



INFORMATIONAL REPORT

TO: Edward D. Reiskin
City Administrator

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

SUBJECT: Budget Deficit Closure Actions

DATE: January 19, 2021

City Administrator Approval

Date: Jan 21, 2021

RECOMMENDATION

Staff Recommends That City Council Receive An Informational Report Regarding I) Responses to questions raised during the December 7, 2020, Finance & Management Committee Meeting related to the Fiscal Year (FY) 2019-20 Fourth Quarter and FY 2020-21 First Quarter Revenue & Expenditure (R&E) Report; II) Information regarding the December 20, 2020 Budget Shortfall Closure Actions Memo, specifically addressing who was involved in determining the actions, on what basis, and who has authority to make these reductions; and, III) Information regarding all funds budget status and projections.

EXECUTIVE SUMMARY

Oakland is experiencing a significant reduction in local tax revenues, coupled with increased expenditures, due to the impact of COVID-19 and shelter-in-place orders that first went into effect in March 2020. The shelter-in-place has negatively impacted various local tax revenues, including transient occupancy taxes, sales taxes, and other revenue generating activities, including parking garage revenues, parking meters, fines & penalties, and service charges, all of which endanger the City's long-term financial sustainability and capacity to deliver services to the community.

After closing a \$122 million budget gap last summer, analysis provided to the Council last month indicated that, absent corrective actions, the General Purpose Fund (GPF) was projected to have a **\$62.3 million deficit** by June 2021. Revised deficit estimates will be presented following the receipt and analysis of second quarter data (through December 31, 2020), which is customarily presented at the second Finance & Management Committee Meeting in late February. **Preliminary indications show that, the FY 2020-21 year-end deficit, absent corrective actions, will be even greater than the \$62.3 million presented at the Fourth/First Quarter Revenue & Expenditure report, driven by a reinstatement of shelter-in-place restrictions and continued, severe revenue declines.**

The City Charter provides the City Council with the authority to appropriate funds and the City Administrator to "control and administer the financial affairs of the City." In execution of that responsibility, the Administration acted to reduce **\$29 million** in GPF expenditures for the remainder of FY 2020-21. This administrative action is comprised of various service reductions

City Council
January 25, 2021

and other cost-cutting measures, including employee compensation concessions for unrepresented employees, release of part-time employees, reductions to police and fire overtime, hiring freezes, and further elimination of carryforward appropriations. Adjusting for these \$29 million cost savings, the City's remaining GPF deficit is projected to be approximately **\$33.3 million**. It is important to note that a more robust cost savings analysis of the administrative actions will need to be performed with the Second and Third Quarter R&E reports (February and May 2021, respectively) after the actions have been sufficiently implemented. It is possible that these \$29 million in administrative actions will not fully materialize. **Any deviation from the City Administrator's service reductions in the GPF will reduce the projected cost savings in FY 2020-21 and will increase the deficit in the GPF.**

Development of the FY 2021-23 Proposed Budget is currently underway. Based on preliminary analysis, the operating deficit in the GPF is approximately **\$81.3 million** in FY 2021-22 (Year 1) and is approximately **\$68.5 million** in FY 2022-23 (Year 2), for a combined two-year GPF budget gap of \$149.8 million. Importantly, these preliminary operating deficits are in addition to the remaining GPF deficit of \$33.3 million in FY 2020-21 (after administrative balancing actions of \$29 million).

In sum, the magnitude of these financial challenges cannot be ignored or dismissed and require deliberate and decisive action. While all actions that impact City services and City employees are painful, delaying action will result in more severe impacts on City services and employees.

BACKGROUND / LEGISLATIVE HISTORY

In the months following the announcement of the first shelter-in-place order, the City Administrator took the following actions in response to projected financial pressures in FY 2019-20:

- Instituted a selective hiring freeze;
- Released temporary part-time employees; and,
- Suspended the OPEB Trust contribution (which funds retiree healthcare benefits the City has obligated itself to provide to retired City employees) and various transfers.

On June 23, 2020, the City Council adopted the FY 2020-21 Midcycle Amendment (Resolution No. 88174 C.M.S.) with GPF revenues and expenditures of \$644.09 million and all funds revenues and expenditures of \$1.71 billion¹. The GPF budget was balanced without concessions from labor unions through the following high-level actions:

- Froze 60.20 positions (\$9.08 million savings);
- Transferred 60.66 positions out of the GPF (\$10.25 million savings);
- Civilianized 11 existing Oakland Police Department (OPD) positions (\$0.68 million savings);

¹ In advance of the City Council's adoption of the Midcycle Amendment, the Administration provided an alternative, pessimistic revenue scenario. In hindsight, it appears that scenario was more accurate than what was adopted.

- Eliminated GPF O&M budgets (\$7.58 million savings);
- Suspended OPEB Trust Contribution (\$4.10 million savings);
- Suspended and re-amortized negative fund repayment (\$1.96 million savings);
- Budgeted FEMA reimbursements (\$3.59 million savings);
- Budgeted CARES Act allocations (\$5.50 million savings); and,
- Used 100% of remaining rainy day reserve (\$14.65 million in 2020-21).

On July 28, 2020, the City Council amended the FY 2020-21 Midcycle Budget (Resolution No. 88269 C.M.S.) to include additional policy directions related to OPD expenditures by creating the Reimagining Public Safety Taskforce to create a plan to dramatically shift resources from enforcement and punishment to prevention and wellness for integration in the Fiscal Year 2021-23 Budget.

On the same date, the City Council adopted Resolution 88274 C.M.S., accepting \$36.99 million of CARES Act funding, clarifying CARES Act expenditures and waiving competitive bid process to ensure that CARES Act funds were spent by the December 31, 2020 deadline.

On December 7, 2020, staff presented to City Council the unaudited year-end revenues & expenditures for FY 2019-20, showing a GPF deficit of \$30.42 million. The R&E results demonstrated that the administrative actions taken in April 2020 were insufficient to curtail increasing expenditures and declining revenues as a result of the pandemic. Public safety response to public protests in June 2020 and a reduction in sales tax revenue due to business shutdowns further exacerbated the FY 2019-20 GPF deficit.

