



MEMORANDUM

TO: Honorable Mayor & City Council

FROM: Katano Kasaine
Director of Finance

SUBJECT: FY 2019-21 Budget Development
Questions/Responses #6

DATE: June 20, 2019

PURPOSE

The purpose of this memorandum is to transmit to the full City Council and public, responses to questions raised by City Councilmembers related to the Fiscal Year (FY) 2019-21 Proposed Biennial Budget. To the extent additional information becomes available on any of the responses below, updates will be provided.

QUESTIONS AND RESPONSES #6

- 1) **Please describe and itemize our current and proposed expenditures for our 911 dispatch operation. What monies are being allocated specifically to help reduce 911 hold times? (Kalb)**

A table below shows the current and proposed budget for the City's 911 dispatch operation.

Budget Category	FY 2018-19 Budget	FY 2019-20 Budget	FY 2020-21 Budget
Employee Personnel Service Expenditures	14,884,768	14,724,336	15,226,392
Supply and Material Expenditures	5,497	37,997	37,997
Service Expenditures	-	5,000	5,000
Contract Service Expenditures	2,000	42,000	42,000
Travel and Education Expenditures	4,120	-	-
Internal Service / Work Order Expenditures	600,868	798,327	807,221
Other Expenditures and Project Budget Accounts	41,162	45,258	46,164
Grand Total	15,538,415	15,652,918	16,164,774

- 2) **Automobile Speeding is a problem along many of our streets in Oakland. This presents serious risks to residents throughout the city. What is being done to strengthen enforcement of speed limit laws? How many officers are in the OPD Traffic division in the current fiscal year (FY18-19) and how many are proposed to be in the OPD Traffic division in FY19-20 and FY20-21? (Kalb)**

OPD currently have six (6) Speed Trailers for the entire City to calm traffic speed. In terms of personnel, there are 29.0 FTEs proposed in FY 2019-20 and FY 2020-21 (1.0 Lieutenant,

4.0 Sergeants and 24.0 Police Officers) in the Traffic Division. Currently, these positions are mostly filled, except for two Sergeant positions (1 retired in May, 2019).

OPD is working with DOT to have additional speed surveys completed in the City. In addition, the department has recently purchased 20 LIDAR Guns for speed enforcement. One of the programming adjustments include training Patrol Officers not assigned to Traffic on how to use the LIDAR Guns, which will increase speed enforcement throughout the city.

3) How much money is our city spending on Homeless Prevention? This questions includes private sources of funds (Keep Oakland Housed) and City public funds. Please specify the specific programs being funded. How does this match up with the information on prevention presented by the Human Services Department in their May 15, 2019 agenda report on efforts to address homelessness? (Kalb)

The City's Department of Human Services budget includes almost \$320,000 in county grant funding to prevent Oakland households from becoming homeless or to rapidly re-house those that became homeless. The Department of Housing & Community Development budget include \$2.2 million for anti-displacement program in the current fiscal year and any remaining amount will carryforward until funds are exhausted. Furthermore, the proposed council amendments include appropriations of \$1.7 million (\$0.7 million in FY 2019-20 and \$1.0 million in FY 2020-21) for anti-displacement efforts.

The City has a partnership with the San Francisco Foundation for the Keep Oakland Housed Program, which provides funding (approximately \$8 million) for various anti-displacement services for Oakland residents, including legal assistance, emergency financial assistance and case management services. Although the City does not run the program, the City is a collaborative partner in the program in that the Mayor's Office provides strategic input and helps promote the program.

4) Please fill in the follow table and add additional columns and narrative if necessary. Please identify which one or two GPF revenue source(s) had the highest percentage under-projections (vs. actuals) in FY15-16, FY16-17, FY17-18, and FY18-19. You may also remind us of under-projections of GPF expenditures for those same fiscal years. (Kalb)

Please refer to the supplemental report from the Finance Department for a detail analysis of the City's FY 2019-21 revenue projections for June 24, 2019.

