



CITY OF OAKLAND

MEMORANDUM

TO: Honorable Mayor & City Council

FROM: Erin Roseman
Director of Finance

SUBJECT: FY 2024-25 Proposed Midcycle Budget
Development Questions/
Responses #2

DATE: June 3, 2024

PURPOSE

The purpose of this memorandum is to transmit to the full City Council and public, responses to questions raised by City Councilmembers and the public related to the Fiscal Year (FY) 2024-25 Proposed Midcycle Budget. To the extent additional information becomes available on any of the responses below, updates will be provided.

For questions, please contact Bradley Johnson, Budget Administrator, at (510) 207-5730.

Respectfully submitted,

/s/

ERIN ROSEMAN
Director of Finance

QUESTIONS AND RESPONSES

Personnel Questions in Various Departments

- a. **Revenue generating positions – There are freezes in parking, fire inspection, and construction inspection positions that generate revenue, in addition to positions in Finance related to revenue collections (revenue assistance and tax auditors). What is the cost of these positions and the impact on revenue collection of these deletions? Could these positions bring in enough revenue to be self-funding?**

Department of Transportation - Parking and Mobility

The proposed budget would freeze a total of 5 positions in the Parking & Mobility Division:

- Parking Meter Collector (2 FTE) - \$154,731 per FTE
- Parking Control Technician (3 FTE) - \$170,016 per FTE

Due the decline in the use of the cash payment for parking meters, with most customers now using credit cards and/or mobile payment apps, parking meter collections are no longer cost recovery. Freezing these 2 positions is anticipated to have a positive budget impact.

Over the past 3 years, the typical Parking Control Technician (PCT) has generated approximately \$500,000 per year in revenue, compared to a fully burdened cost of approximately \$175,000. However, the effective vacancy rate in this unit has been over 40%, with an average of fewer than 30 FTE of PCTs working in FY23. The proposed budget provides 51.60 PCTs. DOT on-boarded 15 new PCTs in March 2024, and anticipates additional hiring in summer/fall of 2024.

DOT and Finance will closely monitor parking enforcement revenue with the proposed parking meter rate increases and may propose unfreezing the remaining PCT vacancies during the FY25-27 biennial budget process should revenue productivity remain high as the unit returns to full staffing. Initial indications are positive, with the unit issuing 35% more citations since the on-boarding of new personnel in March 2024.

Fire Inspections

Fund 1010	Fire Inspector (Civilian).PS142	PN_1614: \$192,972
Fund 2415	Fire Inspector (Civilian).PS142	PN_1614: \$209,542

There is no known impact on collection of revenue with these deletions. The loss of inspectors will primarily impact the number of inspections completed and the turnaround time for misc. permit requests. However, the Fire Prevention Bureau is currently not experiencing an extended backlog of inspection requests. Fire Administration and the Fire Marshal are evaluating what changes could be made administratively to ensure that cost-recovery funding revenue can be collected more efficiently, and to right-size the number of inspectors needed to meet the current workload for the Prevention Bureau. OFD is also currently participating in the City's fee study to evaluate appropriate levels and help meet the service level expectations of the community.

Finance

- a. Revenue Assistant - \$140,780

Impact on revenue collection and Self-Recovering Ability:

The freezing of these position correlates to the necessary timing for recruitment and has a minimal impact on revenue collection. This position is primarily general customer service for taxpayers who require in-person or phone service. Moving Revenue Assistants to a cost-recovering method would have a sever equity impact as many of the services are provided to taxpayers with limited resources, computer access, and from underserved populations within Oakland.

- b. Tax Auditor I - \$ 167,202
- c. Tax Auditor II - \$183,446
- d. Tax Auditor III - \$225,263

The freezing of the Tax Auditor positions correlates to the necessary timing for recruitment, inevitably it can delay the audit and review of tax revenue sources including Business Tax, Transient Occupancy Tax, Parking Tax, Utility Consumption Tax, Real Property Transfer Tax, Vacant Property Tax, Cannabis, and Sales Tax. These positions also identify non-compliant accounts and provide customer service to bring businesses into compliance. Moving Tax Auditor's to a cost-recovering method will pose a risk to the City because all cases do not

result in the receipt of revenue while other cases result in tax refunds legally owed to the taxpayer.

c. HRM– What is the impact of deleted Human Resources positions on hiring in non-General Purpose Funded positions?

