



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Fiscal Year (FY) 2024-25 Second Quarter
(Q2) Revenue and Expenditures (R&E)
Report

DATE: February 20, 2025

City Administrator Approval


Jestin Johnson (Feb 20, 2025 16:33 PST)

Date: Feb 20, 2025

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2024-25 Second Quarter (Q2) Results And Year-End Estimates For The General Purpose Fund (GPF, 1010), And Select Funds, And An Update On Current Year Balancing Efforts.

EXECUTIVE SUMMARY

This report details the City of Oakland's (the City) preliminary FY 2024-25 projected year-end revenues and expenditures based on **Second Quarter Q2** trends. The **Second Quarter** reflects 35.8% of collected adjusted revenue budget and expenditure reflects 46% of the adjusted expenditure budget.

FY 2024-25 collections of revenue through **Q2** are at \$281.01 million or 35.8% of the Adjusted Budget of \$785.86 million. The preliminary **Q2** FY 2024-25 GPF revenue forecast projects an overall shortfall of \$29.37 million or 3.7% compared to the Adjusted Budget, and is now estimated to end the year at \$756.49 million. GPF expenditures through **Q2** are at \$361.55 million or 46% of the Adjusted Budget. GPF expenditures are forecasted at \$843.69 million, an increase of \$57.83 million from the Adjusted Budget. The budget assumes a one-time use of fund balance in the amount of \$41.40 million to support carryforwards. **Table 1** below outlines the FY 2024-25 GPF revenue and expenditures Adjusted Budget, **Q2** year-to-date actuals, and year-end estimates, with a current estimate of a \$87.20 million year-end operating shortfall.

The projections in this report are made with limited information due to seasonality of certain revenue categories, and the volatility and unpredictability of the economy due to the ongoing inflationary trends and effects of federal monetary policy. The purpose of the quarterly revenue and expenditure (R&E) report is to guide the City in managing its ongoing budget in comparison

to the Adopted Budget as more financial data becomes available. As of the preparation of this report, Period 6 (December) was yet to be closed in the City's accounting system.

Table 1: Summary of FY 2024-25 Q2 GPF Revenues & Expenditures Budget to Year-End Projections (\$ in millions)

	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
FY2024-25 Revenues	807.19	785.86	281.01	756.49	(29.37)	(3.7)%
FY 2024-25 Expenditures	807.19	785.86	361.55	843.69	(57.83)	(7.4)%
Operating (Shortfall) / Surplus	—	—	(120.26)	(87.20)	(87.20)	(11.1)%

The results of this Second Quarter show that while a significant deficit is currently projected, balancing measures approved per [Resolution 90585 C.M.S.](#) on December 17, 2024, are in the process of implementation and are expected to reduce the current shortfall. Ongoing monitoring of these measures will be necessary to track their implementation and adjust projections as needed.

BACKGROUND / LEGISLATIVE HISTORY

Below is a summary of the Council's actions that have occurred from the beginning of the fiscal year through Q2 that have modified the FY 2024-25 Budget:

Pursuant to the City's Consolidated Fiscal Policy - Part G. Criteria for Project Carryforwards and Encumbrances, the FY 2024-25 Adopted Budget has also been adjusted to include \$41.40 million in prior year carryforwards in the GPF which utilizes available fund balance to cover the cost.

In October 2024, administrative action was taken to initiate the implementation of the contingency budget, as authorized by [Resolution 90326 C.M.S.](#)

On December 17, 2024, the City Council approved a series of balancing measures to address the projected GPF deficit, as authorized by [Resolution 90585 C.M.S.](#) These measures are in the process of being implemented and are expected to have a significant impact on the year-end financial position of the City.

ANALYSIS AND POLICY ALTERNATIVES

This report supports the Citywide priority of a **responsive, trustworthy government** by providing timely and up-to-date financial information and enhancing transparency allowing residents, stakeholders, and decision-makers to be informed of the City's fiscal health, promoting a culture of responsible financial stewardship.

General Purpose Fund (GPF)

FY 2024-25 Q2 Revenues

The GPF revenues collected as of **Q2** FY 2024-25 are \$281.01 million, representing 35.8% of the Adjusted Budget of \$785.86 million, and are projected to end the year at \$756.49 million which is \$29.37 million or 3.7% under the Adjusted Budget. The Adjusted Budget accounts for the adopted contingency budget, which excludes funds from the Coliseum land sale, which had been expected but have faced delays. As such, year-end estimates do not assume any collections beyond the initial \$5 million payment already received. Following FY 2023-24 which closed with notable revenue shortfalls across several key areas in the General Purpose Fund (GPF), the FY 2024-25 revenue forecast indicates a mixed fiscal landscape for the City, with some tax categories recovering or exceeding expectations while others face ongoing challenges from market conditions.

Revenue increases compared to the FY 2024-25 Adjusted Budget are led by Property Tax which is projected to be over budget by \$6.34 million or 2.1%, with growth due to a 4.6% year over year growth of property value reassessments. Fines & Penalties are projected to exceed the budgeted amount by \$3.38 million or 17.5%, due to parking citation rate increases and enhanced parking enforcement efforts. Utility Consumption Tax is anticipated to surpass the budget by \$3.38 million or 4.9% driven by utility rate increases that have been implemented in phases starting in 2024 following approval by the California Public Utilities Commission (CPUC). Miscellaneous Revenue significantly exceeds the budget by \$12.85 million due to an initial \$5 million payment from the Coliseum sale which was not included as part of the contingency budget. In addition, legal settlements, some of which are restricted by offsetting liabilities, also boosted **Q2** miscellaneous revenues.

Notable revenue categories projected to fall short of budget expectations include Real Estate Transfer Tax (RETT) Collections, which are expected to end the year at \$66.31 million, which is \$7.41 million or 10.1% under the Adjusted Budget. However, RETT is showing a recovery from the downturn in FY 2023-24 which ended the year at \$57.61 million. Early signs of market recovery are noted with a 9.7% increase in the volume of property sales in **Q2** compared to the same period in the prior year. Sales Tax is projected to be under the budget by \$2.69 million or 4.2% as gross receipts for most tax groups have declined compared to the prior year. A decrease in operational hotels impacted collections from Transient Occupancy Tax (TOT) which is forecasted to be \$3.67 million or 18.6% below budget. Meanwhile Parking Tax is projected to fall short by \$1.31 million or 10.0%, as **Q2** totals have not shown an increase compared to the same period in FY 2023-24, and in addition, **Q4** in FY 2024-25 will be the first period to

experience the loss of Parking Tax revenue generated from Oakland A's baseball games at the Coliseum.

The GPF revenues by category are detailed below.

- **Property Tax:** FY 2024-25 collections of Property Tax through **Q2** are at \$127.83 million or 41.7% of the Adjusted Budget of \$306.57 million and are now projected to end the year at \$312.91 million, which is \$6.34 million or 2.1% over the Adjusted Budget. Property Tax revenues are administered by the County and are remitted to the City in tranches. Property tax continues to be a reliable and significant source of revenue for the City. The current year end projection is based on a 4.6% growth in net assessed taxable property value for the City, which is \$89.92 billion in FY 2024-25 compared to \$85.96 billion in FY 2023-24. Causes for the net increase in assessed property values include growth in value due to Consumer Price Index increases which is capped at 2% per State Proposition 13, reassessments following prior year transfers of ownership, new construction in the City, unsecured value change, and the net addition of parcels. For context, in Fiscal Year 2022-23, property tax collections amounted to \$281.28 million. The following fiscal year, 2023-24, saw an increase to \$299.15 million, marking a growth of 6.4%. That rise in revenue closely paralleled the corresponding 6.6% increase in the City's total assessed taxable value between those years.
- **Business Tax (BT):** FY 2024-25 collections of BT through **Q2** are at \$7.63 million or 6.4% of the Adjusted Budget of \$120.06 million, and are now projected to end the year at \$116.11 million which is \$3.94 million or 3.3% under budget. The majority of BT revenue is expected in the third quarter due to the timing of business tax renewals. As of the first week of February, only about 20% of accounts have renewed, providing limited data for precise revenue forecasting. Among these renewals, there has been a slight decrease in payment amounts, with a 3.5% decline in revenue compared to payments from the same accounts in FY 2023-24. Additionally, new online applications in January this year fell by 37% compared to January 2024. The previous fiscal year ended with \$123.48 million in revenue, and the projected decrease for FY 2024-25 to \$116.11 million is attributed to both the early downward trends in renewal payments and the closure of 1,646 or 3.2% of accounts that had an active business license in 2024, and which contributed to over \$4 million in BT in the previous year.
- **Real Estate Transfer Tax (RETT):** FY 2024-25 collections of Real Estate Transfer Tax through **Q2** are at \$34.39 million or 46.7% of the Adjusted Budget of \$73.72 million, and are projected to end the year at \$66.31 million, which is \$7.41 million or 10.1% under the Adjusted Budget. Despite this shortfall, RETT is expected to increase by 15.1% by the close of the fiscal year compared to FY 2023-24. This growth follows a 19.5% rise in RETT revenue observed through Q2 relative to the same period in the previous year, although this increase is somewhat influenced by a significant \$99.00 million property sale in December 2024. Notably, FY 2023-24 saw no single property sale exceeding \$50.00 million throughout the year. A factor helping with the year over year increase is that the Federal Open Market Committee (FOMC) has enacted three federal fund rate cuts in this fiscal year, marking the first reductions since rates began to rise in March

2022. These cuts included a 50 basis point decrease in September 2024, followed by two 25 basis point reductions in November and December 2024. However, after December, the FOMC revised its 2025 projections, scaling back from four anticipated rate cuts to two, due to uncertainties related to new federal policies like tariffs and tax adjustments that might affect living costs. This adjustment could lead to changes in inflation rates, potentially impacting the pace or direction of future rate adjustments, and thus, the growth trajectory of RETT.