5) Please describe how the new tiered real estate transfer tax (RETT) impacted the projected revenue for the RETT category. Based on actual revenue history over the past five years, the recent 3rd quarter report, and the new tiered RETT tax structure, would it be reasonable for the Council to add \$1,250,000 in each fiscal year to the RETT revenue projections. If the Council made that adjustment, please specify in detail the implications in terms of required allocations pursuant to the city's Rainy Day Fund policy? (Kalb)

No, all forecasts already incorporate the effects of the new rate structure. The FY 2019-21 Proposed Budget includes \$20 million in RETT revenues from large transactions (\$5 million or more). While it is possible that there could be additional large property sales, they are unpredictable and should not be relied upon. The City's Consolidated Fiscal Policy defines

“Excess” RETT formulaically. Any RETT revenue that exceeds 15% of total local GPF tax revenues (including RETT) is considered one-time. The “excess” RETT must be used as follows: 25% into the Vital Services Stabilization Fund; 25% toward long-term obligations; and 50% for one-time purposes.

6) My understanding is that the identified vacancy rate in the proposed Budget for Non-sworn employees averages out across departments to 4% city-wide. Is this accurate for both GPF and for all funds? How much money would be freed up in the GPF budget IF the non-sworn average vacancy rate across departments city wide was increased to 5%? (Kalb)

This question has a flawed assumption that increasing the vacancy credit would “free up” appropriations to be used for other purposes. It does not. This action has no impact on a department’s *actual* expenditures. Rather, it would only reduce their available appropriation, resulting in increased levels of overspending on personnel. **In order to manage to the lower appropriations, departments would need to keep more positions vacant (contrary to City Council priorities) and/or reduce service levels.**

If the vacancy credit was increased by 1.0% in the General Purpose Fund (GPF) it would result in a reduction in the amount of personnel appropriations of \$1.52 million in FY 2019-20 and \$1.60 million in FY 2020-21 across all departments. If the increased vacancy factor was in place for FY 2018-19, rather than a projected GPF available ending fund balance of \$720,000 as shown in the Q3 revenue & expenditure report, the City would be facing a nearly **\$800,000 deficit**.

The FY 2019-21 Proposed Budget includes a vacancy credit of 4.0% for non-sworn positions (civilians) across all funds with the following exceptions:

- Mayor’s Office;
- Public Ethics Commission;
- City Clerk’s Office; and,
- All Elected Officials (City Councilmembers, Auditor, City Attorney, Mayor).

Again, for the reasons outlined above, staff does not recommend adjusting the vacancy credit.

7) Can any or all of the 11 new Fire Prevention positions proposed in the Administration’s Budget be eligible to be paid from fund 2415 instead of the GPF? If so, how many and which new FTEs? (Kalb)

No, the Development Services Fund is not an eligible source. The positions are cost recovery pursuant to the Council approved Master Fee Schedule for FY 2019-20.

8) Are there some one-time expenditures in the proposed Budget that are proposed to be paid with on-going GPF revenue? If so, please list those or tell us where we can clearly find those details in the budget document. (Kalb)

The FY 2019-21 Proposed Budget for the General Purpose Fund (GPF) does not use one-time revenues to cover ongoing expenses as prohibited/restricted by the Consolidated Fiscal Policy (CFP). The FY 2019-21 Proposed Budget has one-time revenues of \$4.1

million and one-time expenses of \$4.2 million in the GPF in FY 2019-20 (Year 1). This means that approximately \$0.1 million of one-time expenditures in the GPF are funded with ongoing revenues. All of the one-time expenditures in the GPF are called out in the FY 2019-21 Proposed Budget beginning on page E-7. A few of the notable one-time expenditures include:

- One-time O&M for the Police Commission of \$0.1 million;
- One-time Wildfire Prevention Funding of \$1.10 million;
- One-time funding for the vegetation management plan implementation of \$0.1 million;
- One-time grant for OUSD for Restorative Justice, Foster Care, Libraries of \$1.2 million; and,
- One-time funding for job training and preparation of \$0.25 million.

9) Please provide the breakdown of CIP scoring for the projects added in the Council amendments [Kaplan]

The table below provides the rank and score of the CIP projects added in the Councilmember budget amendments. The scores for all unfunded CIP projects are listed in the FY 2019-21 Proposed Capital Improvement Program on page B-1 which can be accessed here: www.oaklandca.gov/budget.

