than the Adjusted Budget. Projected year end expenditures of \$41.84 million are lower than the Adjusted Budget by \$2.48 million.

The cash balance in the Facilities Fund (4400) is projected to decrease from \$1.47 million to \$0.10 million in FY 2020-21. **Table O** below shows the projected year-end balance for FY 2020-21

**Table O: FY 2020-21 Facilities Fund Year-End Available Fund Balance**

<b>FACILITIES FUND (4400)</b>	<b>FY 2020-21 Adjusted Budget</b>	<b>FY 2020-21 Q2 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited*</b>	<b>\$ 1.47</b>	<b>\$ 1.47</b>	
Revenue	\$ 44.32	\$ 44.33	\$ 0.01
Expenditures	\$ 44.32	\$ 41.84	\$ 2.48
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 2.49	\$ 2.49
<b>Subtotal Fund Balance</b>	<b>\$ 1.47</b>	<b>\$ 3.96</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 3.86	\$ 3.86	
<b>Estimated Ending Fund Balance</b>	<b>\$ -2.39</b>	<b>\$ 0.10</b>	

*\*Funds reported on a modified full accrual basis to reflect current assets and liabilities.*

Central Stores Fund (4500)

The Central Stores Fund (4500) is reported on a modified full accrual basis to reflect current assets and liabilities. The Central Stores operation and facility was closed during a restructuring of the inventory model in Public Works. The negative fund balance resulted primarily from liquidating the physical inventory on hand. This fund now supports the Citywide mail room function and revenues are generated by charges to internal user departments.

Projected revenues at fiscal year-end are \$0.57 million, which is \$0.02 million higher than the Adjusted Budget. Projected year end expenditures of \$0.39 million are lower than the Adjusted Budget by \$0.16 million.

The cash balance in the Central Stores Fund (4500) is projected to increase from \$-3.71 million to \$-3.54 million in FY 2020-21. **Table P** below shows the projected year-end balance for FY 2020-21

**Table P: FY 2020-21 Central Stores Fund Year-End Available Fund Balance**

CENTRAL STORES FUND (4500)	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited*</b>	\$ -3.71	\$ -3.71	
Revenue	\$ 0.55	\$ 0.57	\$ 0.02
Expenditures	\$ 0.55	\$ 0.39	\$ 0.16
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 0.18	\$ 0.18
<b>Subtotal Fund Balance</b>	\$ -3.71	\$ -3.53	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 0.01	\$ 0.01	
<b>Estimated Ending Fund Balance</b>	\$ -3.72	\$ -3.54	

*\*Funds reported on a modified full accrual basis to reflect current assets and liabilities.*

Purchasing Fund (4550)

The Purchasing Fund (4550) is reported on a modified full accrual basis to reflect current assets and liabilities. The Purchasing Fund supports the Citywide purchasing function for good and services. Revenues are generated by charges to internal user departments.

Projected revenues at fiscal year-end are \$1.67 million, which is \$0.02 million higher than the Adjusted Budget. Projected year end expenditures of \$1.76 million exceed the Adjusted Budget by \$0.11 million.

The cash balance in the Purchasing Fund (4550) is projected to decrease from \$-0.13 million to \$-0.24 million in FY 2020-21. **Table Q** below shows the projected year-end balance for FY 2020-21

**Table Q: FY 2020-21 Purchasing Fund Year-End Available Fund Balance**

<b>PURCHASING FUND (4550)</b>	<b>FY 2020-21 Adjusted Budget</b>	<b>FY 2020-21 Q2 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited*</b>	<b>\$ -0.13</b>	<b>\$ -0.13</b>	
Revenue	\$ 1.65	\$ 1.67	\$ 0.02
Expenditures	\$ 1.65	\$ 1.76	\$ -0.11
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -0.09	\$ -0.09
<b>Subtotal Fund Balance</b>	<b>\$ -0.13</b>	<b>\$ -0.22</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 0.02	\$ 0.02	
<b>Estimated Ending Fund Balance</b>	<b>\$ -0.15</b>	<b>\$ -0.24</b>	

*\*Funds reported on a modified full accrual basis to reflect current assets and liabilities.*

Measure KK Funds (5331, 5332, 5333)

In 2016, Oakland voters passed, with a two-thirds majority, the Measure KK bond measure which allowed the issuance of \$600 million in general obligations bonds to finance City infrastructure projects and affordable housing. Per the ballot, Measure KK funds could be spent on affordable housing development, facilities improvements, and street maintenance.

The City has release two tranches of Measure KK funding in Funds 5331 and 5333. Affordable housing and capital improvement projects are currently under way.

Projected revenues at fiscal year-end are \$202.60 million, which is \$0.12 million higher than the Adjusted Budget. Projected year end expenditures of \$214.93 million exceed the Adjusted Budget by \$12.45 million.

The fund balance in the Measure KK (5331, 5332, 5333) is projected to decrease from \$191.09 million to \$57.58 million in FY 2020-21. **Table R** below shows the projected year-end balance for FY 2020-21

**Table R: FY 2020-21 Measure KK Funds Year-End Available Fund Balance**

<b>MEASURE KK FUNDS (5331, 5332, 5333)</b>	<b>FY 2020-21 Adjusted Budget</b>	<b>FY 2020-21 Q2 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited</b>	<b>\$ 191.09</b>	<b>\$ 191.09</b>	
Revenue	\$ 202.48	\$ 202.60	\$ 0.12
Expenditures	\$ 202.48	\$ 214.93	\$ -12.45
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -12.33	\$ -12.33
<b>Subtotal Fund Balance</b>	<b>\$ 191.09</b>	<b>\$ 178.76</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 121.18	\$ 121.18	
<b>Estimated Ending Fund Balance</b>	<b>\$ 69.91</b>	<b>\$ 57.58</b>	

**Other Funds**

Other City funds are detailed in **Table S** below.