(\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2019-20 Q4 Unaudited Actuals
Beginning Fund Balance - Audited	\$97.86
Revenue	\$630.92
Expenditures	\$683.25
Estimated Year-end Surplus/(Shortfall)	\$(52.33)
Subtotal Fund Balance	\$45.53
FY19-20 / FY20-21 Obligated Fund Balance	\$(25.28)
Designated / Mandated Reserves	\$(50.67)
Estimated Ending Available Fund Balance	\$(30.42)

At the same meeting, the City Council received a FY 2020-21 First Quarter R&E report showing a projected GPF deficit of \$31.87 million. Absent corrective action, the year-end GPF balance at the first quarter was projected to be negative \$62.29 million.

(\$ in millions)

Description	Q1 FY 2020-21 Forecast
FY 2020-21 Beginning Fund Balance	\$(30.42)
Revenue	\$630.46
Expenditure	\$662.33
Estimated Year-end Surplus/(Shortfall)	\$(31.87)
Projected FY 2020-21 Year-End Balance	\$(62.29)

On December 20, 2020, the City Council received an informational report outlining the City Administrator's actions as follows:

(\$ in millions)

General Personnel and Spending Cuts	\$9.0
Hiring freeze	\$5.4
Release temporary staff	\$1.0
Further reduce unspent funds carried forward from last fiscal year	\$2.0
Pay reductions for staff not represented by a labor group	\$0.5
Freeze discretionary spending	\$0.1
Public Safety Reductions	\$20.0
Police—reduction in overtime, specialized units, programs	\$15.0
Fire—reduction in overtime	\$5.0
TOTAL	\$29.0

It is important to note that a more robust cost savings analysis of the administrative actions will need to be performed with the Second and Third Quarter R&E reports (February and May 2021, respectively) after the actions have been sufficiently implemented. It is possible that these \$29 million in administrative actions will not fully materialize. **Any deviation from the City Administrator's service reductions in the GPF will reduce the projected cost savings in FY 2020-21 and will increase the deficit in the GPF.**

ANALYSIS AND POLICY ALTERNATIVES

Case Studies on the Consequences of Delayed Action

The following high-profile cases provide valuable and important lessons of what may happen if the current financial condition was left unchecked or more precisely if the Administration did not take immediate action to ensure the City's fiscal solvency.

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

After years of overspending and financial mismanagement, OUSD requested the largest school bailout in California history in 2003. While the Superintendent at the time was credited with improving academic performance and decreasing teacher turnover by issuing a 24% pay raise, he was accused of ignoring the financial challenges raised by his staff.² Special education programs and cafeteria costs were being funded out of the District’s reserve, all while revenue was decreasing due to declining enrollment numbers. The school board claims to have been blindsided due to a lack of transparency from staff and an accounting error that masked the size of the deficit.³ The State issued a \$100 million loan and assumed control of the District for six years. The District is still paying off this loan today.

Case Study #2, City of San Bernardino:

After years of unsustainable fiscal practices and overspending, the city of San Bernardino entered into a four-year long bankruptcy in 2012. Leading up to the Great Recession, the city experienced an influx in population and a greater demand for services.⁴ The number of city employees grew along with the associated personnel costs which included very generous retirement benefits that were negotiated with the City’s seven labor unions. “San Bernardino’s overall treatment of its workforce relative to retirement benefits up to and into the recession remained quite generous, despite the disquieting flow of red ink on the city’s balance sheet.”⁵

Fiscal mismanagement and a misinformed council are also to blame. Included in the decision⁶ by the US Bankruptcy Court, C.D. California, Riverside Division granting the City of San Bernardino bankruptcy case:

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

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

² <https://www.nytimes.com/2003/06/08/us/dream-ends-for-oakland-school-chief-as-state-takes-over.html>

³ <https://www.sfchronicle.com/bayarea/article/Bailed-out-Oakland-schools-are-back-in-financial-10830011.php>

⁴ [City of San Bernardino Eligibility Opinion](#)

⁵ <https://gspp.berkeley.edu/assets/uploads/research/pdf/Rosenthal-Working-Paper-Exuberance.Bankruptcy.pdf>

⁶ [City of San Bernardino Eligibility Opinion](#)

Case Study #3, City of Vallejo:

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

The City took drastic action, reducing its workforce, and eliminating nonessential services. It "cut hours and staffing at facilities (e.g., the senior center, the library, and parks systems), and increasingly deferred infrastructure upkeep (like street maintenance and city-fleet vehicles repair and replacement)."⁷ The substantial reductions were not enough to overcome the \$16 million deficit. Negotiations with the labor unions were unsuccessful, with the police and fire unions claiming that "any further cuts would endanger public safety as well as the safety of the police and firefighters."⁸ At the time, Vallejo spent "74 percent of its \$80 million general fund budget on public safety salaries, significantly higher than the state average."⁹ Without labor concessions, filing for bankruptcy was the only option.

Case Study #4, City of Stockton:

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

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

According to the City of Stockton, its budget deficits resulted from reduced revenues, pension system losses, and unsustainable compensation packages for its employees. Additionally, debt payments for issuances from the prior decade, and questionable fiscal management practices were cited as contributing factors to its insolvency.

Stockton's story provides a cautionary tale for Cities struggling to remain solvent. Stockton did not arrive at the point of bankruptcy overnight. While some causes like the Great Recession and the anemic recovery, were external; the majority of the causes were within City control, such as unsustainable labor contracts, reliance on one-time solutions, failure to prioritize services, or

⁷ <https://gspp.berkeley.edu/assets/uploads/research/pdf/Rosenthal-Working-Paper-Exuberance.Bankruptcy.pdf>

⁸ <https://www.sfgate.com/bayarea/article/Vallejo-votes-to-declare-Chapter-9-bankruptcy-3285168.php>

⁹ <https://gspp.berkeley.edu/assets/uploads/research/pdf/Rosenthal-Working-Paper-Exuberance.Bankruptcy.pdf>

enact new revenue measures. Critically the most consequential element of Stockton's financial collapse was the inability and unwillingness of City leaders to establish and adhere to a roadmap to fiscal sustainability, that is a plan to restore city government finances to long term health by reducing expenditure cost increases (largely personnel), increase tax revenues, resolve negative funds, and establish substantial reserves.

I. Responses to questions raised during the December 7, 2020 Finance & Management Committee Meeting and the December 20, 2020 City Council Meeting related to the FY 2019-20 Fourth Quarter and FY 2020-21 First Quarter R&E Report & the Informational Report on Budget Shortfall Actions

A. What is the timing on putting the Wildfire Prevention Assessment District (WPAD) back on the ballot? [McElhaney]

The WPAD proposal could be put placed on the ballot during either a Special Election or at the next General Election in November 2022. Both options would need a collaborative strategy between Council and OFD.