Project Name	In Unfunded List?	Rank	Total Score out of 100 Points Awarded
Dimond Tennis Courts [1]	Yes	21 of 181	62.0
East Oakland Sports Complex [2]	Yes	80 of 181	33.0
Public toilets for Madison Park and Concordia Park	No	n/a	n/a
Madison Park Irrigation Fix and Upgrade	No	n/a	n/a
Allendale Rec Center Tot Lot [3]	No	n/a	n/a
Joaquin Miller Community Center [4]	Yes	83 of 181	32.5
Antioch Court	Yes	91 of 181	31.0
East Oakland Beautification & Streetscaping	No	n/a	n/a

[1] Project cost was \$600,000 while Council amendment includes \$300,000 (scope may need to be revised)

[2] CIP project cost was \$3,650,000 while Council amendment includes \$2,000,000 (scope may need to be revised)

[3] Separately funded through CIP allocation in Measure HH in FY 2018-19

[4] Reflects scoring for Joaquin Miller Center improvements with a cost of \$2,600,000. Council amendment includes \$170,000 for fountain upgrades only

10) Please provide additional details on the use of fund balance for FY 2018-19 GPF Project Carry Forward (CF) totaling \$33.04 million. (Bas)

Please see **Attachment A** for a list of GPF project and encumbrance carryforward appropriations by department. Project and encumbrance carryforwards are previously approved and committed project appropriations and purchases that are obligated by contracts. It is important to note that project expenditures do not coincide with the fiscal year. Many projects are multi-year in nature and cross fiscal years. These project

appropriations are approved by the City Council via standalone resolution or through the biennial budget process. Caution should be used when reviewing the year-to-date spending of carryforwards as many invoices get processed at the end of the fiscal year for services already rendered.

After the close of each fiscal year, the Finance Department submits a list of eligible carryforwards to all departments for evaluation. Departments may request to retain some or all carryforwards when such balances are deemed essential to the delivery of city projects, programs and services or if the liquidation of such balances would be in violation of legislative or legal requirements.

At the close of FY 2017-18, \$33.04 million was carried forward to FY 2018-19 in the GPF. A significant portion of these funds were either encumbered by contract, spent, or are restricted by grant agreements.

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

Respectfully submitted,

/s/

KATANO KASAINÉ
Director of Finance

Attachments (1)

- FY 2018-19 GPF Carry Forward and Encumbrance List

Department and Project	Carryforward Amount	Encumbered by Contract	YTD Spent (6/10/19)	Committed	Comments
Capital Improvement Projects	1,268,392	297,095	202,897	768,400	Insurance proceeds for Mosswood rebuild
City Administrator	4,162,569	212,972	1,613,188	2,336,409	
DISPARITY STUDY	260,887	107,673	89,828	63,387	
EQUAL OPP PRGM-ONE TIME FUNDS	13,059	0	0	13,059	
PUBLIC INFORMATION-MEDIA PROJ	104,887	0	104,887	0	
WEBSITE REDESIGN	15,000	0	0	15,000	
Encumbrances	150,693	122	150,571	0	
Cannabis Equity Loan Program	3,612,392	102,265	1,267,902	2,242,224	Proposed for programming in Council amendments in FY 2019-21
Animal Services	5,651	2,912	0	2,739	
City Attorney	4,141	0	4,141	0	
Encumbrances	4,141	0	4,141	0	
City Auditor	988	0	988	0	
Encumbrances	988	0	988	0	
City Clerk	821,972	5,605	816,367	0	
AGENDA MANAGEMENT	1,711	0	1,711	0	
CITYWIDE RECORDS MGT	123,553	3,945	119,608	0	
ELECTION FUNDING	692,941	1,660	691,281	0	
Encumbrances	3,766	0	3,766	0	
City Council	131,521	0	31,900	99,621	
D6 GRANTS EVENTS PRGMS	66,710	0	0	66,710	
FY06-07 CNCL PRIORITIES-DIST 2	32,911	0	0	32,911	
Encumbrances	31,900	0	31,900	0	
Department of Transportation	2,174,682	543,599	1,631,083	0	
Encumbrances	2,174,682	543,599	1,631,083	0	
Department of Violence Prevention	45,854	0	45,854	0	
Urbn Stratgies Cncl-DVP Conslt	45,854	0	45,854	0	
Economic and Workforce Development Department	509,301	25,915	118,618	364,768	
BUS IMPV DIST-NCR 1010-C138410	24,770	0	0	24,770	
BUSINESS ATTRAC 1010-P58520	100,000	0	0	100,000	
FORN TRD ZN 1010-P389610	26,863	7,863	1,500	17,500	
MERCH ORG-SHP OAK 1010-P275310	8,229	0	1,500	6,729	
MURALS-GREEN WALLS	215,770	0	0	215,770	
Encumbrances	110,242	18,051	92,190	0	