**Table S: FY 2020-21 Other Funds Year-End Available Fund Balance**

<b>Fund Descr</b>	<b>FY20-21 Beg Audited Fund Balance</b>	<b>FY20-21 Projected Rev</b>	<b>FY20-21 Q2 Exp</b>	<b>Projected FY20-21 Year-End Exp</b>	<b>FY20-21 Bud Contribution To/ (Use Of) Fund Balance</b>	<b>Projected FY20-21 Year-End Avail Fund Balance</b>
1020 - Vital Services Stabilization Fund	\$ 14.92	\$ —	\$ —	\$ 14.65	\$ —	\$ 0.27
1150 - Worker's Compensation Insurance Claims	\$ 0.17	\$ 0.14	\$ 4.62	\$ 0.82	\$ —	\$ -0.50
1200 - Pension Override Tax Revenue	\$ 196.15	\$ 118.08	\$ 81.78	\$ 118.08	\$ 10.58	\$ 206.72
1600 - Underground District Revolving Fund	\$ -0.93	\$ —	\$ —	\$ —	\$ —	\$ -0.92
1610 - Successor Redevelopment Agency Reimbursement Fund	\$ -0.14	\$ 3.17	\$ 1.65	\$ 3.37	\$ —	\$ -0.35
1700 - Mandatory Refuse Program	\$ 0.28	\$ 2.08	\$ 0.80	\$ 2.54	\$ —	\$ -0.18
1710 - Recycling Program	\$ 3.28	\$ 5.46	\$ 2.40	\$ 6.23	\$ —	\$ 2.51
1720 - Comprehensive Clean-up	\$ 3.82	\$ 22.78	\$ 9.90	\$ 22.12	\$ 0.03	\$ 4.52
1760 - Telecom Reserve	\$ -0.21	\$ 1.69	\$ 0.91	\$ 1.73	\$ —	\$ -0.25
1770 - Telecom Land Use	\$ 0.39	\$ 0.71	\$ 0.33	\$ 0.74	\$ 0.05	\$ 0.40
1780 - Kid's First Oakland Children's Fund	\$ 9.62	\$ 19.32	\$ 6.99	\$ 26.58	\$ —	\$ 2.35
1885 - 2011A-T Subordinated Housing	\$ 40.93	\$ 9.06	\$ 1.33	\$ 22.02	\$ —	\$ 27.96
2071 - CARES Act Relief Fund	\$ —	\$ —	\$ 39.31	\$ 39.31	\$ —	\$ —
2102 - Department of Agriculture	\$ -0.37	\$ 0.79	\$ 0.22	\$ 0.96	\$ —	\$ -0.55
2103 - HUD-ESG/SHP/HOPWA	\$ -5.66	\$ 32.26	\$ 1.99	\$ 44.29	\$ —	\$ -17.68

Fund Descr	FY20-21 Beg Audited Fund Balance	FY20-21 Projected Rev	FY20-21 Q2 Exp	Projected FY20-21 Year-End Exp	FY20-21 Bud Contribution To/ (Use Of) Fund Balance	Projected FY20-21 Year-End Avail Fund Balance
2108 - HUD-CDBG	\$ -3.66	\$ 9.43	\$ 4.07	\$ 14.39	\$ —	\$ -8.63
2109 - HUD-Home	\$ 3.85	\$ 3.17	\$ 0.28	\$ 11.60	\$ —	\$ -4.57
2113 - Department of Justice - COPS Hiring	\$ -1.35	\$ 0.04	\$ 0.22	\$ -0.40	\$ —	\$ -0.91
2120 - Federal Action Agency	\$ 0.06	\$ 0.47	\$ 0.21	\$ 0.50	\$ —	\$ 0.04
2123 - US Dept of Homeland Security	\$ -0.06	\$ 1.38	\$ 0.47	\$ 6.31	\$ —	\$ -4.99
2124 - Federal Emergency Management Agency (FEMA)	\$ -1.41	\$ 1.23	\$ 2.71	\$ 14.61	\$ —	\$ -14.78
2128 - Department of Health and Human Services	\$ -0.30	\$ 29.29	\$ 12.41	\$ 31.11	\$ -0.56	\$ -2.68
2138 - California Department of Education	\$ 0.63	\$ 1.50	\$ 0.81	\$ 1.76	\$ —	\$ 0.37
2140 - California Department of Transportation	\$ -0.35	\$ 1.02	\$ 1.58	\$ 6.46	\$ —	\$ -5.79
2148 - California Library Services	\$ 0.32	\$ —	\$ 0.02	\$ 0.22	\$ —	\$ 0.11
2152 - California Board of Corrections	\$ -2.25	\$ 3.63	\$ 0.09	\$ 3.75	\$ —	\$ -2.37
2159 - State of California Other	\$ 26.89	\$ 28.82	\$ 7.43	\$ 61.21	\$ —	\$ -5.50
2160 - County of Alameda: Grants	\$ 2.38	\$ 0.56	\$ 0.69	\$ 8.68	\$ —	\$ -5.75
2166 - Bay Area Air Quality Management District	\$ -0.94	\$ 1.31	\$ 0.08	\$ 0.74	\$ —	\$ -0.37
2172 - Alameda County: Vehicle Abatement Authority	\$ 0.37	\$ 0.57	\$ 0.35	\$ 0.91	\$ —	\$ 0.04
2190 - Private Grants	\$ 0.97	\$ 0.12	\$ 0.01	\$ 1.57	\$ —	\$ -0.48
2195 - Workforce Investment Act	\$ 1.16	\$ 5.03	\$ 0.89	\$ 6.23	\$ —	\$ -0.04

Fund Descr	FY20-21 Beg Audited Fund Balance	FY20-21 Projected Rev	FY20-21 Q2 Exp	Projected FY20-21 Year-End Exp	FY20-21 Bud Contribution To/ (Use Of) Fund Balance	Projected FY20-21 Year-End Avail Fund Balance
2241 - Measure Q-Library Services Retention & Enhancement	\$ 3.72	\$ 17.51	\$ 6.81	\$ 15.71	\$ —	\$ 5.51
2243 - Measure D - Parcel Tax to Maintain, Protect & Improve Library Services	\$ 5.78	\$ 15.05	\$ 5.79	\$ 13.77	\$ —	\$ 7.06
2250 - Measure N: Fund	\$ 1.14	\$ 2.06	\$ 0.97	\$ 2.13	\$ —	\$ 1.06
2330 - Werner Court Vegetation Mgmt District	\$ 0.05	\$ —	\$ —	\$ —	\$ —	\$ 0.05
2331 - Wood Street Community Facilities District	\$ 0.60	\$ 0.07	\$ 0.03	\$ 0.17	\$ —	\$ 0.49
2332 - Gateway Industrial Park	\$ 1.03	\$ 2.26	\$ 0.22	\$ 3.88	\$ —	\$ -0.60
2333 - Brooklyn Basin Public Services		\$ 0.05	\$ —	\$ 0.05	\$ —	\$ —
2411 - False Alarm Reduction Program	\$ -2.31	\$ 1.77	\$ 0.79	\$ 2.12	\$ —	\$ -2.66
2412 - Measure M - Alameda County: Emergency Dispatch Service Supplemental Assessment	\$ 0.70	\$ 2.67	\$ 0.99	\$ 2.26	\$ —	\$ 1.11
2413 - Rent Adjustment Program Fund	\$ 3.02	\$ 9.56	\$ 4.25	\$ 11.14	\$ —	\$ 1.44
2416 - Traffic Safety Fund	\$ -0.20	\$ 0.78	\$ 0.10	\$ 0.22	\$ -0.01	\$ 0.35
2417 - Excess Litter Fee Fund	\$ 1.72	\$ 0.45	\$ 0.16	\$ 1.15	\$ —	\$ 1.02
2420 - Transportation Impact Fee	\$ 5.86	\$ 1.63	\$ —	\$ 6.91	\$ —	\$ 0.57
2421 - Capital Improvements Impact Fee Fund	\$ 3.44	\$ 1.46	\$ 0.23	\$ 3.94	\$ —	\$ 0.96
2826 - Mortgage Revenue	\$ 0.97	\$ 0.09	\$ 0.02	\$ 0.20	\$ —	\$ 0.85
2990 - Public Works Grants	\$ -1.28	\$ 0.28	\$ 0.04	\$ 0.07	\$ —	\$ -1.07