- **Utility Consumption Tax (UCT):** FY 2024-25 collections of Utility Consumption Tax through **Q2** are at \$33.60 million or 49.1% of the Adjusted Budget of \$68.44 million and are now projected to end the year at \$71.82 million which is \$3.38 million or 4.9% over the Adjusted Budget. Historically the highest amounts of UCT have been collected during the third quarter (Q3) as a result of an increase in usage of heating systems during the winter months. FY 2024-25 in general is experiencing higher amounts of UCT collected compared to prior years due to the approval of a 12.7% increase in consumer utility rates in 2024 by The California Public Utilities Commission (CPUC). PG&E which is the largest contributor to the City's UCT implemented rate hikes in phases in 2024 with a 6% increase that took effect in March, an additional 4% in June and implemented a further 2.7% adjustment in September. These incremental rate hikes directly impact the tax base, as utility consumption tax is a percentage of the utility bill, thus leading to higher tax revenue.
- **Sales Tax:** FY 2024-25 collections of Sales Tax through **Q2** are at \$20.44 million or 32.1% of the Adjusted Budget of \$63.73 million, and are now projected to end the year at \$61.04 million, which is \$2.69 million or 4.2% under the Adjusted Budget. The \$20.44 million in actual revenues reported for the first quarter do not accurately represent the Sales Tax receipts for that period. This is because the collections are managed externally by the State and then remitted in bulk to the City. Data available for the first quarter of FY2024-25 (Q1) (Sales Tax is collected by the State and the corresponding detailed data becomes available to the City in the subsequent quarter) shows that from July to September 2024, Oakland saw a 5.2% decrease in gross receipts compared to that same period in 2023, adjusting to a 2.6% decline after accounting for various reporting modifications such as audit adjustments and delayed payments. Declines were noted across most tax categories during this period, particularly in dining, with casual and fast-food sectors hit by business closures. Sectors like grocery, cannabis, and general retail also experienced downturns, while new car sales and fuel stations suffered due to business closures and lower oil prices. Categories that saw year over year increases in the Q1 include a 13.4% growth in the City's share of the countywide use tax as the City's pool share grew due to the sales tax reductions in another agency within the County. The Business and Industry category also grew supported by gains in office supplies and repair services. State-wide, California's local sales and use tax receipts for the same period were down by 2.3% compared to the previous year, indicating a weak start to fiscal year 2024-25. Proposition 172 revenues are expected to decrease by about 1.1% in the 2024-25 fiscal year following a 1.0% decline in FY 2023-24. The economic outlook remains cautious with potential impacts from federal interest rates and uncertainty resulting from anticipated policy changes from the new Federal

Administration, including potential tariffs and tax reductions which will affect consumer spending patterns.

- **Service Charges:** FY 2024-25 collections of Service Charges through **Q2** are at \$18.91 million or 36.5% of the Adjusted Budget of \$51.84 million, and are now projected to end the year at \$56.35 million which is \$4.51 million or 8.7% over the Adjusted Budget. Notably, certain types of service charges, including Port Revenues and Cable and Gas Franchise Fees, do not accrue evenly throughout the year, with only about 14% of their budgeted amounts posted by Q2, as these are predominantly collected in the latter half of the fiscal year. However, a significant 54% increase in service charges has been observed when compared to the same period in FY 2023-24, highlighting a robust performance in collections. This growth should be viewed cautiously due to the irregular posting patterns of these charges. A key factor contributing to this increase is the collection from Parking Meter Fees, which constitute 33% of total Service Charges and have risen by 30% in the first six monthly reporting of the year, following a 50% rate increase from \$2 to \$3 per hour implemented at the start of FY 2024-25.
- **Transient Occupancy Tax ("TOT"):** FY 2024-25 collections of TOT through **Q2** are at \$8.43 million or 42.7% of the Adjusted Budget of \$19.74 million, and are now projected to end the year at \$16.07 million, which is \$3.67 million or 18.6% under the Adjusted Budget. This year's performance marks a downturn when compared to the previous fiscal year, FY 2023-24, which ended with TOT collections under the current year's budget at \$18.39 million. The first half of FY 2024-25 showed a significant 14.4% decrease in collections compared to the same period in FY 2023-24, reflecting ongoing challenges in the tourism sector's recovery. This decline in TOT is paralleled by a 14.3% drop in passenger travel at the Oakland Airport when comparing the latest monthly data available of November 2024 to November 2023. Although, over a rolling 12-month period ending November 30, the decline in passenger numbers was less steep at 2.1%. The biggest contributor to the decline in projected TOT collections has been the closure of major hotels like the Hilton and Jack London Square's Waterfront Hotel, which represent a significant loss of revenue, as they combined to contribute on average over \$2.0 million in TOT annually. Furthermore, there are concerns about potential additional closures in the hospitality sector. For example, it was recently reported that Gaw Capital USA defaulted on a \$100 million loan for the Oakland Marriott City Center, putting the property at risk of foreclosure according to multiple news reports.
- **Fines & Penalties:** FY 2024-25 collections of Fines and Penalties through **Q2** are at \$10.46 million or 54.1% of the Adjusted Budget of \$19.34 million, and are now projected to end the year at \$22.73 million, which is \$3.38 million or 17.5% over the Adjusted Budget. Parking citations continue to form the bulk of Fines and Penalties revenue. Expectations of increased revenue are due to a 5% increase in parking fines that took effect in FY 2023-24 and an additional 5% for FY 2024-25 to adjust for retroactive inflation. In addition, enhanced concentrated efforts in parking enforcement are being aided in FY 2024-25 by recent hires in the Parking Enforcement Unit which aims to be fully staffed by the second half of FY 2024-25. As a result, collection of parking fines is 20% higher through Q2 compared to the same period in FY 2023-24.

- **Parking Tax ("PT"):** FY 2024-25 collections of Parking Tax through **Q2** are at \$5.85 million or 44.8% of the Adjusted Budget of \$13.07 million, and are now projected to end the year at \$11.76 million which is \$1.31 million or 10.0% under the Adjusted Budget. After fluctuations due to the pandemic, the tax has stabilized as demonstrated by the monthly remittances of Parking Tax which are coming in even through Q2 when compared to the same period in the prior year. Concurrently the projection estimates that PT collections in this fiscal year will equal the amounts collected in FY 2023-24, which ended at \$11.87 million, minus the amount that resulted from PT collected at A's games in the Q4 of FY 2023-24 due to their departure. As a whole, the airport / coliseum area has seen a 3% decrease year over year through Q2, but is being offset by a 2% year over year increase in the downtown area.
- **Miscellaneous Revenue:** FY 2024-25 collections of Miscellaneous Revenues through **Q2** are at \$14.08 million, and are projected to end at \$14.08 million which is \$12.85 million or 1048.2% over the Adjusted Budget of \$1.23 million. A sum of \$5 million was received as an initial payment for the sale of the Coliseum site. This amount was not fully anticipated in the Adjusted Budget due to the delay in the completion of the sale. The FY 2024-25 Adopted Budget initially included \$63.10 million from the sale of the Coliseum land, classified under Miscellaneous Revenues. However, due to delays in the transaction the expected \$63.10 million was removed from the budget and a contingency budget was adopted as it was stipulated as part of the FY 2024-25 Midcycle Budget adoption. Projections for the remainder of FY 2024-25 do not account for additional payments from the Coliseum land sale within this fiscal year. Staff strongly recommends that decision makers do not include the Coliseum sale proceeds in any future budget balancing action until after that cash has been received and title of the property transferred, as recommended by our external financial auditor. In addition, legal settlements have significantly contributed to the actual miscellaneous revenues realized in **Q2** as well. However, \$3.47 million of revenue resulting from these legal settlements is restricted to specific reimbursements bound by settlement agreements and cannot be accounted for in the overall balancing of the General Purpose Fund.

The FY 2024-25 Adjusted Revenue Budget assumes \$41.40 million in use of fund balance to support prior year carryforwards. Net of these, actual revenues are estimated to end the year at \$756.49 million, compared to the Adjusted Budget of \$744.47 million, representing a net surplus of \$12.03 million or 1.6%. **Table 2** below highlights revenue categories with year-end projection changes when compared to the FY 2024-25 Adjusted Budget.

Table 2: FY 2024-25 Q2 GPF Revenues Budget to Actuals (\$ in millions) Summary

Revenue Category	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Property Tax	306.57	306.57	127.83	312.91	6.34	2.1 %
Business License Tax	120.06	120.06	7.63	116.11	(3.94)	(3.3)%
Real Estate Transfer Tax	73.72	73.72	34.39	66.31	(7.41)	(10.1) %
Utility Consumption Tax	68.44	68.44	33.60	71.82	3.38	4.9 %
Miscellaneous Revenue	64.32	1.23	14.08	14.08	12.85	1048.2 %
Sales Tax	63.73	63.73	20.44	61.04	(2.69)	(4.2) %
Service Charges	51.84	51.84	18.91	56.35	4.51	8.7 %
Transient Occupancy Tax	19.74	19.74	8.43	16.07	(3.67)	(18.6)%
Fines & Penalties	19.34	19.34	10.46	22.73	3.38	17.5 %
Parking Tax	13.07	13.07	5.85	11.76	(1.31)	(10.0) %
Interfund Transfers	2.7	3.08	—	3.08	—	— %
Interest Income	2.5	2.50	(1.77)	2.50	—	— %
Licenses & Permits	1.16	1.16	0.58	1.16	—	— %
Grants & Subsidies	—	—	0.59	0.59	0.59	— %
Subtotal	807.19	744.47	281.01	756.49	12.03	1.6 %
Project Offsets & Carryforwards	—	41.40	—	—	(41.40)	(100.0) %
Total Revenue	807.19	785.86	281.01	756.49	(29.37)	(3.7)%

FY 2024-25 Q2 Expenditures

At the end of Q2 for FY 2024-25, expenditures are projected to end the fiscal year at \$843.69 million, or \$57.83 million over the Adjusted Budget of \$785.86 million. Most of the City's departments are projected to overspend by the end of FY 2024-25. Public safety departments account for over 90% of the City's projected overspending in FY 2024-25.

The Midcycle Adopted Budget assumed the use of the sale of the Coliseum in the amount of \$63.5 million to balance the expenditures as budgeted. This follows a trend in recent years, during which one-time funding was needed in the balancing of the expenditures. Expenditure monitoring is heightened as citywide hiring is a large focus, and current inflationary trends and federal monetary policy are likely to continue throughout the fiscal year and have an impact on spending trends by year-end.

Table 3 below breaks down the FY 2024-25 Expenditures by Department.