Human Resources continues to work on recruitments for all departments, regardless of funding sources. However, the without the ability to rely on filling these vacancies, we may be limited in the number of recruitments we are able to conduct at a time.

- **Please confirm the actual number of deletions versus those moved to the ISF.**

The vacant positions deleted are: 1.0 FTE Human Resource Technician, Supervising, 1.0 FTE Human Resource Operations Supervisor, 2.0 FTE Human Resource Analyst, and 1.0 FTE Human Resource Technician. These deleted positions totaled a savings of \$992,429. The total FTE moved to the new Internal Services Fund is 39.5 FTE.

Public Ethics Commission

a. Democracy Dollars Program

i. Can CAO (PEC) please provide scenarios for Democracy Dollars Implementation at the June 4th special meeting at 1:30pm? What are the timelines, budget needs, staffing/hiring needs, etc. for full implementation in 2026? Partial implementation in 2026? Full implementation in 2028.

A. Timeline. The following milestones are critical for full or partial implementation of the Democracy Dollars Program in 2026:

- Jun. 2024: Council authorizes Software Platform development
- Jul. 2025: Council appropriates FY25-27 Program Funds
- Jul. - Sep. 2025: Final Program Staff hired
- Sep. 2025: Software Platform finalized
- Dec. 2025: Program rules and procedures adopted

- Jan. 2026: Program launch: Candidate application process begins
- Apr. 2026: DD Vouchers mailed to Oaklanders
- Apr. – Nov. 2026: Oaklanders redeem and PEC process vouchers

A more detailed timeline of PEC implementation steps is available in *Attachment A*.

B. Budget and Staffing Needs. The PEC's budget and staffing needs will vary depending on whether the PEC is fully implementing the Democracy Dollars Program in 2026 or if a reduced Program is being proposed.

For full implementation of the Democracy Dollars Program, Measure W requires that the Council appropriate \$4 million over two years for vouchers, appropriate \$350,000 in administrative costs over two years, and provide the PEC with 4 FTE for implementation (an increase of 3 FTE over the PEC's current staffing). Based on voucher usage trends in Seattle's first election, the PEC estimates that only \$1.9 million in vouchers would be used in Oakland's first election.

If the City Council declares that the City is facing an extreme fiscal necessity and decides to partially implement the Democracy Dollars Program instead, which may include a pilot, the costs could be significantly reduced. In 2024, the PEC proposed a pilot limited to Council District Office only, where only residents of the districts up for election would receive vouchers. The PEC estimated that this would reduce mailing costs in half and reduce staffing needs from 4 FTE to 3 FTE (an increase of 2 FTE over the PEC's current staffing), because there would be fewer vouchers to mail and process. The total amount appropriated for vouchers would be in the City Council's discretion as part of the FY 25-27 budget process, and the PEC would adjust the value of vouchers, number of vouchers per resident, etc., as needed. For example, if a pilot were conducted only including Council District offices with \$100 in vouchers available to district residents, the PEC estimates around \$750,000 in vouchers would be redeemed.

C. 2028 Implementation: The PEC has not yet developed a timeline for 2028 implementation. However, many of the core program infrastructure needed for 2028 implementation, such as technology and procedures for voucher production and processing, requires a longer timeframe for development and should not be delayed.

ii. What are the potential funding sources for additional personnel, O&M and vouchers?

Currently, the only identified eligible funding source is the General Purpose Fund (GPF).

iii. What are alternative funding sources for the \$4M vouchers?

Currently, the only identified eligible funding source is the General Purpose Fund (GPF).

iv. What are the anticipated usage rates for vouchers?

