



# AGENDA REPORT

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

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** FY 2020-21 Q3 R&E Report

**DATE:** May 17, 2021

City Administrator Approval 

Date: May 20, 2021

## **RECOMMENDATION**

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

## ***OVERVIEW***

This report details the City of Oakland's (the City) unaudited Third Quarter (Q3) financial results for FY 2020-21 in the General Purpose Fund (GPF) and other select funds. It provides integral financial information to guide the City in managing its ongoing budget as more financial data becomes available or more resources are identified. Included is a summary level overview of the City's finances as well as a detailed analysis for a deeper level of transparency.

The Third Quarter (Q3) report recaps significant events of the current fiscal year to provide context for the current quarter and inform year-end projections. It also details revenue collection, revenue assumptions, and revenue projections by major category. It gives expenditure level data at the departmental level, shows departmental level budgetary variances, and provides explanation of any variances. An analysis of the projected change in fund balance is also provided. Finally, discussion is provided regarding compliance with the City's Consolidated Financial Policies.

**EXECUTIVE SUMMARY**

This report details the City of Oakland’s (the City) unaudited Third Quarter (Q3) financial results and updated projections for FY 2020-21 in the General Purpose Fund (GPF) and other select funds. The purpose of the quarterly revenue and expenditure (R&E) report is to guide the City in managing its ongoing budget as more financial data becomes available or more resources are identified.

The Third Quarter report indicates the GPF will end with a projected fiscal year operating deficit of \$4.72 million (Projected Fiscal Year End Revenues less Projected Expenditures).

**Table 1: Summary of GPF Budget to Actual Results (\$ in millions)**

Description	FY2020-21 Adjusted Budget	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget	Over/Under
Revenue	\$ 662.59	\$ 650.97	\$ 677.46	\$ 26.49	OVER
Expenditures	\$ 662.59	\$ 688.07	\$ 682.18	\$ 5.89	UNDER

The projected year-end numbers indicate the City is achieving significant savings with expenditures and significant gains with its revenues compared to the Amended Budget. Additionally, it confirms that significant improvements have been made by implementing the expenditure-saving administrative actions in December 2020 and the Council actions in April 2021. Thus, the use of fund balance now is projected to be significantly less than the expected use with the Amended Budget.

The driving factors in the projected revenue gains are primarily due to additional revenue from real estate transfer taxes and \$5.82 million in one-time business tax revenue received from non-compliant businesses. The combined departmental expenditures are projected to produce savings as directed by the Administration and Council.

The City’s fiscal health is in a much better place than it was several months ago. Much has changed since the issuance of the Second Quarter report, most notably the City’s allocation of \$188 million of American Rescue Plan Act (ARPA) funds and its full utilization of excess Real Estate Transfer Tax (RETT) revenue. This surge of one-time funds will prevent the City’s fiscal crisis from spiraling out of control, at a time that residents are especially reliant on City services.

The City still faces a structural imbalance in the GPF and other select funds, meaning ongoing revenues are insufficient to cover ongoing costs. The good fortune of receiving these one-time funds combined with the actions of the City’s leadership will result in the City having achieved balance in the current year and a replenished emergency reserve in a new Fund 1011: General Purpose Fund Emergency Reserve.

If these current trends in projection hold, the excess ARPA funds of \$30.31 million can be redirected as legislated to the FY 2021-23 Budget and its operating shortfall. However, caution is warranted as the City still has one more quarter left in FY 2020-21, which could significantly impact the ending GPF fund balance. Considerations should be given for circumstances that result in greater than expected expenditures between now and the end of the current fiscal year.

## **SYNOPSIS**

The City of Oakland's (the City) unaudited Third Quarter (Q3) financial results and updated projections for FY 2020-21 in the General Purpose Fund (GPF) and other select funds are projected to balance with minimal usage of Fund balance. The current state of balance has been achieved through several administrative and Council actions, in conjunction with federal rescue dollars.

Since the issuance of the Second Quarter Revenue and Expenditure Report (Q2) in February 2021, significant resources obtained mostly through the American Rescue Plan Act (ARPA) have rescued the City from the fiscal crisis described in the Q2 report. In March, the City's estimated share of ARPA funds was estimated at \$192 million, now the City's allocation has been revised to \$188 million. This one-time ARPA funding coupled with \$10 million from the Coliseum Joint Powers Authority's (JPA) Warriors litigation settlement enabled City Council to solve the City's anticipated fiscal crisis. With the adoption of Resolution 88574 C.M.S on April 12, 2021, City Council enacted legislation to close its operating deficit, safeguard the City's emergency reserves, restore key services, and add funds to certain service categories and departments in the current FY 2020-21.

In this resolution, City Council allocated \$56.13 million in ARPA funds to close the anticipated FY 2020-21 year-end operating deficit so that it reaches a net zero GPF fund balance, separate from the City's required emergency reserves which will be transferred to the new General Purpose Fund Emergency Reserve Fund (1011). The resolution states that any ARPA funds in excess of the FY 2020-21 operating deficit are to be directed to the revenue shortfall in FY 2021-23 Budget. The resolution also reversed and restored some of the service reductions that were initiated through the City Administrator's December 2020 administrative actions, which were in large part spurred to achieve cost savings after the findings of the FY 2019-20 Q4/FY 2020-21 Q1 report in November 2020. By April, the City Administrator's December 2020 actions had been in effect for 3 months. While City Council restored some of these services, it maintained others, mostly in the Police Department. The Council's April action also added new expenditures for new services and programs.

The Q3 forecast indicates the City Administrator's December 2020 administrative actions reduced the projected expenditures from \$691.49 million to \$682.18 million, a drop of \$9.31 million from savings incurred since January 2021. The net result of the Administrative actions and Council actions, based on nine months of complete data (July 1, 2020 to March 31, 2021), is a revised year-end projection changing from a deficit of -\$62.29 million for the GPF fund balance as detailed in Q2 report to a projected year-end GPF fund balance of net \$0.00 million. Through the combined actions of the City Administrator and City Council to reach this net zero GPF fund balance, the City is estimated to have an excess of \$30.31 million in ARPA funds at year-end if current projections hold.

As required by the Consolidated Fiscal Policies and as directed by the City Council, this net zero balance will be reached in part through transferring the City's mandated emergency reserves of \$50.67 million to Fund 1011 at the end of FY 2020-21. Normally, Section 1 Part C of the Consolidated Fiscal Policy would require that 25% of excess Real Estate Transfer Tax (RETT) revenue be transferred into the City's Rainy Day fund (Vital Services Stabilization Fund),

another 25% go to fund debt retirement and unfunded long-term liabilities, and the final 50% would have been used to fund one-time expenses or augment existing reserves. However, the City Council suspended this requirement with Resolution No. 88108 C.M.S. on May 12, 2020. As a result, the City's excess RETT revenue is being dedicated along with ARPA funds to plug the current operating deficit. The anticipated remaining excess ARPA funds of \$30.31 million will be redirected, per Resolution 88574 C.M.S, to balancing the FY 2021-23 Budget. The exact amounts to be transferred will ultimately be determined by the GPF's ending position at the end of the fiscal year. Detailed analysis of fund balance transactions are provided later in the report.

**Section 1: Actions City Has Implemented This Fiscal Year to Address Fiscal Crisis**

In December, the Administration took preliminary actions to address the widening FY 2020-21 operating deficit. The Administration instituted a citywide hiring freeze, terminated temporary employees, and reduced public safety services, for a total anticipated savings of \$27.29 million by year-end. These changes went into effect on January 1, 2021. Between January and April, the Administration restored some services, mostly in Fire and Police, bringing the total estimated savings down to \$25.53 million.

On April 12, 2021, City Council enacted Resolution 88574 C.M.S. where Council directed how the City would allocate the \$188 million in ARPA funding it received. Council also modified or reversed some of the City Administrator December 2020 actions. **Table 2** summarizes the City Council's actions.

**Table 2: Summary of Council Actions in the GPF Per Resolution No.88574 (\$ in millions)**

<b>Council Amended Budget Actions</b>	
Contribution to GPF Fund Balance	\$56.13
<b>General Restorations</b>	<b>\$0.66</b>
Rehiring temporary staff	\$0.50
Unfreezing positions	\$0.16
<b>Public Safety Restorations</b>	<b>\$2.55</b>
Police	\$1.75
Fire	\$0.80
<b>New Additions based on Service Category and Department</b>	<b>\$6.80</b>
Affordable Housing and Homelessness	\$0.41
Good Jobs and Vibrant Economy	\$1.30
Public Safety and Violence Prevention	\$1.97
Clean, Healthy, and Sustainable Neighborhoods	\$2.72
Fire Prevention (OFD)	\$0.24
Council	\$0.16
<b>TOTAL GPF IMPACT</b>	<b>\$66.14</b>

In Resolution 88574 C.M.S, City Council also amended the FY 2020-21 Adopted Budget to balance certain departments' projected overspending as well as revenue losses across multiple funds. Finally, City Council took action and legislated the creation of a new fund for the City's GPF emergency reserves. The purpose of this separate fund is to maintain the integrity of the City's emergency reserves and to separate it from the GPF's operating fund balance in 1010. As

of the writing of this report, this separate fund has been created as 1011, and at the end of FY 2020-21, the \$50.67 million mandated minimum emergency reserve will be transferred from 1010 to 1011 where it can only be accessed through City Council action.

## Section 2: How ARPA Funds Amended City's FY 2020-21 Budget Allocations

Prior to the adoption of the Resolution 88574 C.M.S., the City had a FY 2020-21 Adjusted Budget of \$662.59 million for both its revenues and expenditures. These numbers were amended in the April 12, 2021 resolution that the City Council passed and are reflected below in **Table 3**.

**Table 3: Summary of GPF Budget to Actual Results (\$ in millions)**

Description	FY2020-21 Adjusted Budget	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget	Over/Under
Revenue	\$ 662.59	\$ 650.97	\$ 677.46	\$ 26.49	OVER
Expenditures	\$ 662.59	\$ 688.07	\$ 682.18	\$ 5.89	UNDER

The projected year-end numbers indicate the City is making significant savings with expenditures and significant gains with its revenues compared to the amended budget. However, compared to the Adjusted Budget of \$662.59 million, the revenues would have shown a \$14.87 million surplus and the expenditures would have been \$19.59 million over budget.