Fund Descr	FY20-21 Beg Audited Fund Balance	FY20-21 Projected Rev	FY20-21 Q2 Exp	Projected FY20-21 Year-End Exp	FY20-21 Bud Contribution To/ (Use Of) Fund Balance	Projected FY20-21 Year-End Avail Fund Balance
2992 - Parks and Recreation Grants	\$ -2.32	\$ 0.28	\$ —	\$ 0.28	\$ 0.28	\$ -2.03
2995 - Police Grants	\$ 0.25	\$ 0.02	\$ —	\$ 0.04	\$ —	\$ 0.23
2996 - Parks and Recreation Grants 2001	\$ 0.09	\$ 0.02	\$ —	\$ 0.34	\$ —	\$ -0.23
2999 - Miscellaneous Grants	\$ 9.12	\$ 1.07	\$ 0.66	\$ 7.01	\$ —	\$ 3.18
3100 - Sewer Service Fund*	\$ 43.86	\$ 69.13	\$ 20.53	\$ 125.43	\$ -0.29	\$ -12.74
3200 - Golf Course*	\$ -0.53	\$ 0.61	\$ 0.31	\$ 0.58	\$ —	\$ -0.50
4100 - Equipment*	\$ 3.72	\$ 42.50	\$ 15.45	\$ 49.70	\$ —	\$ -3.49
4200 - Radio / Telecom*	\$ 6.83	\$ 7.62	\$ 2.51	\$ 10.89	\$ -0.29	\$ 3.27
4210 - Telephone Equipment and Software*	\$ 0.36	\$ 0.88	\$ 0.39	\$ 0.93	\$ 0.08	\$ 0.39
4450 - City Facilities Energy Conservation Projects*	\$ 0.78	\$ 0.65	\$ 0.18	\$ 0.85	\$ —	\$ 0.59
4600 - Information Technology*	\$ -2.49	\$ 15.13	\$ 7.73	\$ 29.80	\$ —	\$ -17.16
5012 - JPFA Admin Building: Series 1996	\$ -1.53	\$ 0.18	\$ —	\$ 0.18	\$ 0.18	\$ -1.35
5130 - Rockridge: Library Assessment District	\$ 1.00	\$ 0.15	\$ —	\$ 0.15	\$ —	\$ 0.99
5321 - Measure DD: 2009B Clean Water, Safe Parks & Open Space Trust Fund for Oakland	\$ 0.56	\$ —	\$ 0.11	\$ 1.21	\$ —	\$ -0.65
5322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for Oakland	\$ 17.11	\$ 0.01	\$ 0.84	\$ 17.25	\$ —	\$ -0.14

Fund Descr	FY20-21 Beg Audited Fund Balance	FY20-21 Projected Rev	FY20-21 Q2 Exp	Projected FY20-21 Year-End Exp	FY20-21 Bud Contribution To/ (Use Of) Fund Balance	Projected FY20-21 Year-End Avail Fund Balance
5505 - Municipal Capital Improvement: Public Arts	\$ 1.36	\$ 0.07	\$ 0.03	\$ 0.44	\$ —	\$ 0.99
5610 - Central District Projects	\$ 28.35	\$ 3.30	\$ 0.12	\$ 10.17	\$ —	\$ 21.49
5613 - Central District: TA Bonds Series 2009T	\$ 3.45	\$ —	\$ 0.31	\$ -1.20	\$ —	\$ 4.66
5614 - Central District: TA Bonds Series 2006T	\$ 5.39	\$ 2.45	\$ 1.11	\$ 4.85	\$ —	\$ 2.99
5638 - BMSP: TA Bond Series 2006C-T	\$ 0.68	\$ —	\$ 0.05	\$ 0.51	\$ —	\$ 0.17
5643 - Central City East TA Bonds Series 2006A-T (Taxable)	\$ 20.38	\$ 0.01	\$ 0.37	\$ 5.35	\$ —	\$ 15.04
5650 - Coliseum Projects	\$ 6.24	\$ 0.10	\$ 0.06	\$ 2.82	\$ —	\$ 3.52
5656 - Coliseum: TA Bonds Series 2006B-T (Taxable)	\$ 48.92	\$ —	\$ 0.53	\$ 9.87	\$ —	\$ 39.05
5671 - OBRA: Leasing & Utility	\$ 51.19	\$ 3.26	\$ 0.49	\$ 3.76	\$ 0.03	\$ 50.72
5999 - Miscellaneous Capital Projects	\$ -2.18	\$ 1.08	\$ 0.38	\$ 1.99	\$ —	\$ -3.10
6013 - 2013 LED Streetlight Acquisition Lease Financing	\$ 0.40	\$ 1.57	\$ —	\$ 1.57	\$ —	\$ 0.40
6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS	\$ 0.41	\$ 18.25	\$ —	\$ 18.25	\$ —	\$ 0.41
6032 - Taxable Pension Obligation: Series 2001	\$ 0.31	\$ 50.15	\$ —	\$ 50.15	\$ —	\$ 0.31
6036 - JPFA Refunding Revenue Bonds: 2008 Series A-1 (Tax-Exempt Bonds)	\$ 6.97	\$ 0.55	\$ 0.34	\$ 0.55	\$ —	\$ 6.97