Table 3: FY 2024-25 Q2 GPF Expenditures Budget to Actuals (\$ in millions)

Department	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	0.56	1.61	0.26	1.61	—	— %
City Administrator	5.99	5.95	2.71	7.28	(1.32)	(22.2)%
City Attorney	21.71	24.62	9.72	23.93	0.69	2.8 %
City Auditor	3.73	4.01	1.25	2.81	1.19	29.7 %
City Clerk	8.00	9.92	2.60	9.96	(0.04)	(0.4)%
City Council	7.87	7.91	3.42	7.16	0.75	9.5 %
Department of Transportation	21.72	22.08	9.84	23.24	(1.15)	(5.2)%
Department of Violence Prevention	7.49	8.10	2.63	6.65	1.45	17.9 %
Department of Workplace and Employment Standard	2.39	2.15	0.76	2.19	(0.04)	(1.9)%
Economic and Workforce Development Department	15.24	14.54	8.22	14.61	(0.07)	(0.5)%
Finance Department	29.13	29.03	10.88	29.85	(0.82)	(2.8)%
Fire Department	180.45	166.24	92.94	197.20	(30.96)	(18.6)%
Housing and Community Development Department	—	—	—	—	—	N / A
Human Resources Management Department	0.33	0.53	0.43	0.53	—	— %
Human Services Department	43.08	46.47	7.89	44.40	2.07	4.5 %
Information Technology Department	6.55	6.95	3.46	9.13	(2.18)	(31.3)%
Mayor	5.59	5.60	2.24	4.41	1.19	21.2 %
Non Departmental and Port	53.80	59.00	6.57	53.00	6.00	10.2 %

Department	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Oakland Animal Services	6.84	6.57	2.98	6.17	0.40	6.1 %
Oakland Parks and Recreation Department	11.80	12.13	5.54	13.20	(1.07)	(8.8)%
Oakland Public Library Department	12.40	11.40	5.81	9.71	1.69	14.8 %
Oakland Public Works Department	2.73	4.51	1.46	4.19	0.32	7.1 %
Planning and Building Department	—	—	—	—	—	N / A
Police Commission	8.78	9.57	2.94	7.51	2.06	21.5 %
Police Department	347.21	322.83	175.43	361.31	(38.48)	(11.9)%
Public Ethics Commission	2.52	2.78	1.04	2.37	0.41	14.7 %
Race and Equity Department	1.27	1.35	0.55	1.26	0.09	6.7 %
Total	807.19	785.86	361.55	843.69	(57.83)	(7.4)%

The budgeted vacancy factor assumed in the FY 2024-25 Midcycle Budget is 10.00% across most City Departments. The GPF's vacancy rate (net positions that are frozen as part of the FY 2024-25 Adopted Budget), is 14.0% as shown in **Table 4** below. The current vacancy rate is higher than the assumed budgeted rate, however there is no anticipated vacancy savings due to such saving being subsumed in the projected public safety over expenditure.

Table 4: FY 2024-25 Q2 GPF Filled and Vacant Positions (Percent %)

Status as of Q2 FY 2024-25	Percent (%)
Filled or Encumbered	86.0 %
Vacant	14.0 %

FY 2024-25 Fund Balance

The City's GPF Fund Balance, net obligations, is projected to end FY 2024-25 at negative \$94.02 million. Obligations may include reserves required by City Ordinances or the City Charter (mandated emergency reserves). **Table 5** below adds to the projected ending fund balance return of excess fund balance from the Equipment Fund (4100) totaling \$8.32 million, and deducts restricted set-asides for legal settlements in the amount of \$3.47 million, combining to improve the estimated FY 2024-25 year-end available fund balance from negative \$94.02 million to negative \$89.17 million. The estimated FY 2024-25 available Fund Balance is the amount of unobligated funding available to the City in the GPF.

It's important to note that the ending fund balance across all funds are not funds that are available to spend in FY 2024-25.

Table 5: Summary of FY 2024-25 Fiscal Situation with GPF Fund Balance (\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	(6.83)
Revenue	756.49
Expenditures	843.69
Estimated Current Year Surplus/(Shortfall)	(87.20)
Estimated Ending Fund Balance	(94.02)
Use of Fund Balance in FY 2024-25	
Return of Excess Fund Balance in Equipment Fund	8.32
Legal Settlements	(3.47)
Estimated Ending Fund Balance	(89.17)

FY 2024-25 **Q2** projections indicate that GPF revenues will come in below budgeted and expenditures will exceed the budgeted amount by the end of the fiscal year, with the combination of the two culminating in an approximately \$87.20 million operating deficit. The deficit accounts for the use of fund balance in the amount of \$41.40 million to support prior year carryforwards. Several City departments are projected to have overspending, led by the Police and Fire Departments who are projected to exceed their budget by \$38.48 million and \$30.96 million, respectively, primarily due to overspending in personnel from overtime costs.

FY 2024-25 Budget Balancing Measures

A comprehensive series of balancing measures were affirmed and adopted per [Resolution 90585 C.M.S.](#) to rebalance the current year. Since then, several adjustments have been made to the balancing measures as part of ongoing implementation efforts. One key change involves the projected savings from the public safety expenditure reductions. Initial plans to scale back OPD overtime and were expected to save \$25.15 million; however, revised estimates now anticipate lower savings to \$14.45 million due to operational constraints and staffing needs that

prevent further reductions at this time. Of this amount, approximately \$13 million has already been incorporated into the current projections, with an additional \$1.45 million in savings anticipated by the end of the fiscal year. In addition, a previously planned expansion of fire station brownouts has been revised. The initial balancing measures included an additional four station brownouts to generate cost savings, however, this measure has been removed from the current plan due to operational and public safety considerations.

Similarly, revenue projections from business tax enforcement efforts have been updated. The original estimate anticipated \$4.23 million in additional revenue. The revised estimate is \$1.1 million. The revised \$1.1 million revenue amount is the amount that staff anticipate will be collected based on efforts in process to collect business tax and Rent Adjustment Program (RAP) fees from newly discovered rental businesses. Some of this revenue will likely be collected in the subsequent fiscal year, although staff are actively engaging businesses along with the noticing of these businesses.

Costing updates for the reduction in force have also been incorporated, reflecting refined calculations using the latest personnel data. The deviation from the original estimates is primarily due to the ability to reduce the total number of layoffs through offsetting expenditure reductions, as reflected in current projections. As certain balancing measures have been implemented, the City has been able to preserve more jobs than initially anticipated. Another revision to the balancing measures is the transfer of Fund 4400 water charges to the Landscape and Lighting Assessment District Fund (LLAD) (2310). The full savings amount is not anticipated to be realized as there are insufficient personnel charges available in the LLAD fund to transfer to the Comprehensive Clean-up Fund (1720), as originally proposed. As a result, the expected savings for these measures is reduced to \$0.60 million. All other measures updated with a zero-dollar value indicate that the associated savings have already been incorporated into the current projections. See **Attachment B** for details on the revised amounts and GPF balancing discussed above.

Attachment B also presents new balancing measures and additional items introduced since the December 17, 2024 action. These include the termination of grants in the GPF totaling \$2.6 million, a Coliseum subsidy payment refund of \$2.58 million, and the addition of \$1.14 million in expenditures to continue the Summer 2025 Town Camp programming. A placeholder of \$2.5 million in savings has been included for contract terminations in the GPF, and an added expenditure has been accounted for to cover a legal settlement related to the Rose Foundation grant.

The balancing measures include an assumed \$3.7million in parking revenues related to increased parking enforcement operations from DOT, and an additional \$1.1million in business tax collections from residential landlords due to noticing of units in conjunction with the City' Rent Adjustment Program (RAP).

In total, if fully implemented, the revised balancing measures total \$89.33 million and would result in a year-end surplus of \$0.16 million. It should be noted, in order to maintain these measures, it is important to maintain the closure of the two fire stations until the end of the fiscal year. While the Department identified the two stations currently closed, that does not negate any alternative locations that could be considered. Further, one of the more impactful elements of

the station brownouts is the elimination of mandatory overtime, allowing for a better work-life balance for members of the the fire service.

Long-Term Budget Outlook

While the balancing measures for the current year provide necessary short-term relief, the City continues to face significant long-term financial challenges. The City is facing a nearly \$140million ongoing structural deficit in the General Purpose Fund alongside structural imbalances in many of the City's other key restricted funds. These deficits will continue to grow unless structural correction are made to the City's operations and expenditures. Rising costs for insurance, medical benefits, and pension obligations will place increasing pressure on the GPF and other funds in future budget cycles. Pension obligation costs, especially for public safety employees are expected to continue steep increases over the next several fiscal years. The City's funded ratio for safety pensions is below 65% meaning high employer contributions are expected to continue to repay the past accrued unfunded liability, placing further strain on the GPF. The City's Other Post-Employment Benefits (OPEB) liability, generally understood as retiree health, remains a concern, with unfunded liabilities exceeding \$500 million as of the latest actuarial valuation.

Health care costs for active employees and retirees have grown significantly over the years, primarily driven by a combination of factors including aging population, increasing prevalence of chronic diseases, medical technology advancements leading to more expensive treatments, rising administrative costs, and inflation impacting the cost of medical supplies and services. The 2024 medical annual premium for active employees was over \$78 million; it grows by roughly eight percent, for a projected amount of \$92 million for 2025. The City's total PERS medical payments, which include active employees and retirees, have increased by over \$5 million on average per year in the last 5 years, and are expected to be over \$100 million in total for FY 2024-25.

Sustainable solutions to address the City's needs are necessary to address this fiscal circumstance. Large scale economic growth, revenue enhancement, financial prudence, efficient service delivery and honed management practices can lead to structural balance if adopted and implemented to address historical practices and growing cost drivers. The reliance on one-time solutions, such as fund reallocations, temporary expenditure reductions, and use of one-time revenues to support ongoing expenditures, do not result in structural balance but may bridge from one year to the next. Sustainable budget practices, with long-term strategies to address growing cost drivers, will lead the City to structural balance. This inherently requires increasingly difficult decisions regarding service reductions and priority setting for the City.

Conclusion

The GPF fund balance began the fiscal year in a negative position, a situation further exacerbated by delays in receiving anticipated revenues from the Coliseum land sale. The absence of these funds necessitated the activation of the Contingency Budget, resulting in

reductions across multiple City departments and services and on-going measures to maintain solvency.

With these efforts, financial challenges remain. The administrative actions are beginning to bear results and while the revised balancing measure may cautiously yield a small year-end surplus, this does not resolve the fundamental structural issues in the City's budget. Continued efforts to achieve these results and to maintain the focus on expenditure control are necessary through the end of the fiscal year.

Looking to the biennial budgeting process and beyond, long-term solutions, including expenditure reforms, new revenue strategies, and efficiency improvements, must be explored to ensure financial stability in the upcoming biennial FY2025-27 budget.

Staff will continue to monitor the implementation of balancing measures and provide updates to support informed decision-making as the City navigates its fiscal challenges.

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PUBLIC OUTREACH / INTEREST

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

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

Race & Equity: No direct Race & Equity opportunities have been identified in this informational report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2024-25 Second Quarter (Q2) Results And Year-End Estimates For The General Purpose Fund (GPF, 1010), And Select Funds, And An Update On Current Year Balancing Efforts.

For questions regarding this report, please contact Bradley Johnson, Budget Administrator, at (510) 238-6119.

Respectfully submitted,



Erin Roseman (Feb 20, 2025 16:12 PST)

ERIN ROSEMAN
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Attachments: (2)

A: FY 2024-25 **Q2 Detailed Report**

B: FY 2024-25 GPF Balancing

Attachment A: FY 2024-25 Q2 Detailed Report

TABLE OF CONTENTS

The report has the following major sections:

1. General Purpose Fund **Q2** Revenues
2. General Purpose Fund **Q2** Expenditures
3. General Purpose Fund **Q2** Fund Balance
4. Reserves

Appendixes:

Consolidated Fiscal Policy

Negative Funds Report

Summary of FY 2024-25 Q2 GPF Revenues & Expenditures

FY 2024-25 GPF Revenue is projected to come in \$29.37 million or 3.7% lower compared to the Adjusted Budget of \$785.86 million. GPF Expenditures are estimated to come in \$57.83 million or 7.4% over the Adjusted Budget of \$785.86 million. **Table 1** below shows the FY 2024-25 General Purpose Fund revenue and expenditures Adjusted Budget and year-end estimates which currently project a year end operating shortfall of \$87.20 million.