In Seattle, 3.3% of vouchers were redeemed in the first election they were available (2017). Participation grew to 7.7% in 2019 and 9.0% in 2021. Based on Seattle's experience, PEC staff are using a 6% return rate to estimate Program launch needs and costs. (For comparison, fewer than 1 percent of Oakland residents currently contribute to candidates running for local office, and more than half of contributions come from outside of Oakland.)

- b. Limited Public Financing.** If we were to restore \$214,089 in funding for the Limited Public Financing (LPF) Program, including \$155,000 in FY24-25 funding and \$59,089 in carryforward funding:

i. What are staff's recommendations to cut in order to replenish the elimination of \$214,089?

ii. What about \$155,000 at minimum?

The PEC supports restoring funding for the Limited Public Financing Program (LPF). If the Proposed Midcycle Budget is adopted, 2024 will be the first Oakland election without public financing in more than two decades. This would also occur in the first election after Oaklanders passed Measure W (2022), which was intended to strengthen public financing in Oakland.

The PEC does not have a recommendation as to which other areas of the General Purpose Fund may be cut to restore LPF funding. The PEC opposes any alternative cuts to PEC programs or positions to pay for the LPF, which would jeopardize PEC core services.

Economic and Workforce Development

1. EWDD/Film Initiative

i. Can EWDD please provide information about the Film Initiative? Who will be involved (including which studios), what are the benefits, what city revenue and economic activity is anticipated?

Upon City Council's allocation of funding and approval of a related ordinance, EWDD will implement a rebate and marketing program to encourage film productions to take place in Oakland. EWDD presented an informational report on this proposal to the Oakland Workforce Development Board (OWDB) in May available on pp.44-51 of the May OWDB agenda packet here. As currently drafted, the rebate program offers a ten (10) percent rebate on any goods or services rented or purchased in Oakland as well as the salaries of Oakland residents hired for productions filmed in Oakland, plus additional rebates for spending on salaries and vendors from Oakland zip codes with the highest levels of unemployment. It is not yet known which studios will participate in the Program. EWDD staff intends on presenting the ordinance establishing the film rebate program to the City Council's Community Economic Development (CED) Committee on June 25th to allow for the full City Council to review and approve the final ordinance before summer recess. Ultimately, the adoption of a rebate program combined with investments in the Midcycle Fiscal Year 2024-2025 Budget to market the City as a filming destination, will bring Oakland to the attention of film producers and move the City towards a "win-win-win" of generating local employment and business opportunities, attracting new tax revenues (e.g., sales tax, business license tax, and transient occupancy tax) to support City services, and providing outlets for community expression.

ii. We see the funding source for \$600k in the GPF. Were specific reductions made to EWDD, community safety or other services to fund this initiative?

While reductions were made to EWDD, the reductions were not made specifically to fund the initiative.

The \$1M reduction to community safety and ambassador funding is EWDD's largest community safety item. Additional GPF 1010 reductions affecting EWDD include freezing positions in Cultural Affairs, Workforce, and Special Activities, eliminating the \$227,000 Lake Merritt Vending Program, eliminating almost \$343,000 in one-time Workforce grants, and eliminating funding towards fee subsidies for special events.

Housing and Community Development

a. What are the outcomes and source of the \$2M for Homeless Prevention Pilot Program (HPP)?

- The initial funding for HPP was \$2.3 million (FY22-23):
 - \$750,000 General Funds
 - \$1,550,000 CDBG
- HPP Outcomes:
 - 100% is obligated.
 - The median amount of assistance per household is \$5,320.
 - 225 households were provided emergency financial assistance and offered case management/support services. Assistance was targeted to people most likely to experience homelessness.
 - 93% of applications came from zip codes with the highest level of housing instability.
 - 78% of program participants were Black.
 - 85% of participants had prior experience of homelessness.
 - A three-month survey showed 94% of survey respondents reported that they maintained their housing with the support received.
 - 82% of survey respondents agreed that without the support received they would have lost their housing.
 - Only 1.2% of participants were shown in the Homeless Management Information System (HMIS) after receiving assistance, suggesting assisted households remained housed.