### Departments Identified with Projected Variances

Total GPF expenditures are projected to be under budget at year-end by approximately \$5.89 million. Of the 26 departments, 18 are projected to have expenditures at or under budget. The remaining 8 departments are projected to have expenditures over budget. Of the 8 departments with projected expenditures to be over budget, the Police Department and Information Technology had the greatest variances. The Police Department is projected to overspend by \$9.27 million and the IT Department is projected to overspend by \$2.37 million. Two departments projected to have significant expenditure savings are Fire and Non-Departmental. The Fire Department is projected to save approximately \$5.24 million and Non-Departmental is projected to save approximately \$6.22 million.

**Table 4: Summary of FY 2020-21 GPF Projected Expenditure Variance**

Department	Adjusted Budget	Restorations and Additions	Amended Budget	Q3 Projected FYE	Year-End Over / Under Budget
<b>FY 2020-21 Expenditures</b>	<b>\$ 662.59</b>	<b>\$ 25.48</b>	<b>\$ 688.07</b>	<b>\$ 682.18</b>	<b>\$ 5.89</b>
MAYOR	\$ 3.88	\$ —	\$ 3.88	\$ 3.07	\$ 0.81
CITY COUNCIL	\$ 6.28	\$ 0.15	\$ 6.43	\$ 6.48	\$ -0.05
CITY ADMINISTRATOR	\$ 12.04	\$ 0.60	\$ 12.64	\$ 12.78	\$ -0.14
CITY ATTORNEY	\$ 11.57	\$ 1.49	\$ 13.06	\$ 13.21	\$ -0.21
CITY AUDITOR	\$ 2.48	\$ —	\$ 2.48	\$ 2.37	\$ 0.11
CITY CLERK	\$ 4.50	\$ —	\$ 4.50	\$ 4.34	\$ 0.16
POLICE COMMISSION	\$ 4.62	\$ —	\$ 4.62	\$ 3.96	\$ 0.66
PUBLIC ETHICS COMMISSION	\$ 1.32	\$ 0.05	\$ 1.37	\$ 1.46	\$ -0.09
FINANCE	\$ 24.52	\$ —	\$ 24.52	\$ 23.94	\$ 0.58
INFORMATION TECHNOLOGY	\$ 10.59	\$ —	\$ 10.59	\$ 12.96	\$ -2.37
RACE & EQUITY	\$ 0.87	\$ —	\$ 0.87	\$ 0.85	\$ 0.02
HUMAN RESOURCES	\$ 6.77	\$ 0.60	\$ 7.37	\$ 7.35	\$ -0.04
VIOLENCE PREVENTION	\$ 3.24	\$ -0.24	\$ 3.07	\$ 2.93	\$ 0.08
POLICE	\$ 296.49	\$ 10.06	\$ 306.54	\$ 315.81	\$ -9.27
FIRE	\$ 169.10	\$ 2.79	\$ 171.88	\$ 166.65	\$ 5.24
PUBLIC LIBRARY	\$ 11.66	\$ 1.46	\$ 13.12	\$ 12.85	\$ 0.27
PARKS, RECREATION & YOUTH DEVELOPMENT	\$ 16.37	\$ 0.55	\$ 16.92	\$ 15.52	\$ 1.40
HUMAN SERVICES	\$ 15.86	\$ 0.20	\$ 16.06	\$ 15.60	\$ 0.46
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 5.76	\$ 1.32	\$ 7.08	\$ 6.47	\$ 0.62
HOUSING & COMMUNITY DEVELOPMENT	\$ 0.80	\$ —	\$ 0.80	\$ 0.80	\$ —
PLANNING & BUILDING	\$ -0.08	\$ 0.13	\$ 0.05	\$ 0.05	\$ —
PUBLIC WORKS	\$ 0.46	\$ 1.99	\$ 2.44	\$ 0.80	\$ 1.64
TRANSPORTATION	\$ 13.19	\$ 0.07	\$ 13.26	\$ 13.52	\$ -0.32
WORKPLACE & EMPLOYMENT STANDARDS	\$ 3.29	\$ 0.45	\$ 3.73	\$ 3.60	\$ 0.13
NON-DEPARTMENTAL	\$ 34.80	\$ 3.98	\$ 38.77	\$ 32.56	\$ 6.22
CAPITAL IMPROVEMENT PROGRAM	\$ 2.35	\$ -0.10	\$ 2.25	\$ 2.25	\$ —

### Section 3: Public Safety Reductions

Personnel costs in the Police Department (OPD) are the primary area of overspending in the City's budget. For this reason, the City Administrator in December reduced OPD services with an estimated cost savings of \$15 million in order to bring OPD's spending into alignment with the Adopted Budget. At the publication of Q2 report, OPD had a year-end projected budget of \$318.93 million which was over budget by \$22.44 million. The City's Administrator's December 2020 actions required OPD to reduce their spending by \$15 million to meet a year-end target of \$303.93 million, which would have put them over budget by \$7.44 million. As discussed above, some Police services were restored by the Administration and by the Council, and so OPD's budget was adjusted upward from \$296.49 million to \$306.54 million. Their target savings was adjusted downward from \$15 million to \$11.25 million. At the time of the writing of this report,

OPD's year-end projection is \$315.81 million, which means they are still projected to overspend by \$9.26 million, and are not on track to achieve the \$11.25 million revised savings target. More detailed analysis is provided in the subsection **Public Safety Costs & Analysis** (p. 23).

#### **Section 4: 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, however, are seeing savings. Three voter-initiated Measures are included in the detailed report: Measure HH - Sugar Sweetened Beverage Distribution Tax is projected to have an ending fund balance of \$-0.47 million; Measure C - Transient Occupancy Tax, which receives revenue from the hotel tax, is projected to have an ending fund balance of \$-1.51 million; and Measure Z - Public Safety and Services Violence Prevention Act Tax is projected to have an ending fund balance of \$2.49 million. The state transportation funds (Gas Tax) are projected to have an ending fund balance of \$4.13 million and the county transportation funds (Measure B, BB, and F) are projected to have an ending funding balance of \$9.55 million.

#### **Section 5: Conclusion**

The City's fiscal health is in a much better place than it was several months ago. Much has changed since the issuance of the Second Quarter report, most notably the City's acquisition of \$188 million of ARPA funds and its full utilization of excess RETT revenue. This surge of one-time funds will prevent the City's fiscal crisis from spiraling out of control, at a time that residents are especially reliant on City services. However, despite the fortune of receiving these one-time funds, the City still faces a structural imbalance in the GPF and other funds, including funds reliant upon hotel taxes and parking revenues. The combined actions of the City's leadership will result in the City maintaining its core services while safeguarding its emergency reserve, but its current GPF 1010 operating fund balance is projected to end the fiscal year at \$0.00 million. If these current trends in projection hold, the excess one-time ARPA funds of \$30.31 million can be redirected as legislated to the FY 2021-23 Budget and its operating shortfall. However, the City still has one more quarter left in FY 2020-21, which could significantly impact the ending GPF fund balance, especially if expenditures come in above current projections. For all these reasons, staff urge City leadership to continue to exercise fiscal prudence and caution in this last quarter of the fiscal year and in the allocation of ARPA funds in FY 2021-23 Budget.

## ***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 - March 31, 2021).

The report has the following major sections:

1. Background / Legislative History
2. Analysis & Policy Alternatives
  - a. Key Results: Revenue & Expenditure
  - b. Fund Balance
  - c. Reserves
3. All Funds Analysis
4. 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
- FY 2020-21 Q2 R&E Report on February 23, 2021
- FY 2020-21 Budget Actions on May 12, 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 which will result in a decrease to fund balance by \$4.72 million (**Table 5**). The projected ending fund balance for the General Purpose Fund is a net \$0.00 million (with the \$50.67 million emergency reserve being transferred to the new fund 1011).

**Table 5: Summary of GPF Budget to Actual Results (\$ in millions)**

Description	FY 2020-21 Adjusted Budget	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
Revenue	\$ 662.59	\$ 650.97	\$ 677.46	\$ 26.49
Expenditures	\$ 662.59	\$ 688.07	\$ 682.18	\$ 5.89

The City's FY 2020-21 Adjusted Budget reflects the FY 2020-21 Adopted Midcycle Budget plus FY 2019-20 carryforwards and any stand-alone resolutions. The FY 2020-21 Amended Budget represents the actions that the City Council took in April when it re-opened the budget and amended it. Due to the findings in the Q2 report, City Council amended revenue allocations to decrease GPF's total revenue budget \$662.59 million to \$650.97 million to capture the revenue losses the City is experiencing due to COVID-19 pandemic. On the expenditure side, City Council amended expenditure allocations from \$662.59 million to \$688.07 million to include the additional services and modified budget allocations at the department level that City Council made in Resolution 88574 C.M.S. (see **Table 2**).

After taking into account these new amended budget allocations and their year-end estimates, the year-end GPF fund balance is projected to be a net \$0.00 million. This net zero fund balance in 1010 includes the transfer of the City's mandated emergency reserve of \$50.67 million to the new fund 1011 at year-end (**Table 6**). As Table 6 shows, this net zero 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 their required transfers, and any savings or costs from the restorative and service enhancement Council actions. **Table 6** also indicates that if current trends hold, the City will have an excess of \$30.31 million in ARPA funds. These excess ARPA funds will be directed, per Resolution 88574 C.M.S, to the FY 2021-23 Budget and its operating shortfall.

**Table 6: Summary of FY2020-21 Fiscal Situation with GPF Fund Balance (\$ in millions)**

<b>GENERAL PURPOSE FUND (1010)</b>	<b>FY 2020-21 Q3 Projected FYE</b>
<b>FY2019-20 Year-End Fund Balance</b>	<b>\$40.12</b>
FY2019-20 / FY 2020-21 Fund Balance Obligations	\$-20.55
<b>FY20-21 Current Fund Balance</b>	<b>\$19.57</b>
Revenue	\$677.46
Expenditures	\$682.18
<b>FY20-21 Current Fund Balance</b>	<b>\$-4.72</b>
<b>FY 2020-21 Fund Balance Minus Operating Shortfall</b>	<b>\$14.85</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>\$-35.82</b>
Use of ARPA Funds	\$56.13
Use of Coliseum JPA Funds	\$10.00
<b>Subtotal Use of Aid</b>	<b>\$66.13</b>
<b>FY 2020-21 Reserves Balance (will transfer to new fund 1011 in FY2021-23)</b>	<b>\$50.67</b>
<b>FY 2020-21 Projected Year-End Fund Balance</b>	<b>\$0.00</b>
<b>Estimated ARPA Funds in Excess of Fund Balance</b>	<b>\$30.31</b>

**I. REVENUES**

As reflected in **Attachment A-1 and Table 7 below**, Revenue's FY 2020-21 Amended Budget is \$650.97 million. **Third** Quarter year-end revenues are forecasted to be \$677.46 million, which represents a net overage of \$26.49 million. This projection **includes** the \$10 million rebate from the Oakland Alameda Coliseum Joint Powers Authority, additional revenue from real estate transfer taxes, and \$5.82 million one-time business tax revenue received from non-compliant businesses.