Table 1: Summary of FY 2024-25 Q2 GPF Revenues & Expenditures Budget to Estimated Year-End Actuals (\$ in millions)

	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
FY2023-24 Revenues	785.86	281.01	756.49	(29.37)	(3.7) %
FY 2023-24 Expenditures	785.86	361.55	843.69	(57.83)	(7.4) %
Operating (Shortfall) / Surplus	—	(80.55)	(87.20)	(87.20)	(11.1) %

I. GENERAL PURPOSE FUND FY 2024-25 Q2 REVENUES

This section of the report provides an assessment of the City's revenue condition in the current fiscal year as compared to the FY 2024-25 Adjusted Budget based on actual performance during the first six months of FY 2024-25, quarterly trends established in prior fiscal years, and external data sources. The GPF revenue is projected to end the year with a net shortfall of \$29.37 million. The Adjusted Budget assumes \$41.40 million in use of fund balance to cover prior year carryforwards. Without accounting for the before mentioned one-time use of fund balance, the GPF revenues forecast to come in at \$756.49 million, which is \$12.03 million over compared to the Adopted Budget of \$744.47 million.

Amongst the 5 largest revenue contributors in the GPF, Property Tax is projected to increase slightly driven by an estimated 4.6% rise in assessed taxable property values. Collections for Business Tax (BT) are concentrated in Q3 due to renewal deadlines but is currently projected to come in under budget based on known closures of large contributing accounts of BT that have occurred over the past year. The current projection for Real Estate Transfer Tax (RETT) collections estimate to end the year under the Adjusted Budget, however showing a recovery from the downturn in FY 2023-24. Sales Tax is projected to end slightly under budget continuing a decrease experienced in FY 2023-24. While the Utility Consumption Tax is expected to continue to grow in FY 2024-25 driven by a 12.7% rate increase by the California Public Utilities Commission phased in gradually during 2024.

Q2 HIGHLIGHTS OF THE TOP 5 GPF REVENUE CONTRIBUTORS

Property Tax: FY 2024-25 collections of the City's largest revenue source through **Q2** are at \$127.83 million or 41.7% of the Adjusted Budget of \$306.57 million and are now projected to end the year at \$312.91 million, which is \$6.34 million or 2.1% over the Adjusted Budget. The current year end projection is based on a 4.6% growth in net assessed taxable property value for the City, which is \$89.92 billion in FY 2024-25 compared to \$85.96 billion in FY 2023-24. The net assessed value is confirmed after the budget is adopted. The date used to determine the net assessed value of properties subject to the property tax for Fiscal Year 2024-25 is January 1st, 2024, in most cases. For properties sold between January and December 2023, the market value adjustment is calculated by comparing the assessed value on the 2023-24 tax roll with the actual sale price. Due to a decrease in the number of homes listed for sale in 2023, the year-over-year increase in assessed values was less pronounced than in previous years, leading to a more modest growth in property tax revenue for the City. For context, Fiscal Year 2023-24 concluded with revenues at \$299.15 million, which was an increase of \$17.87 million or 6.4% over the previous fiscal year, closely matching that period's growth for property assessed values of 6.6%.

Table 2 below details the FY 2024-25 change in assessed property value compared to FY 2023-24:

Table 2: FY 2024-25 Change in Assessed Property Values

Cause of Value Change	Change from 2023/24 (\$ in millions)	% of 2023/24 Net Value	% of All Change from 2023-24
Parcel Add/Drops Net Change	\$ 31.61	— %	0.8 %
Change from CPI 2.0% Growth	\$ 1,533.17	1.8 %	38.7 %
Prior Year Transfer of Ownership	\$ 1,361.48	1.6 %	34.4 %
New Construction - Non-Residential	\$ 775.93	0.9 %	19.6 %
New Construction - Residential	\$ 325.05	0.4 %	8.2 %
Prop. 8 - Reduce / Recapture Net	\$ (417.96)	(0.5)%	(10.6)%
Unsecured Value Change	\$ 189.88	0.2 %	4.8 %
Other Changes	\$ 157.82	0.2 %	4.0 %
Total Change	\$ 3,956.96	4.6 %	100.0 %

Business License Tax (BT): FY 2024-25 collections of the second largest revenue source for the City through **Q2** are at \$7.63 million or 6.4% of the Adjusted Budget of \$120.06 million and are now projected to end the year at \$116.11 million which is \$3.94 million or 3.3% under

budget. The majority of BT revenue is expected in the third quarter due to the timing of business tax renewals. As of the first week of February 2025, only a small percentage of accounts have renewed, which significantly restricts the data available for formulating a precise revenue projection for Fiscal Year 2024-25. For among the approximate 20% of accounts that have renewed through the early stages of Q3, there has been a slight decrease in payment amounts, with a 3.5% decline in revenue compared to payments from the same accounts in FY 2023-24 which ended at \$123.48 million. There have also been a smaller amount of new business applications submitted to date, as reflected in January which received 379 new business applications online compared to 604 in January 2024. The FY 2024-25 forecast takes into account the observed downward trend in renewal payments and also reflects the impact of a large amount of BT contributor accounts no longer operating within the City's jurisdiction. A total of 1,646 or 3.2% of accounts that had an active business license in 2024 have closed as of the first week of February 2025. The largest impacts from account closures occurred in Admin Headquarters led by Kaiser Permanente's headquarters relocation, as well as closures in the real estate industry and in the restaurants and hotel industry, in addition to the Athletics Investment Group, LLC leaving the City. The 29 largest businesses that have either closed their business or relocated some of their operations equate to approximately \$3.16 million in Business Tax revenue losses based on prior year payments from these entities. Overall the accounts that have closed since 2024 contributed with over \$4.18 million in BT payments in the prior year.

Table 3 below shows the number of BT account closures by industry type for accounts that had an active BT license in 2024.

Table 3 Account Closures by Industry Type for Accounts That Had an Active BT License in 2024

Industry	Industry Count of Accounts With License Expiration Date of 12.31.2024	Closures of Accounts With a 2024 BT License (as of Feb. 5, 2025)	Percentage of Accounts That Closed by Industry
A - RETAIL SALES	4,224	222	5.3%
B - GROCERS	223	6	2.7%
C - AUTOMOBILE SALES	73	1	1.4%
D - WHOLESALE SALES	582	16	2.7%
DC - Day Care 14 or Less	30	-	0.0%
E - BUSINESS/PERSONAL SVCS	5,437	236	4.3%
F - PROFESSIONAL/SEMI-PROFESSIONAL	7,126	328	4.6%
G - RECREATION/ENTERTAINMENT	368	16	4.3%
H - CONTRACTORS	4,685	190	4.1%
H2 - CONTRACTORS APPRENTICE	5	-	0.0%
I - MANUFACTURING	519	26	5.0%
I - MANUFACTURING 2	6	-	0.0%
J - HOTEL/MOTEL	145	20	13.8%

Industry	Industry Count of Accounts With License Expiration Date of 12.31.2024	Closures of Accounts With a 2024 BT License (as of Feb. 5, 2025)	Percentage of Accounts That Closed by Industry
K - ADMIN HEADQUARTERS	79	8	10.1%
L - MEDIA FIRMS	80	4	5.0%
M - UTILITY COMPANIES	168	1	0.6%
N - MISCELLANEOUS	20	-	0.0%
NP - NONPROFIT	1,195	19	1.6%
O - COMMERCIAL RENTAL	15	2	13.3%
O - COMMERCIAL RENTAL PROPERTY	3,462	51	1.5%
O - RESIDENTIAL RENTAL PROPERTY	22,905	481	2.1%
P - CANNABIS - EQ - DISTRIBUTION	8	4	50.0%
P - CANNABIS - EQ - INDOOR CULTIVATION	11	-	0.0%
P - CANNABIS - EQ - MANUFACTURING	17	-	0.0%
P - CANNABIS - EQ - RETAIL	56	-	0.0%
P - CANNABIS - GEN - DISTRIBUTION	24	-	0.0%
P - CANNABIS - GEN - INDOOR CULTIVATION	103	-	0.0%
P - CANNABIS - GEN - MANUFACTURING	22	-	0.0%
P - CANNABIS - GEN - RETAIL	82	3	3.7%
R - AMBULANCES	7	-	0.0%
R - LIMOUSINES	14	-	0.0%
R - TAXICABS	56	2	3.6%
S - TRUCKING/TRANSPORTATION	204	10	4.9%
Grand Total	51,951	1,646	3.2%

Real Estate Transfer Tax (RETT): FY 2024-25 collections of the third largest revenue source for the City through **Q2** are at \$34.39 million or 46.7% of the Adjusted Budget of \$73.72 million, and are projected to end the year at \$66.31 million, which is \$7.41 million or 10.1% under the Adjusted Budget. However, RETT collections are forecasted to increase by 15.1% by the end of this fiscal year compared to last year. Property sales through Q2 rose by 9.7%, with 167 more sales and a 16.9% increase in gross sales value compared to the same period in the prior year. High-value property sales over \$5 million also surged by 63%, from 11 to 18 sales compared to the previous year. The largest sale of approximately \$99.0 million was made in December for the tallest residential tower in the City of Oakland, located at 1640 Broadway. This represents the only sale of over \$50.00 million that has taken place since the beginning of FY 2023-24. This fiscal year's growth to date follows a significant shortfall in FY 2023-24, where RETT ended only at \$57.61 million out of a \$110.41 million budget, due to higher mortgage rates from elevated federal funds rates, which cooled demand and reduced sales by 10.1% compared to FY 2022-23. The Federal Open Market Committee (FOMC) made three rate cuts through the first two quarters of FY 2024-25 (September: 50 basis points (BPS), November: 25 BPS, December: 25 BPS), but after December, reduced the 2025 rate cut projections from four to two

due to uncertainties from incoming federal policies, such as tariffs potentially negatively affecting inflation and RETT growth.

Table 4 below shows the RETT growth rate by sales price comparing **Q2** in FY 2024-25 to **Q2** in FY2023-24.