B. Provide an analysis on the Self Insurance Liability Fund and possible measures to decrease liabilities. [Bas]

See attached response from the City Attorney (Attachment A).

C. Provide list of vacant positions with aging and recruitment status. [Thao]

Vacant positions as of January 14, 2021 is available [online](#). This report does not include aging and recruitment status because those data points are not accurately reported within the Human Resources Information System (HRIS) or recruiting platforms. The HRIS shows a "Vacancy Date" but it only captures the last position transaction, which may include an acting assignment, funding changes for a current employee, vacancy, promotion, new position added to the budget, etc. For recruitment status, the NeoGov recruitment platform has the information related to submitted requisitions, meaning those vacancies that are being actively recruited.

HRM is in the process of working with departments to reconcile the monthly Position Control Report. This report is due back to HRM by January 22, 2021 and will confirm if positions are indeed vacant or if the funds are being used for other purposes. It will not show the vacancy date or recruitment status. In any case, the great majority of vacant civilian positions have been frozen in order to curtail expenditures, which means they not only cannot be filled, but the funds associated with them cannot be otherwise used to deliver service.

D. What is the scope of the economic/financial consultant who is conducting forecasting, etc?

See attached scope for Blue Sky Consulting Group that is conducting an independent analysis for the Five-Year Forecast (Attachment B).

E. What is the status of our financial ratings and how does this compare with other cities at this time?

The City's ratings have not changed since its previous upgrade. As a general rule rating agencies are non-proactively altering municipal ratings for agencies across the nation. A rating review would likely be triggered if Oakland or any other agency sought debt financing on the open market, or if the City clearly and publicly demonstrated an act of fiscal irresponsibility.

	Standard & Poor's	Moody's	Fitch Ratings
Oakland	AA	Aa1	AA-
Sacramento	AA-	Aa2	AA-
Long Beach	AA	Aa2	AA
Los Angeles	AA	Aa2	AA
San Jose	AA+	Aa1	AA+
San Diego	AA	Aa2	AA
San Francisco	AAA	Aaa	AA+

F. What are the fund balances for All Funds?

See attached report that shows Ending Fund Balance for FY 2019-20 (Attachment C). Please note that this report includes all balance sheet accounts including physical assets, depreciation, long-term liabilities, etc. and does not reflect the cash balance available to be spent. The estimated available fund balance is determined by a detailed analysis of each fund which will be provided with the proposed budget. In addition, most of the funds with positive balances are either restricted in their use, obligated by appropriations in the Adopted Budget, or reserved by ordinance or bond covenant. Also, for some funds, the balances will be drawn down in the current year due to current year expenditures exceeding revenues.

II. Information regarding the December 20, 2020 Budget Shortfall Closure Actions Memo, specifically addressing who was involved in determining the actions, on what basis, and who has authority to make these reductions.

The City Charter vests the City Administrator with the authority to "control and administer the financial affairs of the City". In execution of that responsibility, the Administration has taken actions to control expenditures. On December 20, 2020, the Administration released an [Informational Report](#) regarding Budget deficit closure actions and update on policy directives related to Police Department overtime.

As noted in the report, the Administration immediately implemented cost-saving measures, including general personnel and discretionary spending cuts, and public safety expenditure and service reductions.

The determination of the spending cuts was done in consultation with City leadership and were prioritized based on impact to employees and critical services. Of the options available to the Administration, the actions taken presented the least impact.

The decisions related to the public safety cuts were especially difficult. However, it is not possible to address the General Purpose Fund deficit without significant reductions to Police and Fire service delivery. Together, these two departments make up the majority of the GPF expenditures. The City Administrator is continuing to work closely with both departments to implement and adjust the service reduction plan as necessary.

III. Information regarding all funds budget status and projections.

Staff will present the Second Quarter (Q2) Revenue and Expenditure (R&E) Report in late February. That report will incorporate updated revenue and expenditure projections for many funds based upon fiscal data through December 2020, updated costing of previously enacted administrative actions, and any new administrative actions taken since December 2020. To the extent a Budget amendment is necessary staff will prepare a relevant resolution for Council's consideration.

Additional Developments since December

Ongoing Administrative Reduction Analysis

The Administration has continued work to identify additional expenditures that can be administratively curtailed, including through addition review of funds previously appropriated by the City Council and via a departmental expenditure reduction exercise. The Administration will continue to take actions necessary to curtail expenditures towards closing the City's budget gap in execution of Charter responsibilities.

Federal Aid

With the single party control of Congress and the Presidency as of January 20th, the likelihood that the City will receive federal aid has increased. However, delaying difficult decisions with the hope that the one-time federal aid will resolve the shortfall is ill advised and does not address the longer-term deficit that staff is projecting in the FY 2021-23 Budget. Further, it is highly unlikely that federal aid will be sufficient to resolve the current year and next two fiscal years cumulative deficits. **Staff is hopeful that the City will receive Federal Aid, but Council and the public should clearly understand, that WILL NOT be enough to resolve our significant fiscal problems; difficult choices will still be necessary.**

Coliseum Joint Powers Authority (JPA)

Due to the JPA's successful resolution of the Warriors lawsuit regarding debt payments, staff expects funds from the JPA reserve will be returned to the City. The JPA will consider an item during its February meeting that may result in a return of up to \$10 million each to the City and the County. These would also be one-time funds that will be in sufficient close the current deficit. As such, there is no justification for any reversals of the recent Administrative actions. Furthermore, there is a real possibility that the deficit projected in the first quarter was significantly understated. As noted above, revenue projections were produced long before the county mandated stay-at-home order that was put in place in December and extended indefinitely.

FY 2021-23 Biennial Budget Preliminary Deficit

As referenced earlier in this report, the FY 2021-23 baseline budget has a preliminary estimated two-year combined deficit of \$149.8 million in the GPF. This preliminary estimated baseline deficit is independent of, and in addition to, any FY 2020-21 year-end deficit. If the Administration had failed to act and cost control actions were NOT taken, the current year (FY 2020-21) would have ended with an unresolved \$62.3 million deficit. That \$62.3 million amount would then need to be addressed in the first year of the Biennial Budget in addition to the baseline deficit. This means that the \$81.3 million preliminary baseline deficit in FY 2021-22 could have increased to an overwhelming \$143.6 million, which is roughly 21% of the City's GPF budget.