**Table 7: Summary of GPF Revenue Variance to FY 2020-21 Amended Budget (\$ in millions)**

Description	FY 2020-21 Revenue
<b>FY 2020-21 Amended Revenue Budget</b>	<b>\$ 650.97</b>
Increases/(Decreases):	
Real Estate Transfer Tax	\$ 18.67
Transient Occupancy Tax	\$ 1.18
Business License Tax	\$ 8.71
Sales Tax	\$ 1.04
Fines & Penalties	\$ -1.07
All Other	\$ -2.04
<b>Net Projected GPF Revenue Growth</b>	<b>\$ 26.49</b>
<b>Total FY 2020-21 Projected Revenue</b>	<b>\$ 677.46</b>

**REVENUE HIGHLIGHTS**

Since the issuance of the Q2 report, revenue collections for 2020-2021 continue to be reviewed and updated using available data. Based on Q3 data, several revenue estimates have been revised, including revisions made per City Council's action on April 12, 2021 in Resolution 88574 C.M.S. The net result of these changes is an increase of \$26.49 million to the GPF year-end revenue, increasing from Q2 report estimate of \$650.97 million to the Q3 estimate of \$677.46 million (including Interfund Transfers and Transfers from Fund Balance). Below is a summary of the changes incorporated into this Q3 report for the remainder of FY 2020-21:

- Sales tax collections have been revised upwards to reflect the increase in revenue received from the County Pool due to online sales, which helped offset the steep losses incurred by brick and mortar establishments during the pandemic.
- Business Tax collections have been revised upward to reflect the strong sales in cannabis and significant one-time revenues collected from delinquent businesses.
- Real Estate Transfer Tax collections are estimated to be strong through to year-end. This estimate includes the \$10.48 million sale of the Uptown Station. Under the Consolidated Fiscal Policy, \$27.98 million is typically considered excess revenues and would be required to follow specific distribution rules; however, City Council has temporarily suspended this action.<sup>1</sup>

<sup>1</sup> Resolution 88108 C.M.S. suspended Section 1 Part C of the CFP, suspending the RETT set-aside for FY 2020-21.

- Transient Occupancy and Parking Tax collections are beginning to show a slow but promising recovery, but will not return to the pre-COVID-19 levels for the foreseeable future.

**Table 8: FY 2020-21 Projected GPF Revenue Adjustments as of Third Quarter (\$ in millions)**

Revenue Category	Amended Budget	Q2 Year-End Estimate	Q3 Year-End Estimate	Variance Q3 to Q2
PROPERTY TAX	\$233.15	\$233.15	\$233.15	\$—
SALES TAX	\$52.55	\$52.55	\$53.59	\$1.04
BUSINESS LICENSE TAX	\$88.00	\$88.00	\$96.71	\$8.71
UTILITY CONSUMPTION TAX	\$52.00	\$52.00	\$50.79	\$-1.21
REAL ESTATE TRANSFER TAX	\$89.06	\$93.33	\$112.00	\$18.67
TRANSIENT OCCUPANCY TAX	\$15.91	\$8.24	\$9.42	\$1.18
PARKING TAX	\$8.85	\$4.50	\$4.50	\$—
LICENSES & PERMITS	\$1.68	\$1.68	\$0.85	\$-0.83
FINES & PENALTIES	\$18.34	\$14.04	\$12.97	\$-1.07
INTEREST INCOME	\$0.48	\$0.48	\$0.48	\$—
SERVICE CHARGES	\$61.47	\$51.90	\$51.90	\$—
GRANTS & SUBSIDIES	\$3.71	\$3.71	\$3.71	\$—
MISCELLANEOUS	\$0.80	\$10.80	\$10.80	\$—
INTER-FUND TRANSFERS	\$17.55	\$17.55	\$17.55	\$—
<b>SUBTOTAL REVENUE</b>	<b>\$643.55</b>	<b>\$631.94</b>	<b>\$658.43</b>	<b>\$26.49</b>
TRANSFERS FROM FUND BALANCE	\$19.03	\$19.03	\$19.03	\$—
<b>TOTAL REVENUE</b>	<b>\$662.58</b>	<b>\$650.97</b>	<b>\$677.46</b>	<b>\$26.49</b>

**One-time Revenue**

Real Estate Transfer Tax, (RETT), revenue is historically a volatile revenue because it reflects the ups and downs of the real estate market. Sales such as The Uptown Station property that generated \$10.48 million in RETT revenue in FY 2020-21 are infrequent occurrences. As such, they cannot be relied upon as a stable source of revenue. It must be noted, in a departure from prior years, that the City will not be setting aside its \$27.98 million of excess real estate transfer tax per Section 1 Part C of the Consolidated Fiscal Policy. Instead will be using these revenues to fund current year expenses per City Council Resolution 88108 C.M.S.

This year-end forecast includes \$5.82 million of one-time, non-recurring revenues derived from enforcement activity. Revenue Management Bureau staff routinely reviews public and private databases to identify scofflaw businesses conducting business in the City without registering and paying business taxes. Enforcement activities may result in multi-year assessments.

**Attachment A-1** details the anticipated changes in FY 2020-21 GPF revenues.

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

Property Tax revenues are projected to meet the FY 2020-21 Amended Budget of \$233.15 million based on the most recent assessed valuation received from Alameda County and actual collection through the third quarter 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 Q3
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>

**Sales Tax: +\$1.04 million compared to FY 2020-21 Amended Budget.**

Staff, in conjunction with the City’s sales tax consultant, estimates sales tax revenue of \$53.59 million based upon Second Quarter results. This is an increase of \$1.04 million from the FY 2020-21 Amended Budget of \$52.55 million. The growth in sales tax revenue reflects an increase in online sales, which offset the sharp declines the categories most heavily impacted by COVID-19 Restaurants & Hotels and Gas & Jet Fuel Sales. **Table 10** below describes this below.

**Table 10: Sales Tax by Category FY 2020-21 (\$ in millions)**

Category	FY 2019-20	FY 2020-21	Inc/Dec
Autos & Transportation	\$ 4.17	\$ 3.86	-7.50%
Building & Construction	\$ 3.26	\$ 2.94	-9.87%
Business & Industry	\$ 3.29	\$ 2.82	-14.22%
Food & Drugs	\$ 2.89	\$ 3.30	14.32%
Fuel & Service Stations	\$ 3.46	\$ 1.84	-46.89%
General Consumer Goods	\$ 1.66	\$ 2.84	70.95%
Restaurants & Hotels	\$ 5.55	\$ 3.20	-42.44%
County Pool	\$ 5.54	\$ 6.38	15.13%

**Real Estate Transfer Tax: +\$18.67 million compared to FY 2020-21 Amended Budget**

Real Estate Transfer Tax is extremely volatile and is monitored closely on a monthly basis. Results from the second quarter indicated that Real Estate Transfer Tax (RETT) would come in

slightly higher than the Amended Budget. However, more recent **Third** Quarter analysis provided by the City's economic consultant, along with projections from online real estate platforms such as the California Association of Realtors, now indicate that FY 2020-21 year-end RETT to end higher than the Amended Budget. Because Section 1 Part C of the Consolidated Fiscal Policy is suspended, the City will not be setting aside the \$27.98 million of excess RETT for savings and various long-term fiscal liabilities. Instead all incoming excess RETT revenues will fund current year expenses.

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. The supply of homes marketed for sale increased as the shelter-in-place order lifted and the vaccine becomes more widely available.

**Table 11** reflects changes in both total gross sales and transaction volume, when comparing total property transfers that occurred through April in FY 2020-21 to FY 2019-20. After controlling for property sales over \$100 million, gross sales increased 17.99%, while the citywide sales volume increased 31.67%.

**Table 11: RETT Growth Rate (\$ in millions and percentage)**

Sale Price	FY 2019-20 Through April		FY 2020-21 Through April		Year-Over-Year Variance	
	Gross Sales	Volume	Gross Sales	Volume	Gross Sales	Volume
\$300,000 or below	\$ 46.75	299	\$ 58.18	365	24.44%	22.07%
\$300,001 to \$2 Million	\$ 2,653.72	3,178	\$ 3,740.26	4,206	40.94%	32.35%
\$2 - \$5 Million	\$ 343.24	120	\$ 513.68	197	49.65%	64.17%
\$5 -10 Million	\$ 179.24	25	\$ 212.73	30	18.68%	20.00%
\$10 - 50 Million	\$ 696.20	31	\$ 298.51	15	-57.12%	-51.61%
\$50.01-100 Million	\$ 223.65	3	\$ 64.72	1	-71.06%	-66.67%
Over \$100 Million	\$ 175.00	1	\$ 868.77	2	396.44%	100.00%
<b>Total</b>	<b>\$ 4,317.80</b>	<b>3,657</b>	<b>\$ 5,756.84</b>	<b>4,816</b>	<b>33.33%</b>	<b>31.69%</b>

**Table 12** below reflects changes in the average sale price by taxation category.

**Table 12: RETT Average Transaction**

Sale Price	FY 2019-20 Avg. Transaction	FY 2020-21 Avg. Transaction	Year-over-Year Increase/(Decrease)
\$300,000 or below	\$ 156,354	\$ 159,386	\$ 3,032
\$300,001- \$2 million	\$ 835,027	\$ 889,267	\$ 54,240
\$2 million - \$5 million	\$ 2,860,354	\$ 2,607,498	\$ (252,856)
\$5 million - \$10 million	\$ 7,169,700	\$ 7,091,086	\$ (78,614)
\$10 million - \$50 million	\$ 22,458,194	\$ 19,900,800	\$ (2,557,394)
\$50 million - \$100 million	\$ 74,548,333	\$ 64,717,160	\$ (9,831,173)
Over \$100 million	\$ 175,000,000	\$ 434,382,750	\$ 259,382,750

**Business License Tax: \$8.71 million compared to FY 2020-21 Amended Budget**

Based on current collection trends, business tax revenue is estimated to end at \$96.71 million, an \$8.71 million increase from the Amended Budget of \$88.00 million.