Table 4: RETT Growth Rate (\$ in millions)

Sale Price	FY 2023-24 Q2		FY 2024-25 Q2		Year-Over-Year Variance Thru Q2	
	Gross Sales	Volume	Gross Sales	Volume	Gross Sales	Volume
\$300,000 or below	\$ 22.21	127	\$ 22.05	125	(0.69)%	(1.6)%
\$300,001 to \$2 Million	\$ 1,500.21	1503	\$ 1,459.69	1,659	(2.70)%	10.4 %
\$2 million to \$5 Million	\$ 58.84	77	\$ 215.43	83	266.14 %	7.8 %
\$5 -10 Million	\$ 45.52	7	\$ 67.75	9	48.82 %	28.6 %
\$10 - 50 Million	\$ 84.05	4	\$ 136.69	8	62.63 %	100.0 %
\$50.01-100 Million	\$ —	0	\$ 99.00	1	— %	— %
Over \$100 Million	\$ —	0	\$ —	\$ —	— %	— %
Total	\$ 1,710.83	1718	\$2,000.61	1,885	16.9 %	9.7 %

Sales Tax: FY 2024-25 collections of the fourth largest revenue source of the City through **Q2** are at \$20.44 million or 32.1% of the Adjusted Budget of \$63.73 million and are now projected to end the year at \$61.04 million, which is \$2.69 million or 4.2%, under the Adjusted Budget. Data available for FY2024-25 Q1 (Sales Tax is collected by the State and the corresponding detailed data becomes available to the City in the subsequent quarter) shows that Sales tax across all categories ended FY 2024-25 Q1 5.9% lower on average compared to the same period in the previous fiscal year. Categories with year over year Q1 decreases in Sales Tax are led percentage wise by fuel service stations. The price of crude oil fell during the period and directly affected fuel-service station receipts – with revenues sliding by 16.2% compared to the same period in the prior year. New car sales slumped – and the closure of a business added to the comparative decline of 14.2%. Building-construction realized reductions in all sectors, including plumbing/electrical sales and contractor activity combining for a 9.4% drop. Grocery stores and cannabis contributed to a slide in food-drugs receipts of 4.5%. Casual, fast casual and quick service dining all declined – in part due to key quick service business closures that led restaurants and hotels overall to decline by 3.6%. General Consumer Goods dropped by 0.1% since general retail edged down slightly and a couple of business closures added to the weaker returns. On the positive, the City’s allocation from the countywide use tax, including unidentified transfers, improved by 14.3% as the City’s pool share grew due to the sales tax reductions in another agency within the county. Growth in several key sectors of the Business and Industry category, including office supplies, furniture, repair shop, equipment rentals, and heavy industry helped boost returns by 10.0% for this category.

Table 5 below compares the Sales Tax totals received by category in FY 2023-24 Q1 to those received in FY 2024-25 Q1.

Table 5: Q1 Sales Tax Comparison by Category FY2023-24 and FY 2024-25 (\$ in millions)

Category	FY 2023-24 through Q1	FY 2024-25 Through Q1	Inc/Dec
Autos & Transportation	\$ 2.56	\$ 2.19	(14.2)%
Building & Construction	\$ 1.62	\$ 1.46	(9.4)%
Business & Industry	\$ 1.38	\$ 1.52	10.0 %
Food & Drugs	\$ 1.22	\$ 1.16	(4.5)%
Fuel & Service Stations	\$ 1.82	\$ 1.52	(16.2)%
General Consumer Goods	\$ 1.26	\$ 1.26	(0.1)%
Restaurants & Hotels	\$ 2.78	\$ 2.68	(3.6)%
State/County Pools & Transfers	\$ 2.99	\$ 3.42	14.3 %
Average	\$ 8.00	\$ 7.53	(5.9)%

State-wide, California's local sales and use tax receipts for the same period were down by 2.3% compared to the previous year, indicating a weak start to the fiscal year 2024-25. The auto sector continued its decline for the seventh consecutive quarter, influenced by high interest rates, tight credit, and rising insurance costs. Construction and home repair also weakened due to high interest rates and limited home equity access. Retail saw a 3.8% drop, influenced by competition from online sales. Fuel tax receipts decreased by 13%. The food and drug category fell by 2.8%, reflecting ongoing store closures and cannabis sales decline. Restaurant revenues slightly increased by 0.7%, despite challenges from mandated wage increases. Meanwhile, Proposition 172 revenues are expected to decrease by about 1.1% in the 2024-25 fiscal year following a 1.0% decline in FY 2023-24. The economic outlook remains cautious with potential impacts expected from federal interest rates decisions, anticipated policy changes from the new Federal Administration, including potential tariffs and tax reductions, leading to uncertain consumer spending patterns.

Utility Consumption Tax (UCT): FY 2024-25 collections of the fifth largest revenue category for the City through Q2 are at \$33.60 million or 49.1% of the Adjusted Budget of \$68.44 million and are now projected to end the year at \$71.82 million which is \$3.38 million or 4.9% over the Adjusted Budget. The forecast for FY 2024-25 is augmented by a 12.7% increase in utility rates approved by the California Public Utilities Commission in 2024. PG&E, a major contributor to the City's UCT, implemented this increase incrementally throughout 2024: 6% in March, 4% in June, and 2.7% in September, thus taking full effect heading in to the second quarter of this fiscal year. This phased increases have led to higher tax revenue as UCT is a percentage of utility bills. UCT collections for FY 2023-24 totaled \$66.22 million, and the FY 2024-25 estimate of \$71.67 million, represents a year over year rise of \$5.45 million or 8.2%. Historically the highest amounts of UCT have been collected during the third quarter (Q3) as a result of an increase in usage of heating systems during the winter months. Note that the rate increases were not in effect during the high-collection winter months of January and February in the prior fiscal year, meaning the full impact of the 12.7% increase will be felt during this period in the current fiscal year. This forecast presumes that consumer behavior will remain stable.

Other Notable Revenue Highlights:

Fines & Penalties: Q2 FY 2024-25 collections came in at \$10.46 million or 54.1% of the Adjusted Budget of \$19.34 million, and now is projected to end the year at \$22.73 million, a 17.5% increase over the Adjusted Budget. Parking citations are the major revenue source, and corresponding revenue expectations have increased due to a 5% increase in fines implemented in FY 2023-24, followed by another 5% increase in FY 2024-25 to account for retroactive inflation. Additionally, intensified parking enforcement efforts, supported by new hires in the Parking Enforcement Unit aiming for full staffing in the field at the start of Q4 in FY 2024-25, have led to a 20% rise in parking fine collections through the second quarter compared to the previous fiscal year. Revenue lags citations since there is a time lapse between when citations are issued and when they are paid, therefore the effect on revenue of the additional staffing is not expected to fully materialize until FY 2025-26.

Miscellaneous Revenue: Q2 FY 2024-25 collections came in at \$14.08 million significantly over the \$1.23 million Adjusted Budget. A \$5.00 million payment from the Coliseum site sale, not initially accounted for in the budget due to sale delays, contributed to this surplus. Legal settlements, which include \$3.47 million with offsetting restricted liabilities, also boosted the revenue received to date for this category through Q2.

Service Charges: Q2 FY 2024-25 collections came in at \$18.91 million or 36.5% of the Adjusted Budget of \$51.84 million and are expected to end the year at \$56.35 million which is \$4.51 million or 8.7% over the Adjusted Budget. Overall, though Q2, Service Charges show a 54% increase compared to the same period from last year. This periodic increase should be tempered due to the uneven historical collection pattern for this category. Notably, charges like Port Revenues and Gas and Cable Franchise Fees are historically collected in the latter part of the year, and only 14% have been collected through Q2. On the other hand, Parking Meter Fees, which make up 33% of Service Charges, are expected to sustain the increases. These are up by 30% through the Q2 compared to the same period in the prior fiscal year due to a 50% parking meter rate increase that took effect in FY 2024-25, which increased the rates from \$2 to \$3.

Transient Occupancy Tax (TOT): Q2 FY 2024-25 collections came in at \$8.43 million or 42.7% of the Adjusted Budget of \$19.74 million and is projected to end the year at \$16.07 million which is \$3.67 million or 18.6% under the Adjusted Budget. Hotel closures, including the Hilton and Jack London Square's Waterfront Hotel, with potentially more closures anticipated have significantly impacted revenue, signaling ongoing recovery challenges in the City's hospitality sector post-pandemic. The downturn in Oakland's hospitality market has been amplified by declining commercial property values, public safety concerns, and the departure of three major professional sports teams in recent years.

Parking Tax (PT): Q2 FY 2024-25 collections came in at \$5.85 million or 44.8% of the Adjusted Budget of \$13.07 million, and now is projected to end the year at \$11.76 million which is \$1.31 million or 10.0% under the Adjusted Budget. The parking tax has shown stability with monthly remittances consistent through Q2 compared to the previous year which ended at \$11.87 million. The projections indicate that this fiscal year's collections will match those of FY 2023-24

minus the loss of revenue in the Q4 from the coliseum parking lot resulting from the A's departure.

Interfund transfers & Transfers From Fund Balance: The Adjusted Budget assumes \$41.40 million in use of fund balance to support carryforward expenditures.

Table 6 below summarizes all of the FY 2024-25 GPF revenues by category.

Revenue Category	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Property Tax	306.57	306.57	127.83	312.91	6.34	2.1 %
Sales Tax	63.73	63.73	20.44	61.04	(2.69)	(4.2)%
Business License Tax	120.06	120.06	7.63	116.11	(3.94)	(3.3)%
Utility Consumption Tax	68.44	68.44	33.60	71.82	3.38	4.9 %
Real Estate Transfer Tax	73.72	73.72	34.39	66.31	(7.41)	(10.1)%
Transient Occupancy Tax	19.74	19.74	8.43	16.07	(3.67)	(18.6)%
Parking Tax	13.07	13.07	5.85	11.76	(1.31)	(10.0)%
Licenses & Permits	1.16	1.16	0.58	1.16	—	— %
Fines & Penalties	19.34	19.34	10.46	22.73	3.38	17.5 %
Interest Income	2.50	2.50	(1.77)	2.50	—	— %
Service Charges	51.84	51.84	18.91	56.35	4.51	8.7 %
Internal Service Funds	—	—	—	—	—	N / A
Grants & Subsidies	—	—	0.59	0.59	0.59	— %
Miscellaneous Revenue	64.32	1.23	14.08	14.08	12.85	1048.2 %
Interfund Transfers	2.70	3.08	—	3.08	—	— %
Subtotal	807.19	744.47	281.01	756.49	12.03	1.6 %
Project Offsets & Carryforwards	—	41.40	—	—	(41.40)	(100.0)%
Total Revenue	807.19	785.86	281.01	756.49	(29.37)	(3.7)%

II. GENERAL PURPOSE FUND Q2 EXPENDITURES

GENERAL PURPOSE FUND EXPENDITURE HIGHLIGHTS

The GPF expenditures are forecasted to come in at \$843.69 million, which is a projected overspend of \$57.83 million or 7.4% over budget, when compared to the Adjusted Budget of \$785.86 million. Originally, the Midcycle Adopted Budget assumed the use of the sale of the Coliseum in the amount of \$63.5 million to balance the expenditures as budgeted. This follows a trend in recent years, during which one-time funding was needed in the balancing of the FY2019-20, FY2020-21, FY2021-22 and FY2022-23 expenditures in the budget by programming CARES dollars (\$36.99 million), ARPA dollars (\$188 million), and use of VSSF (\$14.65 million) for a total of \$239.64 million, which would equal 32% of FY 2024-25 GPF budgeted expenditures.