Fund Descr	FY20-21 Beg Audited Fund Balance	FY20-21 Projected Rev	FY20-21 Q2 Exp	Projected FY20-21 Year-End Exp	FY20-21 Bud Contribution To/ (Use Of) Fund Balance	Projected FY20-21 Year-End Avail Fund Balance
6064 - GO Refunding Bonds, Series 2015A	\$ 4.07	\$ 13.67	\$ 2.13	\$ 13.67	\$ —	\$ 4.07
6322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for Oakland	\$ 0.69	\$ 1.45	\$ 0.46	\$ 1.45	\$ —	\$ 0.69
6330 - Measure KK: 2017A-1 (TE) Infrastructure and Affordable Housing	\$ 1.43	\$ 2.25	\$ 1.12	\$ 2.25	\$ —	\$ 1.43
6331 - Measure KK: 2017A-2 (Taxable) Infrastructure and Affordable Housing	\$ 1.29	\$ 4.14	\$ 0.70	\$ 4.14	\$ —	\$ 1.29
6332 - Measure KK: 2020B-1 GOB	\$ 0.03	\$ 3.48	\$ —	\$ 3.48	\$ —	\$ 0.03
6333 - Measure KK: 2020B-2 GOB	\$ 0.20	\$ 5.64	\$ —	\$ 5.64	\$ —	\$ 0.20
6334 - 2020 GOB Refunding	\$ 0.97	\$ 5.82	\$ —	\$ 5.82	\$ —	\$ 0.97
6540 - Skyline Sewer District - Redemption	\$ 0.01	\$ 0.02	\$ —	\$ 0.02	\$ —	\$ 0.01
6557 - Piedmont Pines P1 2018 Reassessment Refunding Bond	\$ 0.61	\$ 0.11	\$ 0.08	\$ 0.11	\$ —	\$ 0.61
6587 - 2012 Refunding Reassessment Bonds-Debt Service	\$ 0.05	\$ 0.41	\$ 0.35	\$ 0.41	\$ —	\$ 0.05
6613 - JPFA Lease Revenue Refunding Bonds, Series 2018	\$ 0.05	\$ 8.33	\$ —	\$ 8.33	\$ —	\$ 0.05
6999 - Miscellaneous Debt Service	\$ —	\$ 25.00	\$ —	\$ 25.00	\$ —	\$ —
7100 - Police and Fire Retirement System	\$ 378.97	\$ 24.17	\$ 1.12	\$ 3.44	\$ —	\$ 399.70

Fund Descr	FY20-21 Beg Audited Fund Balance	FY20-21 Projected Rev	FY20-21 Q2 Exp	Projected FY20-21 Year-End Exp	FY20-21 Bud Contribution To/ (Use Of) Fund Balance	Projected FY20-21 Year-End Avail Fund Balance
7130 - Employee Deferred Compensation	\$ -0.03	\$ 0.21	\$ 0.09	\$ 0.23	\$ —	\$ -0.06
7320 - Police and Fire Retirement System Refinancing Annuity Trust	\$ 58.97	\$ 5.34	\$ 2.90	\$ 5.34	\$ —	\$ 58.97
7540 - Oakland Public Library Trust	\$ 0.98	\$ 0.10	\$ 0.02	\$ 0.70	\$ —	\$ 0.39
7640 - Oakland Public Museum Trust	\$ 0.89	\$ 0.01	\$ 0.07	\$ 0.84	\$ —	\$ 0.06
7760 - Grant Clearing	\$ -0.64	\$ —	\$ -1.35	\$ -23.00	\$ —	\$ 22.36
7999 - Miscellaneous Trusts	\$ 1.76	\$ 0.37	\$ -0.01	\$ 1.24	\$ —	\$ 0.89
<b>Total Expenditures</b>	<b>\$ 1,011.79</b>	<b>\$ 717.63</b>	<b>\$ 265.13</b>	<b>\$ 949.61</b>	<b>\$ 10.08</b>	<b>\$ 789.89</b>

*\*Funds reported on a modified full accrual basis to reflect current assets and liabilities.*

## Case Studies

The following high-profile cases provide valuable and important lessons of what may happen if the current financial condition is left unchecked. These cases, born during the last two economic contractions, serve as cautionary stories as the City deliberates what kind of immediate action to take to ensure the City's ongoing fiscal solvency.

### Case Study #1, Oakland Unified School District ("OUSD"):

After years of overspending and financial mismanagement, OUSD requested the largest school bailout in California history in 2003. While the Superintendent at the time was credited with improving academic performance and decreasing teacher turnover by issuing a 24% pay raise, he was accused of ignoring the financial challenges raised by his staff.<sup>3</sup> Special education programs and cafeteria costs were being funded out of the District's reserve, all while revenue was decreasing due to declining enrollment numbers. The school board claims to have been blindsided due to a lack of transparency from staff and an accounting error that masked the size of the deficit.<sup>4</sup> The State issued a \$100 million loan and assumed control of the District for six years. The District is still paying off this loan today.

### Case Study #2, City of San Bernardino:

After years of unsustainable fiscal practices and overspending, the city of San Bernardino entered into a four-year long bankruptcy in 2012. Leading up to the Great Recession, the city experienced an influx in population and a greater demand for services.<sup>5</sup> The number of city employees grew along with the associated personnel costs which included very generous retirement benefits that were negotiated with the City's seven labor unions. "San Bernardino's overall treatment of its workforce relative to retirement benefits up to and into the recession remained quite generous, despite the disquieting flow of red ink on the city's balance sheet."<sup>6</sup>

Fiscal mismanagement and a misinformed council are also to blame. Included in the decision<sup>7</sup> by the US Bankruptcy Court, C.D. California, Riverside Division granting the City of San Bernardino bankruptcy case:

"While the financial crisis deepened, the City's finance department, either because it was understaffed or because it was incompetent (or both), fell behind in providing basic accounting records for the City, including bank reconciliations. The financial picture for the City was blurred at best and the City was sliding toward severe cash flow problems.

<sup>3</sup> Murphy, Dean E. "Dream Ends for Oakland School Chief as State Takes Over." *The New York Times*, The New York Times, 8 June 2003, [www.nytimes.com/2003/06/08/us/dream-ends-for-oakland-school-chief-as-state-takes-over.html](http://www.nytimes.com/2003/06/08/us/dream-ends-for-oakland-school-chief-as-state-takes-over.html)

<sup>4</sup> Tucker, Jill. "Bailed-out Oakland Schools Are Back in Financial Trouble." *San Francisco Chronicle*, San Francisco Chronicle, 3 Jan. 2017, [www.sfchronicle.com/bayarea/article/Bailed-out-Oakland-schools-are-back-in-financial-10830011.php](http://www.sfchronicle.com/bayarea/article/Bailed-out-Oakland-schools-are-back-in-financial-10830011.php)

<sup>5</sup> Jury, Meredith A. "In Re City of San Bernardino." *Legal Research Tools from Casetext*, 16 Oct. 2013, [casetext.com/case/in-r-city-of-san-bernardino](http://casetext.com/case/in-r-city-of-san-bernardino).

<sup>6</sup> Gordon, Tracy, et al. 2017, *Exuberance & Municipal Bankruptcy: A Case Study of San Bernardino, Stockton & Vallejo, CA*. <https://gspp.berkeley.edu/assets/uploads/research/pdf/Rosenthal-Working-Paper-Exuberance.Bankruptcy.pdf>

<sup>7</sup> Jury, Meredith A. "In Re City of San Bernardino." *Legal Research Tools from Casetext*, 16 Oct. 2013, [casetext.com/case/in-r-city-of-san-bernardino](http://casetext.com/case/in-r-city-of-san-bernardino).

A major change in City personnel from late December 2011 through May 2012 awakened the Common Council to the full import of the impending financial crisis... [The new Finance Director] determined that the budget projection for 2012–13 resulted in a \$45.9 million cash deficit with no general fund reserves; the cash balances for the prior two fiscal years had been overstated; the beginning cash deficit for the next fiscal year was over \$18.2 million; and the City did not have enough unrestricted cash or reserves to pay its current financial obligations due and those obligations to become due beginning in July 2012, and continuing indefinitely.”