This growth in business tax revenue is attributed to stronger than anticipated tax collections in the current renewal period. The \$96.71 million is inclusive of one-time revenue of \$5.82 million, which is the summation of the following non-recurring revenues:

- \$4.12 million in revenues from delinquent businesses paying for prior tax years as detailed in **Table 13** below:

**Table 13: Business Tax Breakout Between Ongoing and Delinquent Revenue**

Tax Category	Current	One-Time	Total
Residential Landlords	\$21.80	\$1.72	\$23.52
Cannabis Businesses	\$9.07	\$1.45	\$10.52
Commercial Landlords	\$15.51	\$0.68	\$16.19
Others	\$43.10	\$0.27	\$43.37
<b>Total</b>	<b>\$89.48</b>	<b>\$4.12</b>	<b>\$93.60</b>

- An additional \$1.7 million in lien revenues from noncompliant rental businesses which are operating in the City without a business license. Typically the City rolls \$1.8 million worth of tax liens every year, thus this additional \$1.7 million is considered one-time, non-recurring revenues. The anticipated collection of lien revenues will total \$3.5 million.

Although business tax collection trends are estimated to come in higher than the Amended Budget, the loss of ongoing revenue remains a concern. Business and leisure travel will be slow to recover to pre-COVID-19 levels because of significant work culture changes, such as hybrid



work schedules and virtual conferences. Additionally, entertainment and sporting events have been cancelled and will not likely return to the normal level of activities in the foreseeable future. To put these in context, the City received \$0.23 million for business tax from lodging operators in 2021 compared to \$0.48 million in 2020, a drop of 50% year-over-year. In addition, the City received \$0.64 million from the recreation and entertainment industry in 2021 compared to \$2.33 million in 2020, a drop of 72% year-over-year.

**Utility User Tax: \$-1.21 million compared to FY 2020-21 Amended Budget**

Revenue derived from Utility User Tax (UUT) is forecasted to be \$50.79 million for FY2020-21, a decline of \$-1.21 million from the Amended Budget of \$52.00 million. This decline is due to a decrease in commercial utility usage due to the shelter-in-place orders, which resulted in companies instituting work from home policies.

***Transient Occupancy Tax: \$1.18 million compared to FY 2020-21 Amended Budget***

As vaccines become more widely available and domestic travel increases, Transient Occupancy Tax (TOT) revenues are slowly recovering. They are estimated to come in at \$9.42 million for FY 2020-21, as compared the Amended Budget forecast of \$8.24 million. However, the current year TOT estimate lags significantly below the \$19.58 million collected in FY 2019-20 and what the City has collected in prior tax years. **Table 14** reflects the year-to-year changes to the 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%	-51.87%

***Parking Tax: No change compared to FY 2020-21 Amended Budget***

Parking tax revenues are derived from Oakland Airport/Port activity, parking at hotels, parking garages and surface lots. Parking tax revenues are projected to slowly recover with the economy reopening, increased travel, and the return to office work. Parking tax revenue is estimated to be \$4.50 million for FY 2020-21 which is equal to the Amended Budget for FY 2020-21. Staff anticipates a slow recovery that may take two to three years to return to pre-COVID-19 parking tax revenue levels.

***Service Charges: No change compared to FY 2020-21 Amended Budget***

Services charges are primarily parking meter revenue, franchise fees, and other fees which include fire inspections. As the economy opens, revenues derived primarily from parking meters continues to slowly bounce back. Demand for parking is far lower than pre-COVID-19 levels. In addition, revenues collected through third quarter indicates a 31.40% increase relative to what was collected in first quarter alone. As such, staff projects a slow but upward trend in these categories as normal activity resumes due to roll of out of the vaccine and fewer state restrictions in the coming months. Service charges revenues are estimated to be \$51.90 million for FY 2020-21 which is equal to the Amended Budget for FY 2020-21.

***Fine & Penalties: \$-1.07 million compared to FY 2020-21 Amended 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 the Amended Budget. It does appear, however, that parking citation revenue has begun to climb back up towards pre-COVID-19 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 \$682.18 million, which is \$5.89 under the Amended Budget (**Table 15**).

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

Department	Adjusted Budget	Restorations and Additions	Amended Budget	Q3 Projected FYE	Year-End Over / Under Budget
<b>FY 2020-21 Expenditures</b>	\$ 662.59	\$ 25.48	\$ 688.07	\$ 682.18	\$ 5.89
MAYOR	\$ 3.88	\$ —	\$ 3.88	\$ 3.07	\$ 0.81
CITY COUNCIL	\$ 6.28	\$ 0.15	\$ 6.43	\$ 6.48	\$ -0.05
CITY ADMINISTRATOR	\$ 12.04	\$ 0.60	\$ 12.64	\$ 12.78	\$ -0.14
CITY ATTORNEY	\$ 11.57	\$ 1.49	\$ 13.06	\$ 13.21	\$ -0.15
CITY AUDITOR	\$ 2.48	\$ —	\$ 2.48	\$ 2.37	\$ 0.11
CITY CLERK	\$ 4.50	\$ —	\$ 4.50	\$ 4.34	\$ 0.16
POLICE COMMISSION	\$ 4.62	\$ —	\$ 4.62	\$ 3.96	\$ 0.66
PUBLIC ETHICS COMMISSION	\$ 1.32	\$ 0.05	\$ 1.37	\$ 1.46	\$ -0.09
FINANCE	\$ 24.52	\$ —	\$ 24.52	\$ 23.94	\$ 0.58
INFORMATION TECHNOLOGY	\$ 10.59	\$ —	\$ 10.59	\$ 12.96	\$ -2.37
RACE & EQUITY	\$ 0.87	\$ —	\$ 0.87	\$ 0.83	\$ 0.04
HUMAN RESOURCES	\$ 6.77	\$ 0.60	\$ 7.37	\$ 7.35	\$ -0.02
VIOLENCE PREVENTION	\$ 3.24	\$ -0.24	\$ 3.00	\$ 2.93	\$ 0.07
POLICE	\$ 296.49	\$ 10.06	\$ 306.55	\$ 315.81	\$ -9.26
FIRE	\$ 169.10	\$ 2.79	\$ 171.89	\$ 166.65	\$ 5.24
PUBLIC LIBRARY	\$ 11.66	\$ 1.46	\$ 13.12	\$ 12.85	\$ 0.27
PARKS, RECREATION & YOUTH DEVELOPMENT	\$ 16.37	\$ 0.55	\$ 16.92	\$ 15.52	\$ 1.40
HUMAN SERVICES	\$ 15.86	\$ 0.20	\$ 16.06	\$ 15.60	\$ 0.46
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 5.76	\$ 1.32	\$ 7.08	\$ 6.47	\$ 0.61
HOUSING & COMMUNITY DEVELOPMENT	\$ 0.80	\$ —	\$ 0.80	\$ 0.80	\$ —
PLANNING & BUILDING	\$ -0.08	\$ 0.13	\$ 0.05	\$ 0.05	\$ —
PUBLIC WORKS	\$ 0.46	\$ 1.99	\$ 2.45	\$ 0.80	\$ 1.65
TRANSPORTATION	\$ 13.19	\$ 0.07	\$ 13.26	\$ 13.52	\$ -0.26
WORKPLACE & EMPLOYMENT STANDARDS	\$ 3.29	\$ 0.45	\$ 3.74	\$ 3.60	\$ 0.14
NON-DEPARTMENTAL	\$ 34.80	\$ 3.98	\$ 38.78	\$ 32.56	\$ 6.22
CAPITAL IMPROVEMENT PROGRAM	\$ 2.35	\$ -0.10	\$ 2.25	\$ 2.25	\$ —

**EXPENDITURE HIGHLIGHTS**

As outlined in **Table 15**, the FY 2020-21 Amended Budget is \$688.07 million. The fiscal year-end General Purpose Fund (GPF) expenditures are \$682.18 million. If the Council had not amended the expenditure budget, the GPF would have been overspent by \$19.59 million, most of which can be attributed to personnel costs in the Police Department due to this year's spike in violent crime and due to the department's historic under-budgeting for its current levels of

services. Q2 projections also showed overspending citywide in personnel because employees were not taking as much paid time-off as they normally would due to the pandemic. However, Q3 projections are showing increased savings in non-Sworn departments likely due to the hiring freeze and increased paid time off taken by employees since Q2. Below is a discussion of each department's savings or overspending in the GPF at year-end as compared to their Amended Budget.

Mayor's Office

The Mayor's Office is projected to have savings of \$0.81 million due to a combination of vacancies and \$0.18 million in administrative reductions to O&M taken mid year..

City Council

The City Council is projected to overspend slightly by \$0.05 million.

City Administrator (CAO)

The City Administrator's Office is projected to overspend by \$0.14 million due to personnel.

City Attorney

The City Attorney is projected to overspend by \$0.21 million due to personnel.

City Auditor

The City Auditor is projected to have a slight savings of \$0.10 million due to personnel.

City Clerk

The Office of the City Clerk is projected to have a slight savings of \$0.17 million due to personnel.

Police Commission

The Police Commission is projected to have a savings of \$0.65 million due to personnel.

Public Ethics Commission (PEC)

The PEC is projected to slightly overspend by \$0.09 million due to personnel.

Finance Department

Finance is projected to have a slight savings of \$0.58 million due to savings in O&M.

Information Technology (ITD)

ITD is projected to overspend by \$2.37 million due to \$2.9 million in anticipated expenditures that were budgeted in the CARES Act Fund originally, but will be spent instead out of the GPF in

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Q4, To offset, eligible expenditures from other Departments will be spent out of the CARES Act Fund accordingly..

Race & Equity

The Race & Equity Department is projected to have a slight savings of \$0.02 million.

Human Resources Management (HRM)

Human Resources is projected to slightly overspend by \$0.04 million due to personnel.

Violence Prevention (DVP)

DVP is projected to have a slight savings of \$0.08 million in personnel.

Police (OPD)

OPD is projected to overspend by \$9.27 million compared to its Amended Budget. This is primarily due to overtime overspending, which is estimated to be \$10.77 million, for backfill, extension of shift, and unanticipated special enforcement. Approximately \$2.50 million of this overtime overspending are expected to be reimbursable costs. CARES Act funding lowered OPD's overspending in the GPF by \$5.00 million, which otherwise was projected to be \$14.26 million over budget. **Table 16** provides additional information for overall personnel savings versus costs. The Administration regularly reports on OPD's expenditures, see report below.

Oakland Fire Department (OFD)

The Fire Department is projected to have savings of \$5.24 million due to the CARES Act funding it received, vacancies, and a partial-year engine brownout per the City Administrator's December 2020 actions. **Table 16** provides additional information for personnel savings versus costs.

Oakland Public Library (OPL)

OPL is projected to have slight savings of \$0.27 million.

Oakland Parks, Recreation, and Youth Development (OPRYD)

OPRYD is projected to have savings of \$1.40 million due to a combination of savings in personnel and \$0.78 million in administrative reductions to O&M taken mid year.