The source of the \$2M for Homeless Prevention Pilot Program is Fund 1870 – Affordable Housing Trust Fund.

b. What is the status and amount of the Oakland Housing Secure legal services for eviction defense?

The most recent contract for eviction defense is \$1 million with Centro Legal de la Raza (Centro) for FY23-24. That contract is in the final stages of execution, and we anticipate receiving an invoice for the entire amount as soon as it is fully executed. For FY22-23, Centro's contract (also \$1 million) is nearly fully expended. The contract is in place through December 2024 to provide emergency financial assistance and brief legal services. To date, Centro has met 96% of the goal to assist 298 unduplicated households with legal services and case management.

- **Are there funds allocated or appropriated for FY24-25?**

Yes, \$1.0 million is included in the proposed Midcycle Budget.

Department of Transportation (OakDOT)

- a. For the Lake Merritt Parking Pilot Program, can CAO please share a revenue and expense report to date?**

Initial costs to procure and install kiosks and signage for the meter zone were approximately \$150,000. Based on citation and meter revenue from July 1, 2023 - April 30, 2024, revenue totaled \$708,754 during the first ten months of the program (5,859 citations totaling \$415,989 in parking fines, and \$292,765 of parking meter revenue). Annualized, this would represent approximately \$840,000 in total revenue in the first year of operation.

Police Department

- a. Are the two civilian investigators added in the biennial budget last year still active?**

Yes, the two positions are still active.

- b. There appear to be 11 crime lab positions deleted. Are they added somewhere else?**

The 3.0 FTE Crime Analyst (\$184,720 per FTE), 5.0 FTE Police Evidence Technician (\$168,049 per FTE), and 3.0 FTE Criminalist II (\$230,655 per FTE) positions are proposed to be deleted and not added elsewhere in the budget.

- c. Academies**

- i. What are the total costs per academy? Please break out personnel, O&M, trainee pay, etc.**

OPD Per Academy Costs:

- Personnel: \$1,785,214 (33 FTE Trainees)
- O&M: \$795,000
- ISF: \$294,131

ii. What is the average number of recruits (starting and graduating) we anticipate for each academy?

Anticipated average number of recruits (starting and graduating):

Starting projections provided by the Recruiting & Background Unit.

Graduating projections are based on a 70% graduation rate as averaged since 2019.

The results are rounded up.

- 194th Academy
 - Start date: 22 Jun 24
 - Anticipated number starting: 38
 - Anticipated number graduating: 27
- 195th Academy
 - Start date: 28 Sep 24
 - Anticipated number starting: 35
 - Anticipated number graduating: 25
- 196th Academy
 - Start date: 18 Jan 25
 - Anticipated number starting: 35
 - Anticipated number graduating: 25
- 197th Academy
 - Start date: 26 Apr 25
 - Anticipated number starting: 35
 - Anticipated number graduating: 25

iii. What has been the recruitment, graduation and completion of field training rate for each academy since calendar year 2019?

Percentages are rounded to the closest whole percentage:

- 181st Academy
 - Graduation rate: 76%
 - Field training completion rate: 60%
- 182nd Academy
 - Graduation rate: 58%
 - Field training completion rate: 61%
- 183rd Academy
 - Graduation rate: 68%
 - Field training completion rate: 93%
- 184th Academy
 - Graduation rate: 66%
 - Field training completion rate: 83%
- 185th Academy

- Graduation rate: 64%
 - Field training completion rate: 91%
- 186th Academy
 - Graduation rate: 78%
 - Field training completion rate: 92%
- 187th Academy
 - Graduation rate: 71%
 - Field training completion rate: 92%
- 188th Academy
 - Graduation rate: 76%
 - Field training completion rate: 87%
- 189th Academy
 - Graduation rate: 85%
 - Field training completion rate: 95%
- 190th Academy
 - Graduation rate: 73%
 - Field training completion rate: 89%
- 191st Academy
 - Graduation rate: 67%
 - Field training completion rate: 89%
- 192nd Academy
 - Graduation rate: 74%
 - Field training completion rate: TBD
- 193rd Academy
 - Graduation rate: 55%
 - Field training completion rate: TBD

iv. What does “OPD delete police academy O & M” mean?