Case Study #3, City of Vallejo:

In 2008, Vallejo became the largest city in California to declare bankruptcy. Economic events related to the shutdown of the City’s naval base and the closure of a few major businesses put the City’s finances in a precarious position, unable to withstand further revenue loss during the Great Recession.

The City took drastic action, reducing its workforce, and eliminating nonessential services. It “cut hours and staffing at facilities (e.g., the senior center, the library, and parks systems), and increasingly deferred infrastructure upkeep (like street maintenance and city-fleet vehicles repair and replacement).”<sup>8</sup> The substantial reductions were not enough to overcome the \$16 million deficit. Negotiations with the labor unions were unsuccessful, with the police and fire unions claiming that “any further cuts would endanger public safety as well as the safety of the police and firefighters.”<sup>9</sup> At the time, Vallejo spent “74 percent of its \$80 million general fund budget on public safety salaries, significantly higher than the state average.”<sup>10</sup> Without labor concessions, filing for bankruptcy was the only option.

Case Study #4, City of Stockton:

Following the 2008 City of Vallejo bankruptcy, the California legislature adopted AB506 to prohibit a local government from filing for bankruptcy unless they had participated in a “neutral evaluation process” with interested parties (e.g., creditors, parties to labor contracts), or they declared a fiscal emergency which includes findings that the emergency jeopardizes the health, safety, or well-being of residents.

In February 2012, the Stockton City Council initiated the AB506 process in an attempt to prevent insolvency and bankruptcy. Stockton opted to pursue the evaluation after an assessment of its financial condition determined that the city was unable to fund current service levels, much less fund its deferred maintenance costs, liabilities, and adequate reserves. With insufficient revenue, the city had been relying on one-time revenue and contingency funds in order to provide services. The balances in several unrestricted funds and contingency appropriations were exhausted.

According to the City of Stockton, its budget deficits resulted from reduced revenues, pension system losses, and unsustainable compensation packages for its employees. Additionally, debt

<sup>8</sup> Gordon, Tracy, et al. 2017, *Exuberance & Municipal Bankruptcy: A Case Study of San Bernardino, Stockton & Vallejo, CA*. <https://gspp.berkeley.edu/assets/uploads/research/pdf/Rosenthal-Working-Paper-Exuberance.Bankruptcy.pdf>

<sup>9</sup> Jones, Carolyn. "Vallejo Votes to Declare Chapter 9 Bankruptcy." *SFGate*, San Francisco Chronicle, 11 Feb. 2012, [www.sfgate.com/bayarea/article/Vallejo-votes-to-declare-Chapter-9-bankruptcy-3285168.php](http://www.sfgate.com/bayarea/article/Vallejo-votes-to-declare-Chapter-9-bankruptcy-3285168.php)

<sup>10</sup> Gordon, Tracy, et al. 2017, *Exuberance & Municipal Bankruptcy: A Case Study of San Bernardino, Stockton & Vallejo, CA*. <https://gspp.berkeley.edu/assets/uploads/research/pdf/Rosenthal-Working-Paper-Exuberance.Bankruptcy.pdf>

payments for issuances from the prior decade, and questionable fiscal management practices were cited as contributing factors to its insolvency.

Stockton's story provides a cautionary tale for cities struggling to remain solvent. Stockton did not arrive at the point of bankruptcy overnight. While some causes like the Great Recession and the anemic recovery were external, the majority of the causes were within City control, such as unsustainable labor contracts, reliance on one-time solutions, and failure to prioritize services or enact new revenue measures. Critically, the most consequential element of Stockton's financial collapse was the inability and unwillingness of City leaders to establish and adhere to a roadmap to fiscal sustainability, that is a plan to restore city government finances to long term health by reducing expenditure cost increases (largely personnel), increase tax revenues, resolve negative funds, and establish substantial reserves.

### **Conclusion**

While the City's Administration took immediate and decisive action in mid-December 2020 to ensure ongoing fiscal solvency, the City's worsening fiscal projections require the City to take additional action to prevent the complete depletion of its emergency reserves, resolve the growing deficit, and preserve the City's fiscal health throughout the remainder of the COVID-19 pandemic and into the long-term future. The projections provided in this report highlight the urgency of solving the current fiscal crisis now so that it does not debilitate the City's options in planning and preserving critical services in the FY2021-23 budget cycle.

### **PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

### **COORDINATION**

This report was prepared in coordination between the Finance Department, the City Administrator's Office and various departments.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** No direct economic opportunities have been identified.

***Environmental:*** No direct environmental impacts have been identified.

***Race & Equity:*** No race or equity opportunities have been identified.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that City Council receive an informational report on the unaudited Fiscal Year (FY) 2020-21 Second Quarter Revenue and Expenditure (R&E) results and year-end summaries for the General Purpose Fund (GPF, 1010) and other funds.

For questions regarding this report, please contact Lisa Agustin, Budget Administrator, at (510) 238-2989.

Respectfully submitted,

*Margaret L. O'Brien*

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Attachments (A-H):

- A: *General Purpose Fund Revenues & Expenditures*
- B: *Measure HH (SSBDT) Fund Revenue & Expenditures*
- C: *Self-Insurance Liability Fund Revenues & Expenditures*
- D: *Measure Q Fund Revenue & Expenditures*
- E: *Measure Z Fund Revenue & Expenditures*
- F: *Landscape and Lighting Assessment District Fund Revenues & Expenditures*
- G: *Development Service Fund Revenues & Expenditures*
- H: *Measure C Fund Revenues & Expenditures*
- I: *Internal Service Funds Revenues & Expenditures*
- J: *GPF 10/20% Reduction List*



**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**GENERAL PURPOSE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Forecast	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
PROPERTY TAX	\$ 233.15	\$ 233.15	\$ —
SALES TAX	\$ 52.55	\$ 52.55	\$ —
BUSINESS LICENSE TAX	\$ 88.00	\$ 85.30	\$ —
UTILITY CONSUMPTION TAX	\$ 52.00	\$ 52.00	\$ —
REAL ESTATE TRANSFER TAX	\$ 89.06	\$ 89.06	\$ 4.27
TRANSIENT OCCUPANCY TAX	\$ 15.91	\$ 8.24	\$ -7.66
PARKING TAX	\$ 8.85	\$ 4.50	\$ -4.36
LICENSES & PERMITS	\$ 1.68	\$ 1.68	\$ —
FINES & PENALTIES	\$ 18.34	\$ 14.04	\$ -4.30
INTEREST INCOME	\$ 0.48	\$ 0.48	\$ —
SERVICE CHARGES	\$ 61.47	\$ 51.65	\$ -9.57
GRANTS & SUBSIDIES	\$ 3.71	\$ 3.71	\$ —
MISCELLANEOUS	\$ 0.80	\$ 10.80	\$ 10.00
INTER-FUND TRANSFERS	\$ 17.55	\$ 17.55	\$ —
<b>Sub-Total Revenue</b>	<b>\$ 643.55</b>	<b>\$ 624.71</b>	<b>\$ -11.62</b>
TRANSFERS FROM FUND BALANCE (incls CF)	\$ 19.03	\$ 19.03	\$ —
<b>Total Revenue</b>	<b>\$ 662.59</b>	<b>\$ 643.75</b>	<b>\$ -11.62</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**GENERAL PURPOSE FUND EXPENDITURES (\$ in millions)**

Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 YTD Actuals	FY 2020-21 Year-End Estimate	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
MAYOR	\$ 3.88	\$ 1.71	\$ 3.20	\$ 0.68
CITY COUNCIL	\$ 6.28	\$ 3.19	\$ 6.24	\$ 0.04
CITY ADMINISTRATOR	\$ 12.04	\$ 6.80	\$ 12.34	\$ -0.30
CITY ATTORNEY	\$ 11.51	\$ 6.73	\$ 13.00	\$ -1.49
CITY AUDITOR	\$ 2.48	\$ 1.16	\$ 2.31	\$ 0.17
CITY CLERK	\$ 4.50	\$ 1.59	\$ 4.35	\$ 0.15
POLICE COMMISSION	\$ 4.62	\$ 1.51	\$ 3.75	\$ 0.87
PUBLIC ETHICS COMMISSION	\$ 1.32	\$ 0.67	\$ 1.36	\$ -0.04
FINANCE DEPARTMENT	\$ 24.52	\$ 10.99	\$ 24.07	\$ 0.45
INFORMATION TECHNOLOGY	\$ 10.59	\$ 5.57	\$ 11.14	\$ -0.55
RACE & EQUITY	\$ 0.87	\$ 0.40	\$ 0.84	\$ 0.03
HUMAN RESOURCES	\$ 6.71	\$ 3.57	\$ 7.28	\$ -0.57
DEPARTMENT OF VIOLENCE PREVENTION	\$ 3.24	\$ 0.53	\$ 3.14	\$ 0.10
POLICE DEPARTMENT	\$ 296.49	\$ 157.12	\$ 318.93	\$ -22.44
FIRE DEPARTMENT	\$ 169.10	\$ 81.43	\$ 164.66	\$ 4.44
OAKLAND PUBLIC LIBRARY	\$ 11.66	\$ 8.34	\$ 13.12	\$ -1.46
PARKS & RECREATION	\$ 16.37	\$ 8.95	\$ 15.81	\$ 0.56
HUMAN SERVICES	\$ 15.86	\$ 4.93	\$ 16.38	\$ -0.52
ECONOMIC WORKFORCE & DEVELOPMENT	\$ 5.76	\$ 2.58	\$ 5.58	\$ 0.18
PLANNING & BUILDING	\$ -0.08	\$ 0.01	\$ -0.08	\$ —
OAKLAND PUBLIC WORKS	\$ 0.46	\$ 0.13	\$ 0.49	\$ -0.03
HOUSING & COMMUNITY DEVELOPMENT	\$ 0.80	\$ —	\$ 0.80	\$ —
TRANSPORTATION	\$ 13.19	\$ 6.46	\$ 12.27	\$ 0.92
WORKPLACE & EMPLOYMENT STANDARD	\$ 3.29	\$ 1.63	\$ 3.64	\$ -0.36
NON-DEPARTMENTAL	\$ 34.80	\$ 9.91	\$ 44.51	\$ -9.71
CAPITAL IMPROVEMENT PROGRAM	\$ 2.35	\$ 0.55	\$ 2.35	\$ —
<b>Total Expenditures</b>	<b>\$ 662.59</b>	<b>\$ 326.46</b>	<b>\$ 691.48</b>	<b>\$ -28.90</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2020 - December 31, 2020)**

**MEASURE HH SSBDT FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
LOCAL TAX	\$ 9.20	\$ 8.50	\$ -0.70
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	\$ —	\$ 0.04	\$ 0.04
SERVICES CHARGES	\$ —	\$ —	\$ —
MISCELLANEOUS	\$ —	\$ -0.08	\$ -0.08
USE OF FUND BALANCE	\$ 10.71	\$ 10.71	\$ —
<b>Total Revenue</b>	<b>\$ 19.91</b>	<b>\$ 19.17</b>	<b>\$ -0.74</b>

**MEASURE HH SSBDT FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ADMINISTRATOR	\$ 0.16	\$ 0.07	\$ 0.09
FINANCE DEPARTMENT	\$ 0.36	\$ 0.34	\$ 0.02
OAKLAND PUBLIC LIBRARY DEPARTMENT	\$ 0.01	\$ 0.01	\$ —
OAKLAND PARKS AND RECREATION DEPARTMENT	\$ 4.41	\$ 3.03	\$ 1.38
HUMAN SERVICES DEPARTMENT	\$ 6.94	\$ 6.37	\$ 0.57
ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT	\$ 0.42	\$ 0.42	\$ —
OAKLAND PUBLIC WORKS DEPARTMENT	\$ 0.10	\$ 0.36	\$ -0.26
TRANSPORTATION	\$ —	\$ —	\$ —
NON-DEPARTMENTAL	\$ 5.73	\$ 5.73	\$ —
CAPITAL IMPROVEMENT PROJECTS	\$ 1.78	\$ 1.78	\$ —
<b>Total Expenditures</b>	<b>\$ 36.86</b>	<b>\$ 28.83</b>	<b>\$ —</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**SELF-INSURANCE LIABILITY FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	\$ —	\$ —	\$ —
SERVICES CHARGES	\$ —	\$ —	\$ —
MISCELLANEOUS	\$ 0.70	\$ 0.70	\$ —
INTER-FUND TRANSFERS	\$ 34.89	\$ 34.89	\$ —
USE OF FUND BALANCE	\$ 0.49	\$ 0.49	\$ —
<b>Total Revenue</b>	<b>\$ 36.08</b>	<b>\$ 36.08</b>	<b>\$ —</b>

**SELF-INSURANCE LIABILITY FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ATTORNEY	\$ 1.18	\$ 0.03	\$ —
HUMAN RESOURCES MANAGEMENT DEPARTMENT	\$ —	\$ —	\$ —
POLICE DEPARTMENT	\$ 7.60	\$ 0.21	\$ —
FIRE DEPARTMENT	\$ 1.79	\$ 0.10	\$ —
OAKLAND PARKS AND RECREATION DEPARTMENT	\$ 0.61	\$ —	\$ —
OAKLAND PUBLIC WORKS DEPARTMENT	\$ 4.12	\$ 4.12	\$ —
NON-DEPARTMENTAL	\$ 21.56	\$ 27.94	\$ —
<b>Total Expenditures</b>	<b>\$ 36.86</b>	<b>\$ 28.83</b>	<b>\$ —</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**MEASURE Q FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
LOCAL TAX	\$ 23.35	\$ 23.35	\$ —
INTEREST INCOME	\$ —	\$ —	\$ —
USE OF FUND BALANCE	\$ -0.33	\$ -0.33	\$ —
<b>Total Revenue</b>	<b>\$ 23.02</b>	<b>\$ 23.02</b>	<b>\$ —</b>