Human Services Department (HSD)

Human Services is projected to have savings of \$0.46 million due to \$0.66 million in administrative reductions to O&M taken mid-year.

Economic Workforce & Development (EWD)

EWD is projected to have savings of \$0.62 million due to a combination of personnel savings and \$0.36 million in administrative reductions to O&M taken mid-year.

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 is projected to have savings of \$1.64 due to a combination of savings in personnel and \$1.28 million in administrative reductions to O&M taken mid-year..

Department of Transportation (DOT)

DOT is projected to overspend by \$0.32 million due primarily to personnel attributed in part to a COVID-19 related task that was implemented during the year.

Department of Workplace & Employment Standards (DWES)

DWES is projected to have savings of \$0.13 million due primarily to personnel.

Non-Departmental

Non-Departmental is projected to have savings of \$6.22 million. The balance accounts for transferring out a reserved negative offset for anticipated CARES Act funding that was equally divided between OPD and OFD personnel costs in the amount of \$5.8 million. In addition, the projected savings also accounts for \$0.66 million in savings resulting from the administrative actions to O&M taken mid-year, as well as the increase of \$4.01 million in the amended budget.

**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 for, the overspending increases to \$14.76 in OPD. OFD has projected savings of \$5.13 million due to 11.5 weeks of one engine brownout (approximately \$0.73 million in savings) and 130 FTE vacancies.

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

Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
<b>Police Department**</b>			
Overtime (OT)*	\$ 19.12	\$ 29.89	\$ -10.77
Reimbursable OT (Special Events, etc.)	\$ —	\$ -2.50	\$ 2.50
All Other Personnel (non-OT)	\$ 237.32	\$ 243.81	\$ -6.49
<b>OPD Total Personnel</b>	<b>\$ 256.45</b>	<b>\$ 271.21</b>	<b>\$ -14.76</b>
<b>Fire Department</b>			
Overtime (OT)*	\$ 2.57	\$ 24.16	\$ -21.59
All Other Personnel (non-OT)	\$ 146.11	\$ 119.39	\$ 26.72
<b>OFD Total Personnel</b>	<b>\$ 148.67</b>	<b>\$ 143.55</b>	<b>\$ 5.13</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.”

OPD is not on target to achieve the savings estimated by the service reductions made by the Administration in December. This is mostly due to the significant increase in homicides and violent crime which has required increased overtime for area crime response. Recent demonstrations have also required Police staffing and have thus contributed to decreased savings. For further details, OPD will be presenting its Third Quarter Overtime Report on this matter to Council in the coming weeks which will contain in-depth analysis on overtime spending and trends.

### 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 net \$0.00 million, after the the City's mandated emergency reserves of \$50.67 million is transferred to a new fund 1011. These balances were 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 and actions from the City Administrator and City Council. **Table 17** describes this below.

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

GENERAL PURPOSE FUND (1010)	FY 2020-21 Q3 Projected FYE
<b>Beginning Fund Balance - Audited</b>	<b>\$ 40.12</b>
Revenue	\$ 677.46
Expenditures	\$ 682.18
<b>Estimated Current Year Surplus/(Shortfall)</b>	<b>\$ -4.72</b>
<b>Subtotal Fund Balance</b>	<b>\$ 35.40</b>
<b>Use of Fund Balance:</b>	
Projects & Encumbrance Carried Forward (CF) to FY 2020-21	\$ 19.03
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>\$ -35.82</b>
Use of ARPA Funds	\$ 56.13
Use of JPA Funds	\$ 10.00
<b>Subtotal Use of Aid</b>	<b>\$ 66.13</b>
<b>FY 2020-21 Ending Available Fund Balance</b>	<b>\$ —</b>
<b>FY 2020-21 Reserves Fund Balance</b>	<b>\$ 50.67</b>
<b>Estimated ARPA Funds in Excess of Fund Balance</b>	<b>\$ 30.31</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%). As it stands, the City's reserves policy does not meet the Government Finance Officer's Association's (GFOA) recommended amount of two months (16.7%) operating expenditures.

As described throughout the report, the sum of \$50.67 million (the mandated reserves and OMERS), will be transferred to a newly created fund 1011 to maintain the reserve's integrity, separate it from GPF's operating balance. The funds will only be accessible through City Council action.

##### 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. As of now, there is no balance in VSSF.

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. In this way, the VSSF differs from the Emergency Reserve because 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. As such, 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.

Due to City Council actions taken in May 2020 per Resolution 88108 C.M.S., the transfer of excess RETT revenue into VSSF has been temporarily suspended. Per the Consolidated Fiscal Policy, 25% of excess RETT revenue is intended to go into VSSF, which would have been \$6.99 million of the \$27.98 million anticipated for this year.

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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 K)**

This Q3 report contains additional analysis on other non-GPF funds. The funds listed in **Table 19** below are non-GPF funds that are of special interest to the City because the revenue comes from a special tax or local measure, or because of the particular revenue or expenditure restrictions. **Table 19** compares the FY 2019-20 audited ending fund balance to the FY 2020-21 projected ending fund balance below for these funds. Additional information on these funds is included in **Attachments B through K**.

The following sections contain some funds with a 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. 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 20-30** 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 Ten Major Non-GPF Funds\***

FUND	FY 2019-20 Audited Ending Balance	FY 2020-21 Projected Ending Balance
Measure HH - Sugar Sweetened Beverage Distribution Tax (SSBT) - Fund 1030	\$ 9.92	\$ -0.47
Self-Insurance Liability Fund - Fund 1100	\$ -14.16	\$ -14.81
Measure Z -Violence Prevention and Public Safety Act of 2014 - Fund 2252	\$ 5.28	\$ 2.48
Development Service Fund - Fund 2415	\$ 149.42	\$ 88.78
Measure C - Transient Occupancy Tax (TOT) Surcharge - Fund 2419	\$ -0.16	\$ -1.51
<b>Special Revenues</b>		
Comprehensive Clean-Up Fund	\$ 4.46	\$ 1.46
Multipurpose Reserve	\$ 4.46	\$ -2.23
OPRCA Self Sustaining Revolving Fund	\$ 2.01	\$ 0.20
<b>Transportation Funds - State Level</b>		
Gas Tax	\$ 5.73	\$ 4.13
<b>Transportation Funds - County Level</b>		
Measure B/BB/F	\$ 16.48	\$ 9.54

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

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 \$36.19 million. Projected expenditures are at \$36.85 million. Additional details are provided in **Attachment B**.

The negative fund balance in the Self Insurance Liability Fund (1100) - which is on a City Council approved repayment plan - has increased from \$-14.16 million to \$-14.81 million in FY 2020-21. **Table 20** below shows the projected year-end balance for FY 2020-21 .

**Table 20: FY 2020-21 Self-Insurance Liability Fund Year-End Available Fund Balance**

SELF-INSURANCE LIABILITY FUND (1100)	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ -14.16	\$ -14.16	
Revenue	\$ 36.08	\$ 36.19	\$ 0.12
Expenditures	\$ 36.86	\$ 36.85	\$ 0.01
Estimated Current Year Surplus/(Shortfall)	\$ -0.78	\$ -0.65	\$ 0.13
<b>Subtotal Fund Balance</b>	\$ -14.94	\$ -14.81	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ —	\$ —	
<b>Estimated Ending Fund Balance</b>	\$ -14.94	\$ -14.81	

Measure HH - Sugar Sweetened Beverage Distribution Tax (SSBT) Fund (1030)

Measure HH - SSBT 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 -14.58% for the same time period last year.

Projected revenues at fiscal year-end are \$21.16 million, which is \$1.33 million less than the Adjusted Budget. Projected expenditures are \$20.84 million, which is a savings of \$1.84 million when compared to the Amended Budget. Additional details are provided in **Attachment C**.

The fund balance in the Measure HH (SSBT) Fund (1030) is projected to decrease from \$9.92 million in FY 2019-20 to \$-0.47 million in FY 2020-21. **Table 21** below shows the projected year-end balance for FY 2020-21.

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

MEASURE HH SSBT (1030)	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 9.92	\$ 9.92	
Revenue	\$ 22.49	\$ 21.16	\$ -1.33
Expenditures	\$ 22.68	\$ 20.84	\$ 1.84
Estimated Current Year Surplus/(Shortfall)	\$ -0.18	\$ 0.32	\$ 0.50
<b>Subtotal Fund Balance</b>	<b>\$ 9.73</b>	<b>\$ 10.24</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 13.29	10.71	
<b>Estimated Ending Fund Balance</b>	<b>\$ -3.56</b>	<b>\$ -0.47</b>	

Comprehensive Clean-Up Fund (1720)

The Comprehensive Clean-Up Fund (1720) collects revenues from a special surcharge on refuse collection bills to cover costs associated to illegal dumping enforcement, street sweeping, custodial services, and other clean-up activities.

Projected revenues at fiscal year-end are \$21.59 million, which is \$2.40 million less than the Adjusted Budget. Projected expenditures are \$24.69 million, which is \$0.70 million more than budget. Additional details are provided in **Attachment D**.

The fund balance in the Comprehensive Clean-Up Fund (1720) is projected to decrease from \$4.46 million to \$0.35 million in FY 2020-21. **Table 22** below shows the projected year-end balance for FY 2020-21.

**Table 22: FY 2020-21 Comprehensive Clean-Up Fund Year-End Fund Balance**

COMPREHENSIVE CLEAN-UP FUND (1720)	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 4.46	\$ 1.46	
Revenue	\$ 23.89	\$ 21.59	\$ -2.40
Expenditures	\$ 23.89	\$ 24.59	\$ -0.70
Council Restoration Amendment - Expenditures	\$ 0.10	\$ 0.10	\$ —
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -2.90	\$ 2.90
<b>Subtotal Fund Balance</b>	<b>\$ 4.46</b>	<b>\$ 1.56</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 1.21	\$ 1.21	
<b>Estimated Ending Fund Balance</b>	<b>\$ 3.25</b>	<b>\$ 0.35</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 this fiscal year-end are \$5.03 million, which is \$6.31 million less than the Amended Budget. Projected expenditures are \$10.60 million, which is a savings of \$0.74 million when compared to the Amended Budget. Additional details are provided in **Attachment E**.

The fund balance in the Multipurpose Reserve Fund (1750) is projected to decrease from \$4.46 million in FY 2019-20 to \$-2.23 million in FY 2020-21 See **Table 23** below.