However, the scheduled distribution of Coliseum land sale revenues have not been met, leading to the reduction of City services to match the missing revenue. The budgeted personnel expenditures also assume a vacancy factor of 10.00%, it is expected that the actual vacancy factor will be higher with the hiring freeze in effect.

On March 27, 2024, the City Administrator issued a memo detailing several immediate policy measures aimed at reducing City expenditures, with a primary focus on the General Purpose Fund (GPF). Effective since this date, a hiring freeze has been implemented for all non-sworn positions until further notice. In addition, a citywide moratorium has been placed on professional training and conference requests funded through the GPF. Further, all discretionary spending within the GPF has been curtailed as the City works to address the growing gap between GPF revenues and expenditures.

On October 15, 2024, administrative action was taken to initiate the implementation of the contingency budget amendments after criteria was met related to the timing of receiving revenues from the Coliseum sale. This action consisted of a \$63 million reduction to the Adjusted Budget, which included the freezing of 33.50 positions across the City.

On December 17, 2024, the City Council approved additional budget reductions to further aid in the balancing of the budget. An analysis outlining the status and impacts to City services are provided in this report.

Table 7 below reflects the GPF expenditures forecasted to come in at \$843.69 million, which is \$57.83 million or 7.4% over the adjusted budget of \$785.86 million.

Table 7: Summary of FY 2024-25 Q2 GPF Expenditures Budget to Actuals (\$ in millions)

	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
FY 2023-24 Expenditures	807.19	785.86	361.55	843.69	(57.83)	(7.4) %

Department Level Spending Trends

Table 8 below reflects department level spending and projected year-end GPF expenditures. As a result, City-wide GPF departmental expenditure projections are projected to come in above the Adjusted Budget by \$57.83 million. Per the City’s Consolidated Fiscal Policy, Departments projected to overspend in the General Purpose Fund by more than one percent (1%), shall bring an informational report to the City Council within 60 days following acceptance of the Revenue & Expenditure report by the City Council. The report shall list the actions the Administration is taking to bring the expenditures into alignment with the budget.

Table 8: Summary of FY 2024-25 GPF Projected Expenditure Variance (\$ in millions)

Department	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	0.56	1.61	0.26	1.61	—	— %
City Administrator	5.99	5.95	2.71	7.28	(1.32)	(22.2)%
City Attorney	21.71	24.62	9.72	23.93	0.69	2.8 %
City Auditor	3.73	4.01	1.25	2.81	1.19	29.7 %
City Clerk	8.00	9.92	2.60	9.96	(0.04)	(0.4)%
City Council	7.87	7.91	3.42	7.16	0.75	9.5 %
Department of Transportation	21.72	22.08	9.84	23.24	(1.15)	(5.2)%
Department of Violence Prevention	7.49	8.10	2.63	6.65	1.45	17.9 %
Department of Workplace and Employment Standard	2.39	2.15	0.76	2.19	(0.04)	(1.9)%
Economic and Workforce Development Department	15.24	14.54	8.22	14.61	(0.07)	(0.5)%
Finance Department	29.13	29.03	10.88	29.85	(0.82)	(2.8)%
Fire Department	180.45	166.24	92.94	197.20	(30.96)	(18.6)%
Human Resources Management Department	0.33	0.53	0.43	0.53	—	— %
Human Services Department	43.08	46.47	7.89	44.40	2.07	4.5 %

Department	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Information Technology Department	6.55	6.95	3.46	9.13	(2.18)	(31.3)%
Mayor	5.59	5.60	2.24	4.41	1.19	21.2 %
Non Departmental and Port	53.80	59.00	6.57	53.00	6.00	10.2 %
Oakland Animal Services	6.84	6.57	2.98	6.17	0.40	6.1 %
Oakland Parks and Recreation Department	11.80	12.13	5.54	13.20	(1.07)	(8.8)%
Oakland Public Library Department	12.40	11.40	5.81	9.71	1.69	14.8 %
Oakland Public Works Department	2.73	4.51	1.46	4.19	0.32	7.1 %
Police Commission	8.78	9.57	2.94	7.51	2.06	21.5 %
Police Department	347.21	322.83	175.43	361.31	(38.48)	(11.9)%
Public Ethics Commission	2.52	2.78	1.04	2.37	0.41	14.7 %
Race and Equity Department	1.27	1.35	0.55	1.26	0.09	6.7 %
Total	807.19	785.86	361.55	843.69	(57.83)	(7.4)%

The following section details **Q2** projected GPF savings or overspending by Department, as compared to the FY 2024-25 Adjusted Budget.

Capital Improvement Program (CIP)

The Capital Improvement Program is projected to end the fiscal year at its adjusted budget of \$1.61 million.

City Administrator (CAO)

The City Administrator's Office is projected to overspend by \$1.32 million, or 22.2% of their budget. The overage is primarily due to an increase in personnel costs. In the General Purpose Fund, CAO has a vacancy rate of 6%, with one vacant position.

City Attorney (OCA)

The City Attorney is projected to underspend by \$0.69 million, or 2.8% of their budget. In the General Purpose Fund, OCA has a vacancy rate of 2%, with one vacant position.

City Auditor

The City Auditor is projected to underspend by \$1.19 million, or 29.7% of their budget, due to vacancies. In the General Purpose Fund, City Auditor has a vacancy rate of 33%, with four vacant positions.

City Clerk

The Office of the City Clerk is projected to overspend by \$0.04 million, or 0.4% of their budget. In the General Purpose Fund, City Clerk has no vacant positions.

City Council

The City Council is projected to underspend by \$0.75 million, or 9.5% of their budget. In the General Purpose Fund, City Council has a vacancy rate of 3%, with one vacant position.

Department of Transportation (DOT)

The Department of Transportation is projected to overspend by \$1.15 million, or 5.2% of their budget. The overage is primarily due to personnel costs. In the General Purpose Fund, DOT has a vacancy rate of 13%, with ten vacant positions.

Department of Violence Prevention (DVP)

The Department of Violence Prevention is projected to underspend by \$1.45 million or 17.9% of their budget. In the General Purpose Fund, DVP has a vacancy rate of 35%, with 12 vacant positions.

Department of Workplace & Employment Standards (DWES)

The Department of Workplace & Employment Standards is projected to overspend by \$0.04 million, or 1.9% of their budget. The overage is primarily due to an increase in personnel costs. In the General Purpose Fund, DWES has a vacancy rate of 0%, with no vacant positions.

Economic & Workforce Development (EWD)

Economic & Workforce Development is projected to overspend by \$0.07 million, or 0.5% of their budget. In the General Purpose Fund, EWD has a vacancy rate of 7%, with one vacant position.

Finance Department

The Finance Department is projected to overspend by \$0.82 million, or 2.8% of their budget. The overage is primarily due to personnel costs. In the General Purpose Fund, Finance has a vacancy rate of 7%, with six vacant positions.

Fire Department

The Oakland Fire Department is projected to overspend by \$30.96 million, or 18.6% of their budget, due to overtime overspending. A detailed explanation of this overage can be found in the "Public Safety Costs & Analysis" section below.

Human Resources Management (HRM)

Human Resources Management is projected to end the fiscal year at its adjusted budget of \$0.53 million. In the General Purpose Fund, HRM has no vacant positions.

Human Services Department (HSD)

Human Services Department is projected to underspend by \$2.07 million, or 4.5% of their budget. The savings is primarily due to a decrease in personnel costs. In the General Purpose Fund, HSD has a vacancy rate of 6%, with two vacant positions.

Information Technology (ITD)

The Information Technology Department is projected to overspend by \$2.18 million, or 31.3% of their budget. The overage is primarily due to personnel costs. In the General Purpose Fund, ITD has no vacant positions.

Mayor's Office

The Mayor's Office is projected to underspend by \$1.19 million, or 21.2% of their budget, due to vacancies. In the General Purpose Fund, Mayor's Office has a vacancy rate of 23%, with three vacant positions.

Non-Departmental

Non-Departmental is projected to underspend by \$6.00 million, or 10.2% of the budget.

Oakland Animal Services

The Department of Animal Services is projected to underspend by \$0.40 million, or 6.1% of their budget, due to vacancies. In the General Purpose Fund, Animal Services has a vacancy rate of 28%, with five vacant positions.

Oakland Parks, Recreation and Youth Development (OPRYD)

Oakland Parks, Recreation and Youth Development is projected to overspend by \$1.07 million, or 8.8% of their budget. The overage is primarily due to an increase in personnel costs. In the General Purpose Fund, OPRYD has a vacancy rate of 7%, with six vacant positions.

Oakland Public Library (OPL)

Oakland Public Library is projected to underspend by \$1.69 million, or 14.8% of their budget. In the General Purpose Fund, OPL has a vacancy rate of 14%, with five vacant positions.

Oakland Public Works (OPW)

Oakland Public Works is projected to underspend by \$0.32 million, or 7.1% of their budget, due to vacancies. In the General Purpose Fund, OPW has a vacancy rate of 10%, with one vacant position.

Police Commission

The Police Commission is projected to underspend by \$2.06 million, or 21.5% of their budget, due to vacancies. In the General Purpose Fund, Police Commission has a vacancy rate of 25%, with seven vacant positions.

Police Department

The Police Department is projected to overspend by \$38.48 million, or 11.9% of their budget, due to overtime overspending. This reflects an improvement of approximately \$13 million from Quarter 1, as some of the current year balancing measures are now reflected into year-end projections. A detailed explanation of this overage can be found in the "Public Safety Costs & Analysis" section below.

Public Ethics Commission (PEC)

The Public Ethics Commission is projected to underspend by \$0.41 million, or 14.7% of their budget, due to vacancies. In the General Purpose Fund, PEC has a vacancy rate of 30%, with three vacant positions.

Race & Equity

The Department of Race & Equity is projected to underspend by \$0.09 million, or 6.7% of their budget. In the General Purpose Fund, Race & Equity has no vacant positions.

Public Safety Costs & Analysis

Table 9 below shows the personnel expenditures, including overtime, for Public Safety in the GPF. Once all other personnel costs are accounted for, Oakland Police Department currently shows a projected year-end personnel budget to be overspent by \$35.11 million in the General Purpose Fund. Details are provided on **Table 9** below.