Department and Project	Carryforward Amount	Encumbered by Contract	YTD Spent (6/10/19)	Committed	Comments
Youth Employment	23,428	0	23,428	0	
Finance Department	2,296,221	266,768	1,824,054	205,400	
PUBLIC BNKING FEASBLTY STUDY	75,000	0	45,000	30,000	Proposed for programming in Council amendments in FY 2019-21
Encumbrances	1,309,769	0	1,309,769	0	Citation assistance collections and multi-space meter contracts
Cannabis	104,048	0	104,048	0	
Financial Systems Contracts/Support	807,404	266,768	365,236	175,400	Obligated for PBCS (budget software) per Council Resolution (June 10)
Fire Department	1,044,928	0	788,811	256,117	
ACCELA PLATFORM C501910	197,013	0	197,013	0	
AFG WELLNESS GRT-MH G475420	438	0	0	438	
Vegetation Management	58,856	0	0	58,856	
Encumbrances	591,798	0	591,798	0	
Cannabis	196,823	0	0	196,823	Fire Plan Check/Inspections
Housing and Community Development Department	925,000	0	0	925,000	
BUS RAPID TRANSIT 1010	810,000	0	0	810,000	Obligated for business assistance per Council resolution
RAP SOFTWARE PROG	115,000	0	0	115,000	
Human Resources Management Department	532,760	5,835	135,431	391,494	
BACKGROUND CHECK BACKLOG	200,790	0	0	200,790	
CITY-WIDE TRAINING	94,537	4,483	6,799	83,256	
RECRUITMENT SUPPORT SERVICES	160,305	1,353	51,504	107,448	
Encumbrances	77,128	0	77,128	0	
Human Services Department	3,135,845	227,496	1,414,248	1,494,102	
CTY-CNTY NEIGHB INIT	31,565	30,002	1,563	0	
CTY-CNTY RENTRY JOB	350,000	0	0	350,000	Proposed for programming in Council amendments in FY 2019-21
FY1617 OTRCH SEXEXPLTD MINRS	60,978	39,920	21,058	0	
GPF HIGH PRIORITY FY1718	80,089	0	0	80,089	
GPF HUNGER PRGM FY1718	35,420	19,138	13,017	3,265	
GPF OUTREACH FY1718	12,913	0	3,750	9,163	
GPF SECOND HENRY HRMSC	254,382	0	254,382	0	
SVCS SXLY EXPL CHILDREN	55,000	27,500	27,500	0	
YOUTH TOGETHER	87,619	78,950	8,669	0	
Encumbrances	696,175	0	696,175	0	
Senior Centers Operating / Retained Rental	281,195	26,361	240,228	14,606	
Emergency Housing / Homelessness	86,354	251	60,890	25,212	
Grant Matching / Subsidies	1,104,156	5,374	87,016	1,011,766	Restricted per grant agreements for local match
Information Technology Department	92,350	90,759	1,590	0	