**Table 23: FY 2020-21 Multipurpose Reserve Fund Year-End Available Fund Balance**

MULTIPURPOSE RESERVE FUND (1750)	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 4.46	\$ 4.46	
Revenue	\$ 11.33	\$ 5.03	\$ -6.31
Expenditures	\$ 11.33	\$ 10.60	\$ 0.74
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ -5.57	\$ -5.57
<b>Subtotal Fund Balance</b>	\$ 4.46	\$ -1.11	
<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	\$ -2.23	

OPRCA Self Sustaining Revolving Fund (1820)

The OPRCA Self Sustaining Revolving Fund (1820) is a fee-based fund that supports Oakland Parks, Recreation, and Youth Development's (OPRYD) 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 \$3.87 million which is \$3.50 million below the Amended Budget. Projected expenditures are \$6.72 million, which is a savings of \$0.65 million when compared to the Amended Budget. Additional details are provided in **Attachment F**.

The fund balance in the OPRCA Self Sustaining Revolving Fund (1820) is projected to decrease from \$2.01 million in FY2019-20 to \$0.20 million in FY 2020-21. **Table 24** below shows the projected year-end balance for FY 2020-21.

**Table 24: FY 2020-21 OPRCA Self Sustaining Revolving Fund Year-End Available Fund Balance**

OPRCA SELF SUSTAINING REVOLVING FUND (1820)	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 2.01	\$ 2.01	
Revenue	\$ 7.37	\$ 3.87	\$ -3.50
Revenue from ARPA Funds	\$ 1.11	\$ 1.11	\$ —
Expenditures	\$ 7.37	\$ 6.72	\$ 0.65
Estimated Current Year Surplus/(Shortfall)	\$ 1.11	\$ -1.74	\$ -2.85
<b>Subtotal Fund Balance</b>	\$ 3.11	\$ 0.26	
<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>	\$ 3.05	\$ 0.20	



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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 \$46.03 million which is \$1.11 more than the Amended Budget. Revenues in these funds include a \$6.10 million grant for committed Alameda CTC projects at the Oakland Army Base. Projected expenditures are \$43.50 million, which is a savings of \$1.19 million when compared to the Amended Budget. Additional details are provided in **Attachment G**.

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 \$9.54 million in FY 2020-21. Additional details are provided in **Table 25** which shows the projected year-end balance for FY 2020-21.

**Table 25: 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 Amended Budget</b>	<b>FY 2020-21 Q3 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	\$ 44.92	\$ 46.03	\$ 1.11
Expenditures	\$ 44.69	\$ 43.50	\$ 1.19
Council Restoration Amendments	\$ 0.23	\$ —	\$ 0.23
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 2.53	
<b>Subtotal Fund Balance</b>	<b>\$ 16.95</b>	<b>\$ 19.02</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 9.50	\$ 9.50	
Budgeted Fund Balance Repayment	\$ 0.03	\$ 0.03	
<b>Estimated Ending Fund Balance</b>	<b>\$ 7.47</b>	<b>\$ 9.54</b>	

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

The State of California imposes a per-gallon excise tax 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 \$23.68 million, which is \$2.25 million higher than the Amended Budget. Projected year-end expenditures of \$20.32 million are lower than the Amended Budget by \$0.04 million. After accounting for Council restoration adjustments made mid-year in the amount of \$1.07 for traffic safety enhancements and sidewalk repair services, the estimated current year results in \$2.29 of additional savings. Additional details are provided in **Attachment H**.

The fund balance in the State Transportation Gas Tax Funds (2230, 2232) is projected to decrease from \$5.73 million in FY 2019-20 to \$4.13 million in FY 2020-21. **Table 26** below shows the projected year-end balance for FY 2020-21.

**Table 26: FY 2020-21 State Transportation Funds Year-End Available Fund Balance**

State Transportation Funds - Gas Tax (2230, 2232)	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	Year-End Over / Under Budget
<b>Beginning Fund Balance - Audited</b>	\$ 5.73	\$ 5.73	
Revenue	\$ 21.43	\$ 23.68	\$ 2.25
Expenditures	\$ 20.36	\$ 20.32	\$ 0.04
Council Restoration Amendments	\$ 1.07	\$ 1.07	\$ —
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 2.29	\$ -2.29
<b>Subtotal Fund Balance</b>	<b>\$ 5.73</b>	<b>\$ 8.02</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 3.89	\$ 3.89	
<b>Estimated Ending Fund Balance</b>	<b>\$ 1.84</b>	<b>\$ 4.13</b>	

**Measure Z - The Public Safety and Services Violence Prevention Act of 2014 Fund (2252)**

The 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 \$25.66 million, which is \$4.14 million less than the Amended Budget. Projected expenditures are \$25.86 million, which is a savings of \$4.49 million when compared to the Amended Budget. Additional details are provided in **Attachment I**.

The fund balance in the Measure Z Fund (2252) is projected to decrease from \$5.28 million in FY 2019-20 to \$2.48 million in FY 2020-21 . **Table 27** 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 27: FY 2020-21 Measure Z Fund Year-End Available Fund Balance**

<b>MEASURE Z (2252)</b>	<b>FY 2020-21 Amended Budget</b>	<b>FY 2020-21 Q3 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited</b>	<b>\$ 5.28</b>	<b>\$ 5.28</b>	
Revenue	\$ 29.79	\$ 25.66	\$ -4.14
Revenue from ARPA Funds	\$ 0.83	\$ 0.83	\$ —
Expenditures	\$ 30.35	\$ 25.86	\$ 4.49
Council Restoration Amendments - Expenditures	\$ 0.02	\$ 0.02	\$ —
Estimated Current Year Surplus/(Shortfall)	\$ 0.25	\$ 0.60	\$ 0.35
<b>Subtotal Fund Balance</b>	<b>\$ 5.53</b>	<b>\$ 5.88</b>	
<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>	<b>\$ 2.13</b>	<b>\$ 2.48</b>	

**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. **Table 28** shows the fund's budget revenue compared to actual revenue over the past several fiscal years.

**Table 28: Historical Revenue for Fund 2415**

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 \$1.54 million, the projected revenues of \$106.75 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 \$8.10 million.

Projected revenues at fiscal year-end are \$106.75 million, which is \$1.38 million less than Amended Budget. Projected expenditures are \$106.59, which is a savings of \$1.54 when compared to the Amended Budget. Additional details are provided in **Attachment J**.

The fund balance in the Development Service Fund (2415) is projected to decrease from \$149.42 million in FY 2019-20 to \$88.78 million in FY 2020-21 . **Table 29** below shows the projected year-end balance for FY 2020-21.

**Table 29: FY 2020-21 Development Service Fund Year-End Available Fund Balance**

<b>DEVELOPMENT SERVICE FUND (2415)</b>	<b>FY 2020-21 Amended Budget</b>	<b>FY 2020-21 Q3 Projected FYE</b>	<b>Year-End Over / Under Budget</b>
<b>Beginning Fund Balance - Audited</b>	<b>\$ 149.42</b>	<b>\$ 149.42</b>	
Revenue	\$ 108.13	\$ 106.75	\$ -1.38
Expenditures	\$ 108.13	\$ 106.59	\$ 1.54
Estimated Current Year Surplus/(Shortfall)	\$ —	\$ 0.16	\$ 0.16
<b>Subtotal Fund Balance</b>	<b>\$ 149.42</b>	<b>\$ 149.58</b>	
<b>Use of Fund Balance in FY 2020-21</b>			
Budgeted Transfer from Fund Balance	\$ 60.80	\$ 60.80	
<b>Estimated Ending Fund Balance</b>	<b>\$ 88.62</b>	<b>\$ 88.78</b>	

**Measure C - Transient Occupancy Tax Fund (2419)**

The Transient Occupancy Tax (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 \$2.65 million, which is \$1.77 million less than the Amended Budget. Projected expenditures are \$4.41 million, which is a savings of \$0.01 million when compared to the Amended Budget. Additional details are provided in **Attachment K**.

The fund balance in the Measure C Fund (2419) is projected to decrease from \$-0.16 million in FY 2019-20 to \$-1.51 million in FY 2020-21 . **Table 30** below shows the projected year-end balance for FY 2020-21.

**Table 30: FY 2020-21 Measure C Fund Year-End Available Fund Balance**

<b>MEASURE C - TRANSIENT OCCUPANCY TAX FUND (2419)</b>	<b>FY 2020-21 Amended Budget</b>	<b>FY 2020-21 Q3 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	\$ 2.65	\$ -1.77
Revenue from ARPA Funds	\$ 0.49	\$ 0.49	\$ —
Expenditures	\$ 4.42	\$ 4.41	\$ 0.01
Estimated Current Year Surplus/(Shortfall)	\$ 0.49	\$ -1.27	\$ -1.76
<b>Subtotal Fund Balance</b>	<b>\$ 0.33</b>	<b>\$ -1.43</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>\$ 0.25</b>	<b>\$ -1.51</b>	

## **Conclusion**

The City's fiscal health is in a much better place than it was several months ago. Much has changed since the issuance of the Second Quarter report, most notably the City's acquisition of \$188 million of ARPA funds and its full utilization of excess RETT revenue. This surge of one-time funds will prevent the City's fiscal crisis from spiraling out of control, at a time that residents are especially reliant on City services. However, despite the fortune of receiving these one-time funds, the City still faces a structural imbalance in the GPF and other funds, including funds reliant upon hotel taxes and parking revenues. The combined actions of the City's leadership will result in the City maintaining its core services while safeguarding its emergency reserve, but its current GPF 1010 operating fund balance will be at net \$0.00 million. If these current trends in projection hold, the excess ARPA funds of \$30.31 million can be redirected as legislated to the FY 2021-23 Budget and its operating shortfall. However, the City still has one more quarter left in FY 2020-21, which could significantly impact the ending GPF fund balance, especially if expenditures come in above current projections. For all these reasons, staff urge City leadership to continue to exercise fiscal prudence and caution in this last quarter of the fiscal year and in the allocation of ARPA funds in FY 2021-23 Budget.

## **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:*** Department overspending will reduce the amount of ARPA funds available for balancing the FY 2021-23 budget, including decreasing the amount of money available for community requests and equity initiatives. The City's departments were given targets to reduce their spending, and the majority have met them. However, the Fourth Quarter still remains and spending controls will impact the amount of available ARPA funds for investing in the FY 2021-23 budget.