**MEASURE Q FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY CLERK	\$ 0.87	\$ 0.87	\$ —
FINANCE DEPARTMENT	\$ 0.04	\$ 0.04	\$ —
HUMAN SERVICES DEPARTMENT	\$ 5.74	\$ 5.22	\$ 0.52
OAKLAND PUBLIC WORKS DEPARTMENT	\$ 15.47	\$ 11.97	\$ 3.50
NON-DEPARTMENTAL	\$ 0.91	\$ 0.91	\$ —
<b>Total Expenditures</b>	<b>\$ 23.03</b>	<b>\$ 19.01</b>	<b>\$ 4.02</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**MEASURE Z FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
PARKING TAX	\$ 8.39	\$ 3.71	\$ -4.68
LOCAL TAX	\$ 18.00	\$ 18.00	\$ —
INTEREST INCOME	\$ —	\$ 0.01	\$ 0.01
MISCELLANEOUS REVENUE	\$ —	\$ -0.05	\$ -0.05
USE OF FUND BALANCE	\$ 3.40	\$ 3.40	\$ —
<b>Total Revenue</b>	<b>\$ 29.79</b>	<b>\$ 25.07</b>	<b>\$ -4.72</b>

**MEASURE Z FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ADMINISTRATOR	\$ 0.45	\$ 0.45	\$ —
FINANCE DEPARTMENT	\$ 0.35	\$ 0.35	\$ —
DEPARTMENT OF VIOLENCE PREVENTION	\$ 12.70	\$ 12.00	\$ 0.70
POLICE DEPARTMENT	\$ 13.31	\$ 11.44	\$ 1.87
FIRE DEPARTMENT	\$ 2.00	\$ 2.00	\$ —
HUMAN SERVICES DEPARTMENT	\$ 1.53	\$ 1.52	\$ 0.01
<b>Total Expenditures</b>	<b>\$ 30.34</b>	<b>\$ 27.76</b>	<b>\$ 2.58</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

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

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
LOCAL TAX	\$ 19.16	\$ 19.16	\$ —
LICENSES & PERMITS	\$ 0.05	\$ 0.13	\$ 0.08
INTEREST INCOME	\$ —	\$ -0.01	\$ -0.01
SERVICE CHARGES	\$ 0.21	\$ —	\$ -0.21
GRANTS & SUBSIDIES	\$ —	\$ 0.19	\$ 0.19
MISCELLANEOUS REVENUE	\$ —	\$ 0.03	\$ 0.03
USE OF FUND BALANCE	\$ 0.47	\$ 0.47	\$ —
<b>Total Revenue</b>	<b>\$ 19.89</b>	<b>\$ 19.97</b>	<b>\$ 0.08</b>

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

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINANCE DEPARTMENT	\$ 0.08	\$ 0.08	\$ —
PARKS & RECREATION	\$ 3.90	\$ 3.90	\$ —
PUBLIC WORKS	\$ 11.63	\$ 10.82	\$ 0.81
TRANSPORTATION	\$ 1.76	\$ 0.61	\$ 1.15
NON-DEPARTMENTAL	\$ 2.51	\$ 2.51	\$ —
<b>Total Expenditures</b>	<b>\$ 19.88</b>	<b>\$ 9.21</b>	<b>\$ 1.96</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**DEVELOPMENT SERVICE FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
LICENSES & PERMITS	\$ 19.81	\$ 22.85	\$ 3.04
FINES & PENALTIES	\$ 0.57	\$ 0.58	\$ 0.01
INTEREST INCOME	\$ —	\$ 0.57	\$ 0.57
SERVICES CHARGES	\$ 25.97	\$ 16.25	\$ -9.72
MISCELLANEOUS	\$ 0.23	\$ -0.97	\$ -1.20
INTER-FUND TRANSFERS	\$ —	\$ —	\$ —
USE OF FUND BALANCE	\$ 60.93	\$ 60.93	\$ —
<b>Total Revenue</b>	<b>\$ 107.51</b>	<b>\$ 100.21</b>	<b>\$ -7.30</b>

**DEVELOPMENT SERVICE FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
MAYOR	\$ 0.30	\$ 0.37	\$ -0.07
CITY ADMINISTRATOR	\$ 1.71	\$ 1.83	\$ -0.12
CITY ATTORNEY	\$ 2.80	\$ 2.68	\$ 0.12
FINANCE DEPARTMENT	\$ 1.06	\$ 1.28	\$ -0.22
INFORMAITON TECHNOLOGY DEPARTMENT	\$ 1.26	\$ 1.03	\$ 0.23
HUMAN RESOURCES MANAGEMENT DEPARTMENT	\$ 0.70	\$ 0.79	\$ -0.09
FIRE DEPARTMENT	\$ 0.44	\$ 0.44	\$ —
ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT	\$ 0.24	\$ 0.20	\$ 0.04
PLANNING AND BUILDING DEPARTMENT	\$ 82.98	\$ 78.28	\$ 4.70
OAKLAND PUBLIC WORKS DEPARTMENT	\$ 3.87	\$ 3.73	\$ 0.14
TRANSPORTATION	\$ 11.39	\$ 10.80	\$ 0.59
NON-DEPARTMENTAL	\$ 0.76	\$ 0.76	\$ —
<b>Total Expenditures</b>	<b>\$ 107.51</b>	<b>\$ 102.19</b>	<b>\$ 5.32</b>



**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**MEASURE C FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
TRANSIENT OCCUPANCY TAX	\$ 4.34	\$ 2.26	\$ -2.08
USE OF FUND BALANCE	\$ 0.08	\$ 0.08	\$ —
<b>Total Revenue</b>	<b>\$ 4.42</b>	<b>\$ 2.34</b>	<b>\$ -2.08</b>

**MEASURE C FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT	\$ 0.62	\$ 0.62	\$ —
NON DEPARTMENTAL AND PORT	\$ 3.80	\$ 1.97	\$ 1.83
<b>Total Expenditures</b>	<b>\$ 4.42</b>	<b>\$ 2.59</b>	<b>\$ 1.83</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2020 - December 31, 2020)**

**REPRODUCTION FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
INTERNAL SERVICE FUNDS	\$ 1.43	\$ 1.43	—
USE OF FUND BALANCE	\$ 0.08	\$ 0.08	\$ —
<b>Total Revenue</b>	<b>\$ 1.51</b>	<b>\$ 1.51</b>	<b>\$ —</b>