Department and Project	Carryforward Amount	Encumbered by Contract	YTD Spent (6/10/19)	Committed	Comments
PCI COMPLIANCE A468585	90,759	90,759	0	0	
Encumbrances	1,590	0	1,590	0	
Mayor	57,305	0	7,397	49,908	
MAYOR'S MENTORING PROGRAM	325	0	0	325	
MAYOR'S OFFICE ADMIN SUPPORT	55,094	0	5,511	49,583	
Encumbrances	1,886	0	1,886	0	
Non Departmental and Port	7,969,034	99,873	7,293,212	575,949	
BUS IMPV DIST-NCR 1010-C138410	3,222	0	3,222	0	
CAO CONTINGENCY	86,535	56,161	30,374	0	
CHORUS	3,179	805	2,374	0	
CITY COUNCIL CONTINGENCY	86,282	0	0	86,282	
CULTL ATS GNT FND 1010-P385310	66,610	0	66,610	0	
EMPLOYEE RECOGNITION	80,947	0	14,304	66,643	
FEDERAL LOBBYIST	56,500	2,500	54,000	0	
GRAFFITI EVIDENCE AND ENF PROG	83,025	0	0	83,025	
MEASURE FF EDUCATION	240,000	0	0	240,000	
NATIONAL NIGHT OUT	4,420	0	4,420	0	
PUBLIC CAMPAIGN FINANCING	120,835	0	120,835	0	
STATE LOBBYIST	37,500	0	37,500	0	
SVCS SXLY EXPL CHILDREN	100,000	0	0	100,000	
Encumbrances	6,999,981	40,407	6,959,574	0	
Oakland Parks and Recreation Department	296,682	25,000	118,044	153,638	
OPR GRANTS-SCHOLAR LOW INC YTH	56,755	0	0	56,755	
RAIDERS SURCHARGE	26,396	0	0	26,396	
Encumbrances	44,977	0	44,977	0	
West Oakland Youth Center/Mentoring	168,554	25,000	73,067	70,487	
Oakland Public Library Department	29,907	0	28,319	1,588	
OPL POPUP MOBILE VEHICLE ACQ	2,561	0	973	1,588	
Encumbrances	27,346	0	27,346	0	
Oakland Public Works Department	1,494,583	40,184	334,484	1,119,916	
ASTRO PARK TOT LOT IMPROV	1,219	0	0	1,219	
ENHANCED PARK MAINTENANCE	37,188	37,188	0	0	
MOSSWOOD REBUILD	1,152,760	0	47,970	1,104,790	Insurance proceeds for Mosswood rebuild
OPL POPUP MOBILE VEHICLE ACQ	5,450	0	0	5,450	
PAYGO D2 MADISN SQ PORTA POTTY	5,156	0	0	5,156	
Encumbrances	280,459	0	280,459	0	

Department and Project	Carryforward Amount	Encumbered by Contract	YTD Spent (6/10/19)	Committed	Comments
ADA Projects	12,351	2,996	6,054	3,301	
Planning and Building Department	194,623	0	0	194,623	
PERTS TECHNOLOGY ENHANCEMENT	(5,064)	0	0	(5,064)	
Cannabis	199,687	0	0	199,687	Plan check engineering
Police Commission	182,475	0	804	181,672	
CPRB-INVESTIGATIONS	182,031	0	359	181,672	
Encumbrances	444	0	444	0	
Police Department	5,611,424	665,987	2,434,151	2,511,286	
COMPLIANCE DIRECTOR - RACIAL	250,000	0	0	250,000	
COMPLIANCE DIRECTOR CONTRACT	88,711	0	88,711	0	
DEEMED APPROVED	474,144	177,350	296,794	0	
DOJ FINGERPRINT FEE TRUST	50,970	0	1,920	49,050	
EXTRA LEGAL LOAD	7,463	0	7,463	0	
MISC GRANT HONOR GUARD	12,253	0	0	12,253	
OPD WELLNESS UNIT	449,867	35,722	26,470	387,674	
PROPERTY AUCTION REVENUE	11,304	50	957	10,296	
REDUCE GUN VIOLENCE	242,832	0	0	242,832	
SHOTSPOTTER	44,246	0	31,130	13,116	
SHOTSPOTTER PHASES II - III	50,877	0	0	50,877	
TASER PROJECT	1,030	1,009	0	21	
Encumbrances	800,814	13	800,801	0	
Police Academies	1,541,761	413,873	1,127,887	0	
COPS Grants - Matching Funds	1,585,153	37,969	52,016	1,495,168	Restricted per grant agreements for local match
Public Ethics Commission	12,142	0	12,142	0	
Encumbrances	12,142	0	12,142	0	
Race and Equity Department	43,266	21,878	461	20,927	
RACE & EQUITY-FY15-17	42,806	21,878	0	20,927	
Encumbrances	461	0	461	0	
Grand Total	33,037,966	2,528,965	18,858,182	11,650,819	