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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that City Council receive an informational report on the unaudited Fiscal Year (FY) 2020-21 Third 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,

**Erin Roseman**

Erin Roseman (May 20, 2021 15:58 PDT)

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Erin Roseman  
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Attachments (A-I):

- A-1: 1010 - General Purpose Fund Revenues
- A-2: 1010 - General Purpose Fund Expenditures
- B: 1100 - Self-Insurance Liability Fund Revenues & Expenditures
- C: 1030 - Sugar Sweetened Beverage Distribution Tax Fund Revenue & Expenditures
- D: 1720 - Comprehensive Clean-Up Fund Revenue & Expenditures
- E: 1750 - Multipurpose Reserve Fund Revenue & Expenditures
- F: 1820 - OPRCA Self Sustaining Revolving Fund Revenue & Expenditures
- G: Various - Measure B/BB Funds Revenue & Expenditures
- H: 2230 & 2232 - State Transportation (Gas Tax) Funds Revenue & Expenditures
- I: 2252 - Public Safety & Services Violence Prevention Act Fund Revenue & Expenditures
- J: 2415 - Development Service Fund Revenues & Expenditures
- K: 2419 - Transient Occupancy Tax Fund Revenues & Expenditures

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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**GENERAL PURPOSE FUND (1010) - REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Adjusted Budget	FY 2020-21 Q3 Forecast	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
PROPERTY TAX	\$ 233.15	\$ 233.15	\$ —
SALES TAX	\$ 52.55	\$ 53.59	\$ 1.04
BUSINESS LICENSE TAX	\$ 88.00	\$ 96.71	\$ 8.71
UTILITY CONSUMPTION TAX	\$ 52.00	\$ 50.79	\$ -1.21
REAL ESTATE TRANSFER TAX	\$ 93.33	\$ 112.00	\$ 18.67
TRANSIENT OCCUPANCY TAX	\$ 8.24	\$ 9.42	\$ 1.18
PARKING TAX	\$ 4.50	\$ 4.50	\$ —
LICENSES & PERMITS	\$ 1.68	\$ 0.85	\$ -0.83
FINES & PENALTIES	\$ 14.04	\$ 12.97	\$ -1.07
INTEREST INCOME	\$ 0.48	\$ 0.48	\$ —
SERVICE CHARGES	\$ 51.90	\$ 51.90	\$ —
GRANTS & SUBSIDIES	\$ 3.71	\$ 3.71	\$ —
MISCELLANEOUS	\$ 10.80	\$ 10.80	\$ —
INTER-FUND TRANSFERS	\$ 17.55	\$ 17.55	\$ —
<b>Sub-Total Revenue</b>	<b>\$ 631.94</b>	<b>\$ 658.43</b>	<b>\$ 26.49</b>
TRANSFERS FROM FUND BALANCE (including Carry Forward)	\$ 19.03	\$ 19.03	\$ —
<b>Total Revenue</b>	<b>\$ 650.97</b>	<b>\$ 677.46</b>	<b>\$ 26.49</b>

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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**GENERAL PURPOSE FUND (1010) - EXPENDITURES (\$ in millions)**

Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 YTD Actuals	FY 2020-21 Year-End Estimate	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
MAYOR	\$3.88	\$2.49	\$3.07	\$0.81
CITY COUNCIL	\$6.43	\$4.71	\$6.48	\$-0.05
CITY ADMINISTRATOR	\$12.64	\$9.69	\$12.78	\$-0.14
CITY ATTORNEY	\$13.00	\$9.92	\$13.21	\$-0.21
CITY AUDITOR	\$2.48	\$1.67	\$2.37	\$0.10
CITY CLERK	\$4.50	\$4.23	\$4.34	\$0.17
POLICE COMMISSION	\$4.62	\$2.29	\$3.96	\$0.65
PUBLIC ETHICS COMMISSION	\$1.37	\$1.04	\$1.46	\$-0.09
FINANCE	\$24.52	\$17.10	\$23.94	\$0.58
INFORMATION TECHNOLOGY	\$10.59	\$8.37	\$12.96	\$-2.37
RACE & EQUITY	\$0.87	\$0.60	\$0.85	\$0.02
HUMAN RESOURCES	\$7.31	\$5.27	\$7.35	\$-0.04
VIOLENCE PREVENTION	\$3.01	\$0.96	\$2.93	\$0.08
POLICE	\$306.54	\$241.55	\$315.81	\$-9.27
FIRE	\$171.88	\$117.23	\$166.65	\$5.24
LIBRARY	\$13.12	\$10.78	\$12.85	\$0.27
PARKS, RECREATION, & YOUTH DEVELOPMENT	\$16.92	\$12.86	\$15.52	\$1.40
HUMAN SERVICES	\$16.06	\$12.36	\$15.60	\$0.46
ECONOMIC WORKFORCE & DEVELOPMENT	\$7.08	\$3.64	\$6.47	\$0.62
PLANNING & BUILDING	\$0.80	\$—	\$0.80	\$—
PUBLIC WORKS	\$0.05	\$—	\$0.05	\$—
HOUSING & COMMUNITY DEVELOPMENT	\$2.44	\$0.18	\$0.80	\$1.64
TRANSPORTATION	\$13.20	\$9.70	\$13.52	\$-0.32
WORKPLACE & EMPLOYMENT STANDARDS	\$3.73	\$2.41	\$3.60	\$0.13
NON-DEPARTMENTAL	\$38.77	\$42.29	\$32.56	\$6.22
CAPITAL IMPROVEMENT PROGRAM	\$2.25	\$0.73	\$2.25	\$—
<b>Total Expenditures</b>	<b>\$ 688.07</b>	<b>\$ 522.08</b>	<b>\$ 682.18</b>	<b>\$ 5.89</b>

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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**SELF-INSURANCE LIABILITY FUND (1100) - REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	\$ —	\$ -0.06	\$ -0.06
SERVICES CHARGES	\$ —	\$ 0.18	\$ 0.18
GRANTS & SUBSIDIES	\$ 0.49	\$ 0.49	\$ —
MISCELLANEOUS	\$ 0.70	\$ 0.70	\$ —
INTER-FUND TRANSFERS	\$ 34.89	\$ 34.89	\$ —
USE OF FUND BALANCE	\$ —	\$ —	\$ —
<b>Total Revenue</b>	<b>\$ 36.08</b>	<b>\$ 36.20</b>	<b>\$ 0.12</b>

**SELF-INSURANCE LIABILITY FUND (1100) - EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ATTORNEY	\$ 1.18	\$ 1.14	\$ 0.04
HUMAN RESOURCES MANAGEMENT	\$ —	\$ —	\$ —
POLICE	\$ 7.60	\$ 7.63	\$ -0.03
FIRE	\$ 1.79	\$ 1.79	\$ —
PARKS, RECREATION, & YOUTH DEVELOPMENT	\$ 0.61	\$ 0.61	\$ —
PUBLIC WORKS	\$ 4.12	\$ 4.12	\$ —
NON-DEPARTMENTAL	\$ 21.56	\$ 21.56	\$ —
<b>Total Expenditures</b>	<b>\$ 36.86</b>	<b>\$ 36.85</b>	<b>\$ 0.01</b>

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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**SUGAR SWEETENED BEVERAGE DISTRIBUTION TAX FUND (1030) -  
REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
LOCAL TAX	\$ 9.20	\$ 7.89	\$ -1.31
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	\$ —	\$ 0.03	\$ 0.03
SERVICES CHARGES	\$ —	\$ —	\$ —
MISCELLANEOUS	\$ —	\$ -0.06	\$ -0.06
USE OF FUND BALANCE	\$ 13.29	\$ 13.29	\$ —
<b>Total Revenue</b>	<b>\$ 22.49</b>	<b>\$ 21.15</b>	<b>\$ -1.34</b>

**SUGAR SWEETENED BEVERAGE DISTRIBUTION TAX FUND (1030) -  
EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ADMINISTRATOR	\$ 0.16	\$ 0.03	\$ 0.13
FINANCE	\$ 0.36	\$ 0.33	\$ 0.03
LIBRARY	\$ 0.01	\$ 0.01	\$ —
PARKS, RECREATION, & YOUTH DEVELOPMENT	\$ 4.41	\$ 3.06	\$ 1.35
HUMAN SERVICES	\$ 7.94	\$ 7.40	\$ 0.54
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 0.42	\$ 0.42	\$ —
PUBLIC WORKS	\$ 0.54	\$ 0.76	\$ -0.21
TRANSPORTATION	\$ —	\$ —	\$ —
NON-DEPARTMENTAL AND PORT	\$ 4.73	\$ 4.73	\$ —
CAPITAL IMPROVEMENT PROJECTS	\$ 4.10	\$ 4.10	\$ —
<b>Total Expenditures</b>	<b>\$ 22.67</b>	<b>\$ 20.84</b>	<b>\$ 0.01</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Third Quarter (July 1, 2020 - March 31, 2021)**

**COMPREHENSIVE CLEAN-UP FUND (1720) - REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINES & PENALTIES	\$ 0.02	\$ 0.02	\$ —
INTEREST INCOME	\$ —	\$ 0.01	\$ 0.01
SERVICES CHARGES	\$ 22.76	\$ 20.38	\$ -2.38
GRANTS & SUBSIDIES	\$ —	\$ 0.08	\$ 0.08
MISCELLANEOUS	\$ —	\$ -0.01	\$ -0.01
USE OF FUND BALANCE	\$ 1.21	\$ 1.21	\$ —
<b>Total Revenue</b>	<b>\$ 23.99</b>	<b>\$ 21.70</b>	<b>\$ -2.30</b>

**COMPREHENSIVE CLEAN-UP FUND (1720) - EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ADMINISTRATOR	\$ —	\$ —	\$ —
CITY ATTORNEY	\$ 0.29	\$ —	\$ 0.29
FIRE	\$ 0.19	\$ 0.18	\$ 0.01
HUMAN SERVICES	\$ —	\$ —	\$ —
ECONOMIC & WORKFORCE DEVELOPMENT	\$ —	\$ —	\$ —
PUBLIC WORKS	\$ 23.40	\$ 24.40	\$ -1.01
TRANSPORTATION	\$ 0.01	\$ 0.01	\$ —
COUNCIL RESTORATION AMENDMENTS	\$ 0.10	\$ —	\$ —
<b>Total Expenditures</b>	<b>\$ 23.99</b>	<b>\$ 24.59</b>	<b>\$ (0.70)</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Third Quarter (July 1, 2020 - March 31, 2021)**

**MULTIPURPOSE RESERVE FUND (1750) - REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	\$ —	\$ 0.02	\$ 0.02
SERVICES CHARGES	\$ 9.16	\$ 3.89	\$ -5.28
MISCELLANEOUS	\$ 1.05	\$ 0.01	\$ -1.04
USE OF FUND BALANCE	\$ 1.12	\$ 1.12	\$ —
<b>Total Revenue</b>	<b>\$ 11.33</b>	<b>\$ 5.03</b>	<b>\$ -6.31</b>