The paragraph above underscores the importance of taking early, swift, and necessary action. Closing a deficit of this magnitude would most certainly require the elimination of entire programs and the reduction of essential services for the City's residents. Reductions at this scale would harm the health and safety of residents (especially our most vulnerable), negatively impact the City's built environment, and damage the local economy. Actions taken to close the gap this fiscal year will reduce the magnitude of cuts the City will have to make next fiscal year.

Ongoing and Future Fiscal Health Problems

The long-term fiscal health of the City is of significant concern. There are increasing, unfunded costs related to Other Post-Employment Benefits (OPEB), CalPERS pension, health care, cost inflation in excess of revenue growth, substantial outstanding lawsuits, and unfunded capital needs. In FYs 2017-18, 2018-19, 2019-20, in an effort to reduce these liabilities, the City Council budgeted contributions of \$10 million per year to begin reducing OPEB liabilities. Long-term unfunded liabilities, which include employee pension and retiree healthcare benefits, exceed \$2 billion. In FY 2020-21, due to the impact of the current economic downturn, these liabilities are not being addressed.

In addition, the failure to properly budget for police services is a contributing factor to ongoing overspending. In past years neither the Administration or City Council have adjusted OPD's overtime budget to align with negotiated wage increases. From FY 2006-07 to FY 2019-20, actual overtime hours have decreased nine percent (9%). However, the cost has increased from \$28.55 million to \$41.10 million. Additionally, overtime hours for non-patrol services like Ceasefire, Homelessness, Walking Officers, or Criminal Investigations have not been budgeted though additional services have been demanded of OPD. An immediate and acute contributing

factor is the demand for police services from last year's civil unrest and recent spike in homicides and shootings. The Administration's reductions to police services are necessary to begin to bring OPD's expenditure in-line with its budget given that the FY 2020-21 Midcycle continued the historic practice of under-budgeting for OPD. It is critical that the Administration, Mayor, and Council appropriately and accurately budget for police services in the FY 2021-23 Biennial Budget.¹⁰

NEXT STEPS

Staff is working with the Vice-Mayor to schedule an in-depth financial issues retreat to allow for deeper explorations of these fiscal topics. Updated year-end forecasts will be provided in the Second Quarter Revenue and Expenditure Report. The City Council should also expect the commencement of the biennial budget process beginning with review of the results of the budget priorities poll and development of City priorities.

FISCAL IMPACT

The previously taken Administrative reductions of \$29.0 million, while necessary, are insufficient to resolve the \$62.3 million estimated deficit projected by the end of the fiscal year based upon the FY 2020-21 first quarter analysis. A deficit of \$33.3 million remains that needs to be addressed by further reductions in services or seeking of employee concessions. Failure to address the current FY 2020-21 deficit will result in more severe service reductions in the FY 2021-23 Biennial Budget.

PUBLIC OUTREACH / INTEREST

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

COORDINATION

This report has been prepared in coordination with Departments of Finance and Human Resources, and Oakland Police Department.

SUSTAINABLE OPPORTUNITIES

Economic: The Oakland City government is a primary contributor to our local East Bay economy. Reductions in City of Oakland expenditures will have negative impacts on local economic activity.

¹⁰https://www.oaklandauditor.com/wp-content/uploads/2019/06/20190610_Performance-Audit_OPD-Overtime_Report.pdf

Environmental: There no direct environmental impacts identified as a result of these actions.

Race & Equity: The Administration avoided reductions that would be felt disproportionately on low income communities of color. For example, the specialty unit for Abandoned Autos is not proposed for suspension because it would impact the low income neighborhoods where abandoned autos are disproportionately causing blight.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report Regarding I) Responses to questions raised during the December 7, 2020, Finance & Management Committee Meeting related to the Fiscal Year (FY) 2019-20 Fourth Quarter and FY 2020-21 First Quarter Revenue & Expenditure (R&E) Report; II) Information regarding the December 20, 2020 Budget Shortfall Closure Actions Memo, specifically addressing who was involved in determining the actions, on what basis, and who has authority to make these reductions; and, III) Information regarding all funds budget status and projections.

For questions regarding this report, please contact Margaret L. O'Brien, Interim Director of Finance, at (510) 238-7480.

Respectfully submitted,

Margaret L. O'Brien

Margaret L. O'Brien
Interim Finance Director

Attachment A: Memo from City Attorney on Self Insurance Liability Fund
Attachment B: Blue Sky Consulting Group Scope of Work
Attachment C: Fund Balance Report

CITY OF OAKLAND
OFFICE OF THE CITY ATTORNEY
MEMORANDUM

TO: Lisa Agustin
Budget Administrator

FROM: Barbara J. Parker 
City Attorney

DATE: January 13, 2021

RE: **City Attorney's Response to Council President Bas' Request Regarding Self Insurance Liability Fund**

We understand President Bas requested an analysis of the Self Insurance Liability Fund and possible measures to decrease liabilities. We are providing a response based on charges our Office makes to the Self Insurance Liability Fund ("Fund 1100") made.

The Office of the City Attorney charges the following costs and fees to Fund 1100: outside counsel, conflict counsel, experts, and consultants. We have an ethical duty to retain conflict counsel when there is a conflict of interest.

The City also pays settlements and judgements out of Fund 1100. The City Attorney has authority to approve settlements up to \$25,000.00; all other settlements are authorized by the Council.

Since 2000, the City Attorney's Office has published an annual report that details fees/costs of outside counsel, conflict counsel, experts and consultants and settlements, and judgements. The City Attorney's Office works strategically and aggressively to limit financial exposure and to seek fair and just resolution of lawsuits, claims, and disputes.

Our Office's charges to Fund 1100 may be reduced if our budget funded additional in-house counsel to perform our Charter mandated duties. Outside counsel are more expensive and less efficient than in-house counsel.

cc: Dara A. Wiseman, Legal Administrative Services Manager
Andrew Lathrop, Risk Manager
Margaret O'Brien, Finance Director

EXHIBIT 1

STATEMENT OF WORK

The following Statement of Work (“SOW”) is Exhibit 1 to the Agreement to provide Professional and Specialized Services between Blue Sky Consulting Group (“Contractor”) and the City of Oakland (“City”) (“Agreement”) and is incorporated by this reference as if fully set forth therein. This SOW defines the principal activities and responsibilities of Contractor and the City for the Economic Consulting Services focusing on the development of the Five-Year Financial Forecast, analyzing the proposed Business Tax Equity Update Tax and serving as liaison on behalf of the City’s Finance Department to the Blue Ribbon Commission.