Table 9: FY 2024-25 Public Safety GPF Personnel Expenditures (\$ in millions)

Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Police Department**					
<i>Overtime (OT)</i>	42.85	26.24	55.24	(12.38)	(28.9)%
<i>Reimbursable OT (Special Events, etc.)</i>		(4.07)	(7.32)	7.32	
<i>All Other Personnel (non-OT)</i>	226.07	132.05	256.12	(30.05)	(13.3)%
OPD Total Personnel	268.93	154.22	304.04	(35.11)	(13.1)%
Fire Department					
<i>Overtime (OT)</i>	10.59	15.15	30.30	(19.70)	(186.0)%
<i>All Other Personnel (non-OT)</i>	126.65	69.86	138.40	(11.75)	(9.3)%
OFD Total Personnel	137.25	85.01	168.69	(31.45)	(22.9)%

As shown on Table 9 above, OPD was budgeted \$42.85 million for overtime and is projected to exceed this budgeted amount by \$12.38 million for a projected year-end total of \$55.24 million.

In the table below, are the top five organizations in OPD where overspending has occurred most outlined in **Table 10**:

Table 10: FY 2024-25 OPD Top 5 Organizations in Overtime Expenditures (\$ in millions)

Top 5 Organizations in OPD for Overtime	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget
Special Operations Division (SOD)	7.16	14.16	(7.00)
Area 1	3.17	3.68	(0.51)
Area 3	3.17	3.43	(0.26)
Communications	2.35	3.17	(0.83)
Training Division	0.23	3.11	(2.88)

Police

On July 2024, the Oakland City Council approved the Fiscal Year (FY) 2024-25 budget, allocating \$269,195,408 for total personnel costs within the Oakland Police Department (OPD). Of this amount, \$212,555,230 was allocated for sworn personnel and \$56,640,178 for professional staff. This approved budget reduced the total authorized number of sworn positions from 712 to 678 despite a workforce of 705 sworn personnel (**27 more than the authorized number of positions**) at the time of implementation. It was noted that this reduction in staffing from 705 to 678 would occur through natural attrition. The budget also impacted professional staff, freezing 31 vacant positions and reducing the total number of budgeted positions from 334.5 to 303.5.

In September 2024, the City implemented its budget contingency plan, further reducing the authorized number of sworn positions from 678 to 600, again relying on natural staff attrition to reach this target at a later date. At the time of implementation, OPD had 686 sworn personnel, or **86 more than the authorized and budgeted number of positions**. Additionally, authorized professional staff positions were reduced from 303.5 to 298.5 by freezing five vacant positions. A Citywide hiring freeze further affected staffing, leaving 60 professional staff positions vacant, with 252 positions actively filled within the Department.

Based on historical data from OPD, at the start of the fiscal year, the Council allocated \$44,638,900 for overtime expenses. However, in October 2024, the City began to operate with the budget contingency plan, further reducing OPD's overtime by an additional \$1,785,478, resulting in a new authorized overtime budget of \$42,853,422, backdating this new amount to September 2024.

On December 17, 2024, an additional \$20,000,000 reduction was approved by Council through the amended budget, reducing OPD's overtime to \$22,853,422. This action resulted in an overall 51% reduction in overtime from the beginning of the FY (July 2024). **It's important to note that when the overtime budget was reduced to \$22,853,422, OPD had already exceeded this amended amount by \$4,308,458, resulting in a total overtime expenditure of \$27,161,880.**

As of today's date, OPD is authorized and budgeted for 600 sworn positions. However, the Department currently has 683 sworn staff members, or 83 positions more than what is budgeted, which has a direct impact on OPD's ability to control its overtime expenditure. Operating above the budgeted staffing levels in the first two quarters of the FY has contributed to and will continue to have a significant impact on OPD exceeding its allocated overtime budget as the Department moves forward.

During the second quarter (Q2) of this fiscal year, OPD incurred \$27,161,880 in overtime costs, averaging \$4,526,980 per month. Of this amount, \$4,066,107 was reimbursable overtime, which will be deposited into the General Purpose Fund (GPF).

Based on Q2 spending, the Department is projected to exceed its overtime budget by approximately \$31,470,338. However, steps were implemented to reduce overtime spending by 20% in December 2024, to attempt to align monthly overtime expenditures with the budget expectations. This adjustment targeted an average monthly spending of \$3,459,918. As a result, the Department underspent this target expenditure by \$239,794, bringing the total overtime expenditure to \$3,220,124. Additionally, the Department expects to receive \$7,317,120 in reimbursable overtime, which will be deposited into the GPF and reduce OPD's projected total amended overtime overage to \$24,153,219.

The Department's primary goals are to reduce violent crime and enhance public safety. Achieving these objectives requires the use of overtime, which has led to increased spending in the Ceasefire Section, Communications Division, Area 1, Area 3, Special Operations Division (SOD), and the Training Division. Additionally, it is also important to note that as of the date of this memo, 80 sworn personnel are completely off work due to administrative and medical leave, further underscoring the need for overtime to backfill vacant positions throughout the Department.

The Department's primary crime reduction strategy relies on the coordinated efforts of the Ceasefire Section and SOD, which accounted for \$12,550,671 in overtime in Q2. Most of their operations involve responding to emerging, unplanned critical incidents, which inherently necessitate overtime. Below is a thorough breakdown of the key areas contributing to overtime overspending.

Ceasefire Section: The Ceasefire Section is a vital part of the Department's strategy to reduce gang-related shootings and strengthen community-police relationships. The unit targets violent gangs and collaborates with local and federal partners to decrease violence. It includes the Gang Unit, the Crime Gun Intelligence Center (CGIC), and officers from various federal and county task forces, such as the U.S. Marshals Service and the Alameda County Narcotics Taskforce (ACNTF). Due to the complexity of investigations, overtime may be required to extend shifts or adjust schedules.

In Q2, Ceasefire's investigations and operations significantly reduced gang and group-related shootings and homicides. From September to October, the unit reduced its overtime expenditures by 22%. Additionally, Ceasefire led a multi-jurisdictional operation in coordination with the Los Angeles Police Department and the Los Angeles County District Attorney's Office, resulting in the execution of several search warrants, arrests, and the recovery of several firearms. Through its close partnerships with the Los Angeles Police Department, Ceasefire effectively targeted a violent Oakland gang responsible for numerous robberies, shootings, and homicides in both Oakland and Los Angeles, ultimately securing charges against the group for offenses ranging from homicide to armed robbery.

Between October and November, Ceasefire further reduced overtime expenditure by 68%. The unit worked fewer overtime hours in November due to its involvement with the Presidential Election Mobile Field Force and the Thanksgiving holidays. In December, Ceasefire continued

to minimize overtime usage by restricting it to extensions of shifts for operations-related arrests and necessary backfill for the Friday Ceasefire team.

Ceasefire teams operate Monday through Friday, with three teams scheduled from Monday to Thursday and one covering Tuesday through Friday. This structure ensures full-team overlap from Tuesday to Thursday, enhancing investigative efforts and addressing crime-related concerns affecting Oakland residents. While this approach has improved five-day coverage and strengthened Ceasefire investigations, staffing challenges remain. As a result, overtime remains necessary on Fridays to ensure the team's safe and effective operation.

The Ceasefire Section remains committed to fiscal responsibility, strategically managing overtime while prioritizing community safety in Oakland.

SOD: In Q2, SOD exceeded its overtime budget due to various operational demands and specialized responsibilities, including:

- **Administrative Responsibilities** – SOD played a vital role in various investigations, including division-level inquiries, use of force, and pursuit investigations, which contributed to increased overtime expenditures.
- **Sideshow Support** – In October 2024, SOD provided support for weekend sideshow events, deploying a team consisting of a lieutenant, four sergeants, and approximately 30 officers. This effort resulted in additional overtime costs. Sideshow enforcement operations concluded at the end of October and were not resumed due to budgetary constraints.
- **Air Support Demand** – Rising demand for air support from the ARGUS Unit required daily coverage, increasing overtime costs. In October, ARGUS also assisted with sideshow enforcement efforts.
- **Mobile Field Force Operations** – SOD coordinated two major deployments during Election Week and New Year's Eve, requiring over 150 officers daily to manage critical incidents, leading to substantial overtime costs.
- **Third-Party Services** – SOD provided police services for businesses and city requests, generating reimbursable overtime expenses. While these services are billed to the requesting companies, the initial costs contribute to SOD's overtime expenditures.
- **Critical Incident Response** – Activating the SWAT team for urgent, high-risk incidents resulted in necessary and unavoidable overtime costs to ensure public safety.

Area 1: In Q1, Area 1 undertook several targeted overtime deployments authorized by the captain to address specific safety and crime issues. These initiatives included a Violence Suppression detail consisting of one sergeant and four police officers, a Chinatown detail staffed

with four police officers, and a Night Club detail, typically active on weekends with one to two police officers.

As a more permanent plan was developed for Friday, Saturday, and Sunday nights, overtime remained in the downtown area, supplemented by resource adjustments from Patrol units. Area 1, working in collaboration with the Alcohol Beverage Action Team (ABAT), the Fire Department, and the City of Oakland code compliance, conducted a nightclub enforcement operation from November 1, 2024, through December 6, 2024, to address ongoing concerns in the downtown club area.

Most shootings and homicides in Area 1, particularly in West Oakland, were linked to gang-related violence. In response, overtime was authorized for violence suppression officers to patrol high-risk areas like Acorn, Ghost Town, and Campbell Village, locations with frequent violent incidents. Assigned officers conducted proactive car stops and maintained high visibility to deter criminal activities.

Overtime deployments at the Port of Oakland and Jack London Security were reimbursable by the Port of Oakland. While a long-term weekend deployment strategy was being developed, overtime officers provided a visible downtown presence, supported by shifting resources from patrol units.

All discretionary overtime in Area 1 ended in November 2024. The Caption will continue to evaluate the need for overtime units compared to the violent crime occurring in Area 1.

Area 3: In Q2, overtime expenditures were significantly impacted by human trafficking-related shootings and two homicides in Q1 (July 2024-September 2024). As a result, the operational tempo increased from one weekly operation to two between August and October. Area 3 had four officers assigned to the FBI Task Force sworn in as U.S. Marshals. The FBI provided partial reimbursement for these operations, covering approximately \$7,000 and \$10,000 annually, while the financial contribution from the OPD ranged from \$80,000 to \$120,000 each year.

Mandatory overtime was necessary to fill gaps left by officers in training, out on sick leave, or vacation, and meet administrative deadlines due to investigative backlogs. To reduce overtime, two overtime operations concluded in Q2:

- **Lake Merritt Overtime Deployment** (ended October 2024) – This operation deployed an average of one sergeant, four officers, and two police service technicians every weekend to manage public safety in the area.
- **Violence Suppression Unit – San Antonio Special Assignment** (ended November 2024) – This unit operated daily with one sergeant and four to five officers, focusing on targeted violence suppression efforts.