**MULTIPURPOSE RESERVE FUND (1750) - EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ADMINISTRATOR	\$ —	\$ 0.10	\$ -0.03
FINANCE	\$ 0.29	\$ 2.82	\$ 0.07
ECONOMIC AND WORKPLACE DEVELOPMENT	\$ 0.19	\$ 0.04	\$ —
TRANSPORTATION	\$ —	\$ 4.73	\$ 0.69
NON-DEPARTMENTAL AND PORT	\$ —	\$ 2.90	\$ —
CAPITAL IMPROVEMENT PROJECTS	\$ 23.40	\$ —	\$ —
<b>Total Expenditures</b>	<b>\$ 11.33</b>	<b>\$ 10.60</b>	<b>\$ 0.74</b>

**FY 2020-21 REVENUE AND EXPENDITURE ANALYSIS**  
**Through Third Quarter (July 1, 2020 - March 31, 2021)**

**OPRCA SELF SUSTAINING REVOLVING FUND (1820) - REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
FINES & PENALTIES	\$ 0.01	\$ —	\$ -0.01
INTEREST INCOME	\$ 0.03	\$ 0.01	\$ -0.02
SERVICES CHARGES	\$ 5.71	\$ 2.25	\$ -3.46
INTERNAL SERVICE FUNDS	\$ —	\$ —	\$ —
MISCELLANEOUS	\$ 0.01	\$ -0.01	\$ -0.02
INTER-FUND TRANSFERS	\$ 1.55	\$ 1.55	\$ —
USE OF FUND BALANCE	\$ 0.07	\$ 0.07	\$ —
<b>Total Revenue</b>	<b>\$ 7.37</b>	<b>\$ 3.87</b>	<b>\$ -3.50</b>

**OPRCA SELF SUSTAINING REVOLVING FUND (1820) - EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
PARKS, RECREATION, & YOUTH DEVELOPMENT	\$ 7.37	\$ 6.72	\$ 0.65
<b>Total Expenditures</b>	<b>\$ 7.37</b>	<b>\$ 6.72</b>	<b>\$ 0.65</b>



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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**MEASURE B/BB FUNDS (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, and 2220) -  
REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
SALES TAX	\$ 25.80	\$ 25.80	\$ —
FINES & PENALTIES	\$ —	\$ —	\$ —
INTEREST INCOME	\$ —	\$ 0.05	\$ 0.05
SERVICE CHARGES	\$ 0.12	\$ 0.10	\$ -0.02
INTERNAL SERVICE FUNDS	\$ —	\$ 0.01	\$ 0.01
GRANTS & SUBSIDIES	\$ 9.28	\$ 9.28	\$ —
MISCELLANEOUS	\$ 0.23	\$ 1.29	\$ 1.06
USE OF FUND BALANCE	\$ 9.50	\$ 9.50	\$ —
<b>Total Revenue</b>	<b>\$ 44.92</b>	<b>\$ 46.03</b>	<b>\$ 1.11</b>

**MEASURE B/BB FUNDS (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, and 2220) -  
EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
MAYOR	\$ 0.23	\$ 0.22	\$ 0.01
CITY ATTORNEY	\$ 0.04	\$ 0.05	\$ -0.01
FINANCE DEPARTMENT	\$ 0.08	\$ —	\$ 0.08
POLICE DEPARTMENT	\$ 0.04	\$ 0.04	\$ -0.01
HUMAN SERVICES DEPARTMENT	\$ 4.23	\$ 4.40	\$ -0.17
OAKLAND PUBLIC WORKS DEPARTMENT	\$ 0.91	\$ 1.63	\$ -0.72
TRANSPORTATION	\$ 19.45	\$ 17.44	\$ 2.01
NON-DEPARTMENTAL AND PORT	\$ 4.31	\$ 4.31	\$ —
CAPITAL IMPROVEMENT PROJECTS	\$ 15.40	\$ 15.40	\$ —
COUNCIL RESTORATION AMENDMENTS	\$ 0.23	\$ —	\$ —
<b>Total Expenditures</b>	<b>\$ 44.92</b>	<b>\$ 43.50</b>	<b>\$ 1.19</b>

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

**Through Third Quarter (July 1, 2020 - March 31, 2021)**

**STATE TRANSPORTATION (GAS TAX) FUNDS (2230, 2232) -**  
**REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
<b>GAS TAX</b>	\$ 17.40	\$ 16.63	\$ -0.77
<b>INTEREST INCOME</b>	\$ —	\$ 0.02	\$ 0.02
<b>SERVICE CHARGES</b>	\$ 0.01	\$ —	\$ -0.01
<b>GRANTS &amp; SUBSIDIES</b>	\$ 0.14	\$ 0.14	\$ —
<b>MISCELLANEOUS REVENUE</b>	\$ —	\$ 3.00	\$ 3.00
<b>INTERFUND TRANSFERS</b>	\$ —	\$ —	\$ —
<b>USE OF FUND BALANCE</b>	\$ 3.89	\$ 3.89	
<b>Total Revenue</b>	<b>\$ 21.43</b>	<b>\$ 23.68</b>	<b>\$ 3.00</b>

**STATE TRANSPORTATION (GAS TAX) FUNDS (2230, 2232) -**  
**EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
<b>CITY ADMINISTRATOR</b>	\$ 0.15	\$ 0.16	\$ 0.16
<b>OAKLAND PUBLIC WORKS DEPARTMENT</b>	\$ —	\$ —	\$ —
<b>TRANSPORTATION</b>	\$ 17.95	\$ 17.89	\$ 17.89
<b>CAPITAL IMPROVEMENT PROJECTS</b>	\$ 2.27	\$ 2.27	\$ 2.27
<b>COUNCIL RESTORATION AMENDMENTS</b>	\$ 1.07	\$ 1.07	\$ 1.07
<b>Total Expenditures</b>	<b>\$ 21.43</b>	<b>\$ 21.43</b>	<b>\$ 0.04</b>

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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**PUBLIC SAFETY & SERVICES VIOLENCE PREVENTION ACT FUND (2252) -  
REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
PARKING TAX	\$ 8.39	\$ 4.28	\$ -4.11
LOCAL TAX	\$ 18.00	\$ 18.00	\$ —
INTEREST INCOME	\$ —	\$ 0.01	\$ 0.01
MISCELLANEOUS REVENUE	\$ —	\$ -0.04	\$ -0.04
TRANSFERS FROM FUND BALANCE	\$ 3.40	\$ 3.40	\$ —
<b>Total Revenue</b>	<b>\$ 29.79</b>	<b>\$ 25.65</b>	<b>\$ -4.14</b>

**PUBLIC SAFETY & SERVICES VIOLENCE PREVENTION ACT FUND (2252) -  
EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
CITY ADMINISTRATOR	\$ 0.45	\$ 0.47	\$ -0.02
FINANCE	\$ 0.35	\$ 0.35	\$ —
VIOLENCE PREVENTION	\$ 12.83	\$ 12.13	\$ 0.70
POLICE	\$ 13.31	\$ 9.51	\$ 3.81
FIRE	\$ 2.00	\$ 2.02	\$ -0.02
HUMAN SERVICES	\$ 1.41	\$ 1.38	\$ 0.02
<b>Total Expenditures</b>	<b>\$ 30.35</b>	<b>\$ 25.86</b>	<b>\$ 4.49</b>

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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**DEVELOPMENT SERVICE FUND (2415) - REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
LICENSES & PERMITS	\$ 19.81	\$ 26.68	\$ 6.86
FINES & PENALTIES	\$ 0.57	\$ 0.64	\$ 0.08
INTEREST INCOME	\$ —	\$ 0.54	\$ 0.54
SERVICES CHARGES	\$ 25.97	\$ 17.68	\$ -8.29
GRANTS & SUBSIDIES	\$ 0.75	\$ —	\$ -0.75
MISCELLANEOUS	\$ 0.23	\$ 0.40	\$ 0.18
INTER-FUND TRANSFERS	\$ —	\$ —	\$ —
USE OF FUND BALANCE	\$ 60.80	\$ 60.80	\$ —
<b>TOTAL REVENUE</b>	<b>\$ 108.13</b>	<b>\$ 106.74</b>	<b>\$ -1.38</b>

**DEVELOPMENT SERVICE FUND (2415) - EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
MAYOR	\$ 0.30	\$ 0.40	\$ -0.09
CITY ADMINISTRATOR	\$ 1.71	\$ 1.88	\$ -0.17
CITY ATTORNEY	\$ 2.80	\$ 2.87	\$ -0.07
FINANCE DEPARTMENT	\$ 1.06	\$ 1.39	\$ -0.32
INFORMATION TECHNOLOGY	\$ 1.26	\$ 0.97	\$ 0.29
HUMAN RESOURCES MANAGEMENT	\$ 0.70	\$ 0.78	\$ -0.08
FIRE DEPARTMENT	\$ 0.44	\$ 0.44	\$ —
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 0.24	\$ 0.24	\$ -0.01
PLANNING & BUILDING	\$ 83.60	\$ 81.12	\$ 2.48
PUBLIC WORKS	\$ 3.87	\$ 3.96	\$ -0.09
TRANSPORTATION	\$ 11.39	\$ 11.79	\$ -0.40
NON-DEPARTMENTAL	\$ 0.76	\$ 0.76	\$ —
<b>Total Expenditures</b>	<b>\$ 108.13</b>	<b>\$ 106.60</b>	<b>\$ 1.54</b>

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

Through Third Quarter (July 1, 2020 - March 31, 2021)

**TRANSIENT OCCUPANCY TAX FUND (2419) - REVENUES (\$ in millions)**

Revenue Category	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
TRANSIENT OCCUPANCY TAX	\$ 4.34	\$ 2.57	\$ -1.77
USE OF FUND BALANCE	\$ 0.08	\$ 0.08	\$ —
<b>Total Revenue</b>	<b>\$ 4.42</b>	<b>\$ 2.65</b>	<b>\$ -1.77</b>

**TRANSIENT OCCUPANCY TAX FUND (2419) - EXPENDITURES (\$ in millions)**

Agency / Department	FY 2020-21 Amended Budget	FY 2020-21 Q3 Projected FYE	FY 2020-21 Year-End \$ Over / Under Adjusted Budget
ECONOMIC & WORKFORCE DEVELOPMENT	\$ 0.62	\$ 0.61	\$ 0.01
NON-DEPARTMENTAL AND PORT	\$ 3.80	\$ 3.80	\$ —
<b>Total Expenditures</b>	<b>\$ 4.42</b>	<b>\$ 4.41</b>	<b>\$ 0.01</b>