All of the services furnished by the Contractor under this Agreement shall be of the currently prevailing professional standards and quality which prevail among consultant professionals of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances. All documentation prepared by Contractor shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines which are in effect at the time such documentation is prepared.

To the extent not consistent with the Agreement including this Scope of Work, the City’s RFQ 228529 for the Economic Consulting Services (“Exhibit 3”) and the Contractor’s proposal dated October 1, 2020 (“Exhibit 4”) are hereby incorporated by reference and shall provide context and supplement to this SOW, and be superseded by the terms and conditions of the Agreement and this SOW.

I. FIVE-YEAR FINANCIAL FORECAST

- 1 Prior to beginning substantive work on the project, Contractor shall meet with City to establish procedures and notifications for any necessary meetings and communications with City staff; collect available data from the City and establish additional data needs and availability; confirm the format for all project products and deliverables; and address any preliminary project concerns.
- 2 Research the City’s current fiscal status and economic environment, budgeting methods, revenue sources/trends, expenditure allocations/trends, and labor environment. The research includes but is not limited to the documents listed and referenced below:
 - [FY 2020-21 Midcycle Adopted Budget Legislation](#)
 - [FY 2019-21 Capital Improvement Program](#)
 - [FY 2019-20 to 2023-24 Five-Year Financial Forecast](#)
 - [FY 2019-21 City Council Budget Workshop Baseline Revenue & Expenditures](#)
 - [City Labor Agreements \(MOUs\)](#)
 - [CalPERS Annual Actuarial Valuation Report](#)
 - [UCLA Anderson Forecast](#)

3 Five-Year Financial Forecast Workplan:

The Forecast shall contain the two-year baseline budget for the forthcoming budget period, clearly reflecting projected expenditures to maintain existing service levels and obligations, plus an additional three-year forecast of revenues and expenditures. The Baseline Budget shall consist of projected expenditures necessary to maintain existing staffing and service levels, plus an estimate of anticipated revenues for the two-year period.

The Forecast shall also contain information on the variance between prior forecasts and actual amounts, including the factors that influenced these variances. Revenue estimates shall be based on the most current data available; minimally revenue projections shall take into account projected revenue for the current fiscal year, as reflected in the 2nd quarter Revenue and Expenditure Report, with appropriate trending into future years and an explanation as to how such revenue projections were derived.

The report shall include a Five-Year Forecast "Fact Sheet" document, which summarizes the Forecast's key findings with simplified text and graphics to make this important budgetary information more accessible to the general public. Within two weeks after the Forecast is heard by the City Council, the City Administrator shall print and distribute the Forecast Fact Sheet to all City libraries, recreation centers and senior centers, including in languages required by Oakland's Equal Access Ordinance. The full Forecast shall also be posted on the City of Oakland's website. Forecast data shall be available in open data format on Oakland's data portal.

- Establish baseline revenue and expenditure assumptions that include any recommendations for process improvements (i.e. "best practices"). These baseline assumptions must include maintaining fund reserves, remaining competitive regionally with labor contracts, meeting pension obligations, sustaining internal service funding to meet replacement cycles, fulfilling the City's debt service obligations, and other major factors that staff will identify with the Consultant at the outset.
- Provide revenue estimates for the next 24 months and subsequent five years for the following General Fund categories: Property Tax; Sales Tax; Transient Occupancy Tax; Utility Users Tax; Franchise Fees; Business License Taxes; Fines, Forfeitures, Penalties; Revenue from the Use of Money and Property; Real Property Transfer Tax; Licenses and Permits; Cannabis-related Tax; Special Revenues; Gas Tax; and Intergovernmental Charges for current services;
- Provide expenditure estimates for the next 24 months and subsequent five years for the following General Fund categories: Salaries, Labor Negotiated Premiums, Overtime, and Benefits to include Medical Premiums, Vision and Dental, Long-Term Disability, Life Insurance Premiums, Employee Assistance Program, Medicare, Federal Income Tax, and Pension Obligations through CalPERS—defined by bargaining group—that can adjust to changes in the discount rate; Services and Supplies; Contractual Fire Services, Fire Other Post-Employment Benefits (OPEB), and Equipment; Capital Outlay; Debt Service, Internal Service Fund Charges, "Other" Charges that include grants and transfers out; Termination

Pay-outs; Legal Fees. Distinguish Capital Improvement Program (CIP) labor, retiree medical premiums, and non-labor expenditures, including debt service.

- The workbook must be scenario driven. This means the workbook visualizes graphically all revenues (second bullet point), expenditures (third bullet point), required reserve limits, and with a graphic representation of any impact to actual reserves (i.e. a “bottom line” analysis). Related graphs must be dynamic in nature, but also understandable, repeatable, and flexible.
- The workbook must allow the end-user to make changes using an “if this, then that” approach. For instance, if the City adds 2 officers to the police department, then the impact to reserves will be X, running a deficit by fiscal year XXXX-XX. Or, if the City introduces revenue measure Y, the impact on fund reserves would generate a surplus in fiscal year YYYY-XX.
- The workbook must offer the end-user the ability to adjust the forecast with contemporaneous information—a downturn in the economy, a revenue measure impact, or labor negotiation impacts.
- Each category listed in revenues (second bullet point), expenditures (third bullet point) should have associated sensitivity analyses to show how significant an impact any subsequent changes would have on fund reserves. If a significant sales tax generator leaves the City, how sensitive will General Fund revenues be to each of the top ten economic drivers.
- Describe the methodology for the revenue and expenditure estimates as well as the modeling for the five-year forecast period. Provide any “best practices” incorporated into the forecast.
- The workbook must display information on a fiscal year basis.
- The workbook must display information in the following formats: 1) an executive-level summary with impacts on City Reserves; and 2) a financial manager-level summary at the fund balance and service-delivery impact level. The second format must provide scenarios around impacts to gain/loss of revenues and expenditures.
- Provide local and national economic forecasts concerning topics to be selected by the City, including but not limited to: Employment, Unemployment, Inflation, Gross Domestic Product (GDP), and Housing Prices.
- Provide a written overview of the current and forecasted economic conditions at the local, state, and national levels. This written overview should incorporate local economic drivers and the relative significance of their business has on the General Fund.
- Provide written status update on a monthly basis.
- Meet or teleconferencing with City staff on weekly basis during the weeks leading to the expected completion of Five-Year Financial Forecast in February 2021.
- Attend and assist City staff in presenting or answering questions during the Oakland City Council or Committees budget deliberation process (April through June 2021).