Each police academy receives an O&M budget of \$795K. These funds are designated for the Training Division and Recruiting & Background Unit expenses. Specifically, the O&M budget covers the costs of supplies, facility rentals, equipment, advertisement services, and polygraph examinations, ensuring the academy operates efficiently and effectively. Therefore, if an academy is deleted, its associated O&M allocation will also be removed.

Neighborhood Services

- a. **What is the plan that neighborhood services has to accommodate the cuts of 4 NSC positions that had just went out for recruitment?**

HONORABLE MAYOR AND CITY COUNCIL

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To clarify, there are four Neighborhood Services Coordinator (NSC) roles that are being proposed to be frozen, rather than eliminated. These NCS positions were vacant for some time and a continued maintenance of effort would occur with this budget proposal. The NSC positions coordinate and provide crime prevention services and resources to priority neighborhoods, develop and strengthen leadership skills of community members, facilitate resolution of neighborhood issues in direct support of the philosophy, strategies, and techniques of community policing, and perform related work as required. Continued understaffing limits Neighborhood Services Division’s capacity to serve residents/businesses, track programmatic data, measure impacts, and conduct long-range planning of programs, activities, and objectives. The job opening for NSCs were recently posted and it will take approximately six months to establish an eligibility list that can then be pulled from when these roles are unfrozen. Given the current financial constraints, we will need to be examining all roles and if these are determined to be critical, a funding source will be identified.

City Council

- a. **Can CAO please provide a line by line budget for the Council Offices for FY 24-25, including Administration and each Council District?**

Table 1 – Line-item Budget (O&M)

Department	City Council										
Fund and Desc	Acct and Desc	Admin	District 1	District 2	District 3	District 4	District 5	District 6	District 7	At-Large	
1010 - General Fund	52211 - Stationery and Office Supplies	3,000	570	550	2,440	2,530	3,040	2,760	2,540	3030	
	52212 - Minor Furniture and Office Equipment			1,000						260	
	52213 - Minor Computer Hardware and Software			2,010	1,020						
	52614 - Books						30				
	52911 - Bottled Water and Food for Human Consumption	15,000						800	310		
	52919 - Supplies: Miscellaneous and Commodities							400	200		
	53112 - Electricity (Except Street Lighting)							200			
	53116 - Telephone	26,020						950			
	53117 - Cell Phone		1,290	800	1,100	1,500	3,000	1,000	2,200	1090	
	53214 - Leased: Vehicles for City Use									80	
	53311 - City Promotion			100							
	53313 - Official Hospitality	9,000	2,910	730	800	1,170	490		850	850	
	53611 - Postage and Mailing	1,400	400	300	400	500	230	300	330	200	
	53719 - Miscellaneous Services				100						
	54011 - Contract Contingencies (Budgetary Only)	94,436									
	54611 - Repair and Maintenance: Machinery and Equipment	500									
	54619 - Repair and Maintenance: Miscellaneous		360		250						
	54711 - Printing and Duplicating Services	600	200							300	
	54811 - Temporary Personnel Services	2,000									
	54919 - Services: Miscellaneous Contract		500	750	400	1,250	600	590	1,220	350	
	55112 - Commercial Transportation		100		750	1,000	550	220			
	55114 - Per Diem and Lodging		400		200	300	750	1,300			
	55119 - Miscellaneous Travel Expenditures (Tips Parking)		1,420	1,510	1,000	400			1,400	2260	
	55211 - Periodical Subscriptions	250			290	100		250			
	55212 - Registration and Tuition		1,500	1,000	900	1,000	1,050	980	700	1000	
	55214 - On-Line Database Service		1000	1500	1000	1000	1000	1000	1000	1000	
	55311 - Memberships: Employee Association Dues		100	500	100		10			330	
	56111 - Special Setups	176220									
	56113 - Facilities: General Support	419567									
	56123 - City Accounting Services	3700									
	56124 - City Contract Compliance Dept-Purchasing Services	49930									
	56125 - Personnel Management Services	129150									
	56211 - Modifications: Telephone and Installations	45160									
	56311 - Printing	22510									
Grand Total		998443	10750	10750	10750	10750	10750	10750	10750	10750	10750