**REPRODUCTION FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
INFORMATION TECHNOLOGY	\$ 1.50	\$ 0.48	\$ (0.07)
<b>Total Expenditures</b>	<b>\$ 1.50</b>	<b>\$ 0.48</b>	<b>\$ (0.07)</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**

Through Second Quarter (July 1, 2020 - December 31, 2020)

**CENTRAL STORES FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
INTEREST INCOME	\$ —	\$ -0.01	\$ -0.01
INTERNAL SERVICE	\$ 0.55	\$ 0.55	\$ —
MISCELLANEOUS	\$ —	\$ 0.03	\$ 0.03
USE OF FUND BALANCE	\$ 0.01	\$ 0.01	\$ —
<b>Total Revenue</b>	<b>\$ 0.56</b>	<b>\$ —</b>	<b>\$ 0.02</b>

**CENTRAL STORES FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINANCE	\$ 0.47	\$ 0.12	\$ 0.16
NON-DEPARTMENTAL	0.08	—	—
<b>Total Expenditures</b>	<b>\$ 0.55</b>	<b>\$ 0.12</b>	<b>\$ 0.16</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Second Quarter (July 1, 2020 - December 31, 2020)**

**PURCHASING FUND REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
INTERNAL SERVICE	\$ 1.63	\$ 1.63	\$ —
MISCELLANEOUS	\$ —	\$ 0.02	\$ 0.02
USE OF FUND BALANCE	\$ 0.02	\$ 0.02	\$ —
<b>Total Revenue</b>	<b>\$ 1.65</b>	<b>\$ 1.67</b>	<b>\$ 0.02</b>

**PURCHASING FUND EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Adjusted Budget	FY 2020-21 Q2 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINANCE	\$ 1.65	\$ 0.88	\$ -0.11
<b>Total Expenditures</b>	<b>\$ 1.65</b>	<b>\$ 0.88</b>	<b>\$ -0.11</b>

**ATTACHMENT J**

<b>Estimated Cost Savings from Additional Expense Reductions</b>				
<b>Department</b>	<b>Description</b>	<b>Fund</b>	<b>Prelim. Est. Cost Savings</b>	<b>Prelim. Est. GPF Cost Savings</b>
City Administrator	Transfer 0.50 FTE of PMIII to fund 1720	1010 - GPF	\$0.08	\$0.08
City Administrator	Transfer 0.25 FTE of CAA to fund 2415	1010 - GPF	\$0.04	\$0.04
City Administrator	Transfer 0.50 FTE of Ast to City Admn. to TCC Grant fund 2139	1010 - GPF	\$0.06	\$0.06
City Administrator	Eliminate Admin's Contract Contingency bud	1010 - GPF	\$0.06	\$0.06
City Administrator	Reduce O&M in Animal Services for Feed and Vet Services	1010 - GPF	\$0.07	\$0.07
Economic & Workforce Dev.	Reduce Online Database Services	1010 - GPF	\$0.01	\$0.01
Economic & Workforce Dev.	Reduce City Promotions Expenses	1010 - GPF	\$0.01	\$0.01
Economic & Workforce Dev.	Reduce Miscellaneous Services	1010 - GPF	\$0.02	\$0.02
Economic & Workforce Dev.	Eliminate Unspent O&M	1010 - GPF	\$0.00	\$0.00
Economic & Workforce Dev.	Reduce Round 2 Cultural Arts Grant Funding	1010 - GPF	\$0.06	\$0.06
Economic & Workforce Dev.	Reduce Round 2 Cultural Arts Grant Funding	2419 - Measure C (Hotel Tax Surcharge)	\$0.03	\$0.00
Economic & Workforce Dev.	Reduce Surplus Properties Project	1770 - Telecom. Land Use	\$0.03	\$0.03
Economic & Workforce Dev.	Reduce Professional Services	1010 - GPF	\$0.04	\$0.04
Economic & Workforce Dev.	Reduce Professional Services in Coliseum Specific Plan	5656 - Coliseum: TA Bonds Series 2006B-T (Taxable)	\$0.20	\$0.20
Human Services	Reduce GPF operating subsidy for CSBG grant through using COVID funds	1010 - GPF	\$0.10	\$0.10
Human Services	Reduce GPF operating subsidy for Headstart (pending waiver approval)	1010 - GPF	\$0.20	\$0.20
Human Services	Reduce by 20% the total amount of OUSD Contract for Measure HH service delivery (not yet executed)	1010 - General Purpose Fund	\$0.36	\$0.36
Information Technology	Reduce Various O&M Reductions in the GPF	1010 - GPF	\$0.07	\$0.07
Information Technology	Reduce Various O&M Expenses	4200 - Radio & Telecommunications Fund	\$1.23	\$1.00
Information Technology	Reduce Miscellaneous O&M Reductions in Telephone Equipment and Software	4210 - Telephone Equipment & Software Fund	\$0.12	\$0.09
Information Technology	Reduce Miscellaneous O&M Reductions in Reproduction	4300 - Reprographics Fund	\$0.24	\$0.16
Mayor	Reduce Personnel Expenditures	1010 - GPF	\$0.18	\$0.18
Parks, Recreation, & Youth Dev.	Reduce GPF play equipment, art supplies, & class supplies	1010 - GPF	\$0.19	\$0.19

### Estimated Cost Savings from Additional Expense Reductions

Department	Description	Fund	Prelim. Est. Cost Savings	Prelim. Est. GPF Cost Savings
Parks, Recreation, & Youth Dev.	Reduce GPF repair & maintenance	1010 - GPF	\$0.18	\$0.18
Parks, Recreation, & Youth Dev.	Reduce GPF grants & consultants	1010 - GPF	\$0.41	\$0.41
Public Works	Eliminate Travel Expenses	4100 - Equipment Fund	\$0.01	\$0.00
Public Works	Eliminate Education Expenses	4100 - Equipment Fund	\$0.08	\$0.04
Public Works	Reduce Furniture Expenses	4100 - Equipment Fund	\$0.03	\$0.01
Public Works	Reduce Equipment Parts Expenses	4100 - Equipment Fund	\$0.20	\$0.10
Public Works	Eliminate Emergency Minor Capital Expenses	4400 - City Facilities Fund	\$0.15	\$0.10
Public Works	Eliminate Minor Capital Expenses	4400 - City Facilities Fund	\$0.38	\$0.26
Public Works	Eliminate/ Reduce Security Coverage at Civic Center Complex	4400 - City Facilities Fund	\$0.88	\$0.60
Public Works	Reduce O&M Expenses	4400 - City Facilities Fund	\$0.17	\$0.12
Public Works	Reduce O&M Expenses	7760 - Department Overhead Clearing Fund	\$0.26	\$0.04
Workplace & Employment Stds.	Return various unspent O&M expenses	1010 - GPF	\$0.01	\$0.01
<b>TOTAL</b>			<b>\$6.14</b>	<b>\$4.91</b>