II. ANALYSIS OF EQUITY BUSINESS TAX UPDATE AND LIAISON SUPPORT

- 1 Collect, review and synthesize relevant research and analysis on gross receipts taxes. As a foundation for assisting the Finance Department and the Blue Ribbon Commission,

Contractor is to collect and synthesize the most relevant, current information about municipal gross receipts taxes. This will include previous research done by Contractor on the effects of gross receipts taxes and best practices for tax policy design, including appropriate rates for various sectors.

- 2 Identify similar municipalities that have adopted changes to the gross receipts taxes and summarize their structures and impacts (as data permit).
- 3 Analyze the likely impact of proposals considered by the commission, including the likely impact on City revenue, economic activity, and employment. This analysis will consider the potential impact of any new tax structure on the location decisions of affected firms. The specific approaches for developing these models will depend on the nature of the tax proposals considered, but could include custom forecasting models, use of off-the-shelf products such as REMI, or analysis of specific companies or sectors as appropriate. This latter approach may be needed to the extent a significant tax change is considered, particularly where such a change may only affect a handful of companies. While there is always uncertainty with respect to company location decisions, such an analysis (taking care to maintain the privacy of confidential taxpayer information) can help to shed light on whether a proposed tax change will influence company location decisions. Such an analysis can be based on the alternatives available to certain companies or sectors, access to customers, and suitability of workforce in alternative locations. Some companies may be insensitive to tax changes, if, for example, their customers or workers are located in Oakland. Others, however, may be more mobile and therefore more sensitive to tax changes.
- 4 Present results of the analysis of the Equity Business Tax Update via a written report and/or presentation to the Blue Ribbon Commission.
- 5 Provide additional analysis and/or technical assistance to the Blue Ribbon Commission, as requested.

III. PROJECT RECORD AND REPORTING REQUIREMENTS

- 1 Project Progress Report – Contractor shall submit a monthly report to the Project Manager detailing progress of the project services.
- 2 Project Record – Contractor shall develop and maintain a detailed record of the chronology of the project tasks and milestones completed that are decisive, conclusive or relevant to the outcome of the Project. Contractor shall submit a copy of the Project Record to the Project Manager prior to final payment for services performed on the Project. The Record shall be submitted in both paper and electronic format.

END OF EXHIBIT 1

Please note that this report includes all balance sheet accounts including physical assets, depreciation, long-term liabilities, etc. and does NOT reflect the cash balance available to be spent. The estimated available fund balance is determined by a detailed analysis of each fund which will be provided with the proposed budget.

FUND	DESCR		Actual Ending Fund Balance P13-20
1010	General Fund: General Purpose	\$	40,120,753
1020	Vital Services Stabilization F	\$	14,922,551
1030	Measure HH (SSBDT)	\$	9,918,123
1100	Self Insurance Liability	\$	(14,160,367)
1150	Worker's Compensation Insuranc	\$	169,289
1200	Pension Override Tax Revenue	\$	196,145,235
1450	Unemployment Compensation Insu	\$	8,018
1550	OPRCA Recreation Center Operat	\$	40,672
1600	Underground District Revolving	\$	(925,386)
1610	Successor Redevelopment Agency	\$	(144,145)
1700	Mandatory Refuse Program	\$	279,316
1710	Recycling Program	\$	3,276,782
1720	Comprehensive Clean-up	\$	3,820,741
1730	Henry J Kaiser Convention Cent	\$	96
1740	Hazardous Materials Inspection	\$	68,078
1750	Multipurpose Reserve	\$	4,459,293
1760	Telecommunications Reserve	\$	(210,908)
1770	Telecommunications Land Use	\$	385,492
1780	Kid's First Oakland Children's	\$	9,616,124
1791	Contract Administration Fee	\$	(12)
1810	Oak Knoll Vista Emergency Repa	\$	228,869
1820	OPRCA Self Sustaining Revolvin	\$	2,006,074
1830	Central District Project Area	\$	1,925,317
1831	Central City East Project Area	\$	525,788
1832	Coliseum Project Area Loans	\$	72,661
1833	BMSP Project Area Loans	\$	351,372
1870	Affordable Housing Trust Fund	\$	32,518,293
1880	Low Mod Operations	\$	1,099,459
1882	Multi Service Center/Rent	\$	72,480
1883	2000 Subordinated Housing Set-	\$	(129,817)
1884	2006 Housing Bond Proceeds	\$	8,605,264
1885	2011A-T Subordinated Housing	\$	40,928,871
2061	2006 FEMA: 1628 Winter Storms	\$	1
2063	FEMA Declarations	\$	(2,127,909)
2081	2008 Winter Storm	\$	415
2101	National Archives and Records	\$	3,230
2102	Department of Agriculture	\$	(367,837)
2103	HUD-ESG/SHP/HOPWA	\$	(5,655,382)
2104	Department of Commerce	\$	140,310
2105	HUD-EDI Grants	\$	(822,561)
2107	HUD-108	\$	177,169
2108	HUD-CDBG	\$	(3,663,442)
2109	HUD-Home	\$	3,854,399
2110	Department of the Interior	\$	3,118
2111	2000 Local Law Enforcement Blo	\$	(80,563)