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Table 2 – Personnel Budget

Council Admin Personnel Budget	FTE	Fully Burdened Cost
Exec Asst to the City Council.SS125	1.00	210,874
City Council Administrative Assistant.SS110	1.00	149,807
Miscellaneous Payroll Adjustments		25,000
Total Personnel Pool Budget for Council Admin		385,681
District Personnel Budget	FTE	Fully Burdened Cost
Council Member.EO100	1.00	202,970
Includes Auto Allowance of \$6,600		
City Council Member's Assistant.AP139	2.00	464,794
City Council Administrative Assistant.SS110	0.56	83,891
Miscellaneous Payroll Adjustments		25,000
Total Personnel Pool Budget for each District		776,655
Council President - Additional Staff	FTE	Fully Burdened Cost
City Councilmember's Assistant.AP139	0.44	102,254

- b. Council traffic safety – Are the carry forwards in Oak DOT Fund 2218 still active? These were the \$100K for traffic safety improvements allocated for each Council Office (\$800k total).**

Yes, these funds have been carried forward in the FY2024-25 Midcycle Budget Amendments, and no funds have been expended.

DEMOCRACY DOLLARS

IMPLEMENTATION OVERVIEW WITH KEY DATES



2023 – 2025: Program Foundations

Sep 2023
Milestone 1:



Program manager position filled

Sep 2023 – Jun 2024

- Business requirements for technology identified, technology solutions research in partnership with ITD
- Develop initial program webpages
- Draft requirements and get quotes for printing and mailing of DD packets
- Recruitment for grant-funded community engagement position

Jun 2024
Milestone 2:



Tech vendor selected; database development begins

Jul 2024
Milestone 3:



Grant-funded community engagement position filled

Jul – Sept 2024

- Develop process for signature verification by Alameda County ROV
- Preliminary development of forms, systems for program administration
- Community engagement plan development begins

Sept 2024
Milestone 4:



Tech contract approved; database development begins

Jan – Jun 2025

- Democracy Dollars design options finalized
- Develop marketing materials and educational resources, webpages
- Finalize service contract and process for signature verification by Alameda County ROV
- Recruit for 3 FTE staff positions

Jun 2025
Milestone 5:



Community engagement plan adopted

Jul 2025
Milestone 6:



FY 2025 – 2027 program funds budgeted

Aug – Sep 2025
Milestone 7:



Democracy Dollars positions filled, staff onboard

Milestone 8:



Tech system MVP tested and ready to deploy

Sep – Dec 2025

- Program rules and regulations adopted
- Finalize and publish outreach and training materials for Oakland residents, candidates
- DD funds available announced



2026: Program Launch

Jan 2026
Milestone 7:



Candidate application process begins

Jan - Mar 2026

- Outreach to raise awareness of Democracy Dollars program
- DD voucher, packet, and mailing information ready for printing and distribution
- Voucher assignment system and public program dashboard live

Apr 2026
Milestone 8:



DD mailed to Oakland registered voters by April 1, 2024

Apr - Nov 2026

- PEC staff processes DD vouchers, disburses funds to candidates
- Ongoing community outreach to promote program, enroll residents not enrolled through voter registration

Nov 2026
Milestone 9:



First Election with Democracy Dollars

Dec 2026 - ongoing

- Candidates return unused funds
- Program audit, performance evaluation reports for Commission and City Council
- Tech system and outreach development continues, user-experience, data-informed improvements



2027: Post-election Evaluation

2027
Milestone 10:



Report to City Council