FUND	DESCR		Actual Ending Fund Balance P13-20
2112	Department of Justice	\$	(414,151)
2113	Department of Justice - COPS H	\$	(1,347,687)
2114	Department of Labor	\$	19,810
2116	Department of Transportation	\$	(3,189,562)
2117	Department of Treasury	\$	291,626
2120	Federal Action Agency	\$	63,364
2123	US Dept of Homeland Security	\$	(56,627)
2124	Federal Emergency Management A	\$	(1,405,105)
2125	Environmental Protection Agenc	\$	2,459,655
2127	Dept of Transportation-TIGER I	\$	84
2128	Department of Health and Human	\$	(299,985)
2129	Trade Corridor Improvement Fun	\$	1,432,848
2132	California Department of Aging	\$	14,250
2134	California Parks and Recreatio	\$	(357,107)
2136	California Water Resource Boar	\$	110,430
2138	California Department of Educa	\$	629,744
2139	California Department of Conse	\$	207,165
2140	California Department of Trans	\$	(351,258)
2144	California Housing and Communi	\$	(965,532)
2146	California State Emergency Ser	\$	1,522,519
2148	California Library Services	\$	324,660
2150	California Department of Fish	\$	143,418
2152	California Board of Correction	\$	(2,251,341)
2154	California Integrated Waste Ma	\$	(71,047)
2158	5th Year State COPS Grant, AB	\$	3,600,355
2159	State of California Other	\$	26,893,430
2160	County of Alameda: Grants	\$	2,375,054
2162	Metro Transportation Com: TDA	\$	(9,044)
2163	Metro Transportation Com: Prog	\$	(336,840)
2164	Congestion Mitigation & Air Qu	\$	(92,038)
2166	Bay Area Air Quality Managemen	\$	(937,820)
2172	Alameda County: Vehicle Abatem	\$	373,868
2175	Alameda County: Source Reducti	\$	601,348
2185	Oakland Redevelopment Agency G	\$	4,418
2190	Private Grants	\$	974,552
2195	Workforce Investment Act	\$	1,155,994
2196	Workforce Housing Incentive Gr	\$	29,394
2211	Measure B: Local Streets & Roa	\$	9,745,020
2212	Measure B: Bicycle/Pedestrian	\$	1,581,553
2213	Measure B: Paratransit - ACTC	\$	503,370
2214	ACTC Reimbursable Grants	\$	(1,629,688)
2215	Measure F - Vehicle Registrati	\$	2,036,941
2216	Measure BB - Alameda County Tr	\$	6,985,715
2217	Measure BB - OAB Roadway Infra	\$	(4,370,446)
2230	State Gas Tax	\$	3,246,914

FUND	DESCR		Actual Ending Fund Balance P13-20
2231	State Gas Tax-Prop 42 Replacem	\$	(75)
2232	Gas Tax RMRA	\$	2,484,161
2241	Measure Q-Library Services Ret	\$	3,715,566
2242	Measure Q Reserve- Library Ser	\$	807,888
2243	Measure D - Parcel Tax to Main	\$	5,784,322
2244	Measure Q	\$	(326,915)
2250	Measure N: Fund	\$	1,137,347
2251	Measure Y: Public Safety Act 2	\$	439,305
2252	Measure Z - Violence Preventio	\$	5,275,352
2260	Measure WW: East Bay Regional	\$	(867,751)
2270	Vacant Property Tax Act Fund	\$	(417,902)
2310	Lighting and Landscape Assessm	\$	(1,009,715)
2320	Fire Suppression Assessment Di	\$	260,555
2321	Wildland Fire Prevention Asses	\$	219,002
2330	Werner Court Vegetation Mgmt D	\$	45,189
2331	Wood Street Community Faciliti	\$	595,581
2332	Gateway Industrial Park	\$	1,027,354
2410	Link Handipark	\$	125,481
2411	False Alarm Reduction Program	\$	(2,310,775)
2412	Measure M - Alameda County: Em	\$	704,612
2413	Rent Adjustment Program Fund	\$	3,017,028
2415	Development Service Fund	\$	149,417,199
2416	Traffic Safety Fund	\$	(195,292)
2417	Excess Litter Fee Fund	\$	1,715,359
2418	Traffic Impact Program (TIP)	\$	(119,152)
2419	Measure C: Transient Occupancy	\$	(159,607)
2420	Transportation Impact Fee	\$	5,855,475
2421	Capital Improvements Impact Fe	\$	3,438,066
2601	Workforce Investment Act (ARRA	\$	116,948
2602	Department of Labor (ARRA)	\$	77
2603	HUD-ESG/SHP/HOPWA (ARRA)	\$	2,594
2604	Community Service Block Grant	\$	79
2605	Dept of Health & Human Service	\$	(85)
2607	Department of Justice-COPS Hir	\$	3,217
2609	Dept of Energy-EECBG Program (\$	302
2610	State Water Control Board-CWSR	\$	4
2611	HUD-CDBG (ARRA)	\$	665,191
2612	CA Community Svcs Weatherizati	\$	699
2613	Port Security Grant Program (A	\$	(51,094)
2826	Mortgage Revenue	\$	966,438
2830	Low and Moderate Income Housin	\$	15,746,878
2840	Affordable Housing Impact Fee	\$	25,907
2910	Federal Asset Forfeiture: 15%	\$	857
2912	Federal Asset Forfeiture: City	\$	771,920
2914	State Asset Forfeiture	\$	790,745

FUND	DESCR		Actual Ending Fund Balance P13-20
2916	Vice Crimes Protection - Court	\$	18,198
2990	Public Works Grants	\$	(1,279,779)
2992	Parks and Recreation Grants	\$	(2,315,314)
2993	Library Grants	\$	66,713
2994	Social Services Grants	\$	314,611
2995	Police Grants	\$	251,913
2996	Parks and Recreation Grants 20	\$	90,531
2999	Miscellaneous Grants	\$	9,123,024
3100	Sewer Service Fund	\$	234,796,828
3150	Sewer Rate Stabilization Fund	\$	4,240,180
3200	Golf Course	\$	914,637
4100	Equipment	\$	1,133,963
4200	Radio / Telecommunications	\$	4,184,440
4210	Telephone Equipment and Softwa	\$	1,605,024
4300	Reproduction	\$	(3,182,426)
4400	City Facilities	\$	(33,601,440)
4450	City Facilities Energy Conserv	\$	1,336,435
4500	Central Stores	\$	(5,051,242)
4550	Purchasing	\$	(3,229,679)
4600	Information Technology	\$	9,846,487
5008	Emergency Response: GOB Series	\$	-
5010	Measure I: GOB Series 1997	\$	-
5012	JPFA Admin Building: Series 19	\$	(1,532,369)
5055	Piedmont Pines Underground Ass	\$	27,708
5057	2012 Reassessment Project Fund	\$	-
5130	Rockridge: Library Assessment	\$	996,485
5180	Alameda County: Flood Control	\$	88,936
5200	JPFA Capital Projects: Series	\$	(103,004)
5311	Measure G: 2006 Zoo, Museum	\$	-
5320	Measure DD: 2003A Clean Water,	\$	(8,346)
5321	Measure DD: 2009B Clean Water,	\$	564,320
5322	Measure DD: 2017C Clean Water,	\$	17,105,349
5330	Measure KK: Infrastructure and	\$	14,831,813
5331	Measure KK: Affordable Housing	\$	23,313,015
5332	Measure KK: Infrastructure Series 2020B-1 (Tax Exempt)	\$	123,094,767
5333	Measure KK: Affordable Housing 2020	\$	44,686,411
5500	Municipal Capital Improvement	\$	(5,145,449)
5501	Municipal Capital Improvement:	\$	207,308
5504	Parking Garage Access Improvem	\$	40,061
5505	Municipal Capital Improvement:	\$	1,364,011
5510	Capital Reserves	\$	(1,102,248)
5610	Central District Projects	\$	28,354,099
5611	Central District: TA Bonds Se	\$	13,312,886
5612	Central District: TA Bonds Se	\$	8,541,419
5613	Central District: TA Bonds Se	\$	3,453,097

FUND	DESCR		Actual Ending Fund Balance P13-20
5614	Central District: TA Bonds Se	\$	5,392,389
5620	Oak Knoll Projects	\$	82
5630	Broadway/MacArthur/San Pablo P	\$	185,799
5637	BMSP: TA Bond Series 2006C-TE	\$	(42)
5638	BMSP: TA Bond Series 2006C-T	\$	679,615
5640	Central City East Projects	\$	171,242
5642	Central City East TA Bonds Ser	\$	(18,743)
5643	Central City East TA Bonds Ser	\$	20,381,716
5650	Coliseum Projects	\$	6,242,228
5653	Coliseum: TA Bonds Series 2003	\$	(38,572)
5655	Coliseum: TA Bonds Series 2006	\$	(49,789)
5656	Coliseum: TA Bonds Series 2006	\$	48,921,552
5660	West Oakland Projects	\$	(1,477,023)
5670	Oakland Base Reuse Authority	\$	(335,685)
5671	OBRA: Leasing & Utility	\$	51,185,186
5672	Joint Army Base Infrastructure	\$	1,420,961
5673	OBRA: Environmental Remediation	\$	14,421
5674	Oakland Army Base Joint Remediation	\$	173,369
5999	Miscellaneous Capital Projects	\$	(2,183,787)
6013	2013 LED Streetlight Acquisition	\$	396,007
6014	Oakland Convention Center 1992	\$	86,437
6029	Taxable Pension Obligation Bonds	\$	414,365
6030	Taxable Pension Obligation Bonds	\$	0
6032	Taxable Pension Obligation: Series	\$	314,958
6036	JPFA Refunding Revenue Bonds:	\$	6,972,215
6037	JPFA Refunding Revenue Bonds:	\$	438
6064	GO Refunding Bonds, Series 201	\$	4,067,521
6312	GOB Series 2012-Refunding Bond	\$	2,404,060
6322	Measure DD: 2017C Clean Water,	\$	686,490
6330	Measure KK: 2017A-1 (TE) Infrastructure	\$	1,426,556
6331	Measure KK: 2017A-2 (Taxable)	\$	1,286,583
6440	Skyline Sewer: Assessment District	\$	347
6455	Piedmont Pines 2010 Utility Undergrou	\$	-
6518	Medical Hill Parking District	\$	8,683
6530	Rockridge Area Water District	\$	8,779
6540	Skyline Sewer District - Redemption	\$	34,733
6554	LaSalle Utility Underground -	\$	1,173
6555	Piedmont Pines 2010 Utility Undergrou	\$	-
6556	Harbord Utility Underground -	\$	2,857
6557	Piedmont Pines P1 2018 Reassessment	\$	200,145
6558	Grizzly Peak Utility Underground	\$	5,039
6562	Lakeshore Phase IV - Debt Service	\$	86,713
6570	JPFA Pooled Assessment: 1996	\$	(101,292)
6587	2012 Refunding Reassessment Bonds	\$	967,409
6612	JPFA Lease Revenue Refunding Bonds	\$	-

FUND	DESCR		Actual Ending Fund Balance P13-20
6613	JPFA Lease Revenue Refunding B	\$	11,469
6332	Measure KK 2020B-1	\$	605,179
6333	Measure KK 2020B-2	\$	54,187
6334	2020 GOB Refunding	\$	53,764
6999	Miscellaneous Debt Service	\$	-
7100	Police and Fire Retirement Sys	\$	378,974,689
7120	Oakland Municipal Employees' R	\$	16
7130	Employee Deferred Compensation	\$	(32,259)
7220	Health Insurance Premium Trust	\$	543
7320	Police and Fire Retirement Sys	\$	58,970,116
7350	Police and Fire Facility Trust	\$	1,029,627
7360	State Rehabilitation Loan	\$	96,843
7380	California Natural Disaster As	\$	584,678
7390	Oakland Museum of CA Foundatio	\$	221
7420	State Asset Trust	\$	488,256
7440	Unclaimed Cash	\$	966,390
7450	Affordable Housing	\$	(853,229)
7460	Telecommunication Sinking Fund	\$	2,280,125
7500	Mayor's Emergency Housing Trus	\$	14,339
7530	Mayor's International Committe	\$	52,290
7540	Oakland Public Library Trust	\$	981,821
7580	Lila Wallace Readers Digest Fo	\$	10,958
7640	Oakland Public Museum Trust	\$	889,915
7680	Major Gifts Trust	\$	9,933
7690	Kerrison Trust for Police Enha	\$	78,249
7700	Earthquake Relief Efforts	\$	345
7720	Major Gifts - Oakland City Hal	\$	3,684
7740	Oakland Hills Fire Relief	\$	263,530
7742	Public Tidelands	\$	269,110
7760	Grant Clearing	\$	(639,029)
7780	Oakland Redevelopment Agency P	\$	155,070
7901	Oakland Senior Center: Downtow	\$	(2,587)
7902	Oakland Senior Center: North	\$	24,378
7903	Oakland Senior Center: West	\$	13,207
7904	Oakland Senior Center: East	\$	14,890
7920	NCPC: Beat 13Z (Neighborhood C	\$	544
7999	Miscellaneous Trusts	\$	1,757,836