Area 3 has demonstrated consistent monthly overtime reductions. Moving forward, the Caption

will continue to assess overtime deployment needs in response to the violent crime trends in the area.

Communication Division: The Communications Division has relied heavily on overtime to mitigate staffing shortages. In Q2, there were 20 dispatchers in training and nine vacant positions, necessitating overtime to backfill 29 positions. Additionally, five dispatchers were on long-term leave, and two were on administrative leave, bringing the total number of backfilled positions to 36 out of an authorized 78. Overtime expenses were incurred to compensate for vacancies, training, and extended leaves of absence.

Furthermore, four supervisory positions remain vacant due to voluntary resignations and promotions. These roles are currently being backfilled through overtime and acting assignments.

As the Department continues hiring to fill dispatcher and supervisory vacancies, overtime expenditures are expected to decrease as permanent staff assume these roles, reducing the need for overtime coverage.

Training Division: The overtime budget was reduced by \$1,785,478 as part of the contingency budget, postponing two scheduled academies. This adjustment left \$234,522 to support the 194th Academy and cover overtime needs for the remainder of the FY.

The Training Division encompasses several key components requiring overtime to sustain operations: the Wellness Center, In-service Training, Basic Academy, and the Field Training Unit.

- **Wellness Center** – Overtime was primarily used for administrative tasks, including grant writing, attending off-hour meetings with the City Council or Police Commission, and creating or revising unit policies and documents.
- **In-Service Training** – Overtime was necessary to facilitate mandatory 4-hour POST firearms qualification sessions and weekly Continued Professional Training (CPT). It was also necessary for defensive tactics, arrest and control instructors for CPT, remedial training, and supplemental training. The POST transitional academy, associated with each Basic Academy class, often required instructors to work overtime to deliver their instructional modules, including Procedural Justice training, further increasing overtime expenditures.
- **Basic Academy** – Overtime was essential to support various learning domains. Instructors frequently worked extra hours due to scheduling constraints at off-site training facilities, with some sessions extending into weekends.
- **Field Training Unit** – Overtime was required to facilitate focus group meetings that aligned with the schedules of sworn personnel. Supervisors also incurred overtime due to administrative responsibilities, including division-level investigations and reviews.

Additionally, overtime was used for supplemental training, covering both individual officers and group sessions.

Table 11: Year-Over-Year Comparison of Public Safety GPF Personnel Expenditures (\$ in millions)

Police Department					
Overtime (OT)	FY 2020-21	FY 2021-22	FY2022-23	FY2023-24	FY2024-25
Adjusted Budget	15.39	33.36	30.90	24.19	42.85
Actuals (FY25 Proj)	29.18	34.35	51.16	55.24	55.24
(Over)/Under	(13.79)	(0.99)	(20.26)	(31.05)	(12.38)
All Other Personnel (non-OT)	FY 2020-21	FY 2021-22	FY2022-23	FY2023-24	FY2024-25
Adjusted Budget	239.29	245.01	252.38	262.50	226.07
Actuals (FY25 Proj)	244.23	234.29	182.02	253.22	248.80
(Over)/Under	(4.94)	10.71	70.36	9.29	(22.73)
Total Personnel	FY 2020-21	FY 2021-22	FY2022-23	FY2023-24	FY2024-25
Adjusted Budget	254.68	278.37	283.28	286.69	268.93
Actuals (FY25 Proj)	273.41	264.27	233.18	308.45	304.04
(Over)/Under	(18.73)	14.09	51.57	(21.76)	(35.11)
Fire Department					
Overtime (OT)	FY 2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Adjusted Budget	4.22	19.83	11.19	13.80	10.59
Actuals (FY25 Proj)	24.22	29.83	29.96	29.24	30.30
(Over)/Under	(20.00)	(10.00)	(18.77)	(15.43)	(19.70)
All Other Personnel (non-OT)	FY 2020-21	FY 2021-22	FY2022-23	FY2023-24	FY2024-25
Adjusted Budget	144.73	132.44	143.28	163.79	126.65
Actuals (FY25 Proj)	126.99	119.50	129.85	137.19	138.40
(Over)/Under	17.74	12.94	13.44	26.59	(11.75)
Total Personnel	FY 2020-21	FY 2021-22	FY2022-23	FY2023-24	FY2024-25
Adjusted Budget	148.95	152.27	154.47	177.59	137.25
Actuals (FY25 Proj)	151.21	149.33	159.80	166.43	168.69
(Over)/Under	(2.26)	2.94	(5.33)	11.16	(31.45)

Historical Police Overtime

As **Table 11** above shows, Police has overspent its overtime budget on each of the prior 4 years shown. In FY 2020-21, Police's total overtime overspending amounted to being \$13.79 million over their budget, in FY 2021-22 it was \$0.99 million over budget, in FY 2022-23 it was \$20.26

million over budget, and in FY2023-24 it was \$31.05 million over budget. FY 2021-22 overspent in overtime by \$0.99 million but there was a savings of \$14.09 million in personnel costs overall and FY 2022-23 overspent in overtime by \$20.26 million but there was a savings of \$51.57 million in personnel costs overall since higher attrition rates led to salary savings due to vacancies. The savings were despite the rising salary and benefit costs from the City's contract-mandated COLA increase to Sworn employees. In FY 2024-25, Police projects to overspend its Personnel budget by \$35.11 million at year end due to overspending in Overtime in the amount of \$12.38 million and Personnel in the amount of \$22.73 million.

In FY 2020-21, the Police spent \$11.90 million in Special Enforcement overtime, which accounted for 40.8% of the total overtime for that year. Of this amount \$11.90 million, police coverage of demonstrations and protests accounted for \$2.3 million, sideshows enforcement accounted for \$1.4 million. To meet the FY 2020-21 midyear reductions, the Police Department began to curtail its Special Enforcement overtime in January of 2021, which dropped to \$11.9 million for FY 2020-21.

In FY 2021-22 the Police spent \$15.36 million in Special Enforcement overtime, which accounted for 44.7% of the total overtime for that year. Of this \$15.36 million, sideshows enforcement accounted for \$2.2 million. In addition, OPD spent \$2.5 million on Backfill and \$2.0 million on Extension of Shift overtime for Uptown Violence in response to several tragic shootings and homicides in the downtown area, entertainment and club scenes, and residential areas adjacent to these areas.

In FY 2022-23 the Police spent a total of \$51.16 million in overtime. Police spent \$10.13 million in Special Enforcement overtime, which accounted for 19.8% of the total overtime and spent \$9.01 million in Area 1 which accounted for 17.6% of the total overtime for that year. Special enforcement overtime, which involves special events requiring sworn officers to assist with public safety. Although the SOD spent \$10.13 million in overtime, the Department received \$4.9 million in reimbursable overtime.

In FY 2023-24 the Police spent \$11.27 million in Special Enforcement overtime, which accounted for 20.4% of the total overtime for that year and spent \$5.83 million in Area 1 and \$3.98 million in Area 3. The SOD exceeded its overtime budget due to numerous special events requiring operational staff to work overtime. In addition, the Air Unit within the SOD operated nearly seven days a week despite only having six members, one member was on long-term modified work duty and unable to pilot, this lead to overtime in order to meet the operational demands.

A significant portion of Police's personnel policies are mandated from the Negotiated Settlement Agreement (NSA), which therefore also impacts the Police Department's overtime use. Of pertinence, two of NSA mandates on Police have particular impact on patrol overtime. The first is that a patrol sergeant may not supervise more than eight officers. The second is that Police

cannot use acting sergeants in patrol. Taken together, a significant amount of overtime is generated because Police must have five regular permanent (not temporary acting) sergeants in patrol for every shift to supervise the minimum of 35 officers. The NSA requires the City to therefore expend a portion of its overtime for "backfill" and "extension of shift" overtime to meet this mandate.

Please refer to the Police Department's Q2 Overtime Report for additional details.

Historical Fire Overtime

Overtime expenses above budgeted levels is an annual challenge for Fire due to systemic causes. As shown in **Table 11** above, Fire's overtime exceeded its budgeted amount by FY 2019-20, \$20.00 million in FY 2020-21, \$10.00 million in FY 2021-22, \$18.77 million in FY 2022-23, and \$15.43 million in FY 2023-24.

The Fire Department's overtime use is due to three main causes: unfilled vacant positions, compliance requirements within the Local 55 MOU for minimum staffing provisions, and significant numbers of personnel out on long-term disability leave (work related injuries) all requiring overtime shifts to cover these leaves or vacancies. Due to the Local 55 MOU, most of Fire's overtime is used to backfill required Fire Suppression minimum service levels. Since FY 2020-21, the COVID-19 pandemic related illnesses and quarantine regulations have resulted in elevated levels of overtime. Another contributing factor to Fire's higher use of overtime in recent years is a higher level of sworn staff out on paid disability leave, which has forced the department to utilize overtime to backfill. Fire HR/Personnel Team was worked hard to support staff out of leave to help them return to work, and in past year has brought down the number on extended leave from 61 to 27.

In addition, staffing academies requires the department to pull personnel from their regularly scheduled shifts in the fire house to serve as instructors in the academy cadre, and thereby creating vacancies in the fire house which must be filled at the overtime rate. This affects any season in which the department is actively training an academy.

This overtime overspending has traditionally been offset with savings in all other personnel (non-OT) pay due to the volume of vacancies throughout the year. The non-OT savings in FY2023-24 of \$26.59 million resulted in a net underspend of overall GPF funded personnel in the amount of \$11.16 million.

III. GENERAL PURPOSE FUND - FUND BALANCE

The City's GPF Fund Balance, net obligations, is projected to end FY 2024-25 at negative \$94.02 million. Obligations may include reserves required by City Ordinances or the City Charter (mandated emergency reserves). **Table 12** below adds to the projected ending fund balance return of excess fund balance from the Equipment Fund (4100) totaling \$8.32 million and deducts restricted set-asides for legal settlements in the amount of \$3.47 million, combining to improve the estimated FY 2024-25 year-end available fund balance from negative \$94.02 million to negative \$89.17 million. The estimated FY 2024-25 available Fund Balance is the amount of unobligated funding available to the City in the GPF.

Table 12: FY 2024-25 Year-End Available GPF Fund Balance

GENERAL PURPOSE FUND (1010)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	(6.83)
Revenue	756.49
Expenditures	843.69
Estimated Current Year Surplus/(Shortfall)	(87.20)
Estimated Ending Fund Balance	(94.02)
Use of Fund Balance in FY 2024-25	
Return of Excess Fund Balance in Equipment Fund	8.32
Legal Settlements	(3.47)
Estimated Ending Fund Balance	(89.17)

IV. RESERVES

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long-term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to the City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). It is important to note that while these balances are designated each fiscal year, reserve appropriations adopted in subsequent fiscal years may include any prior year true-ups.

Emergency Reserve

The City's GPF Emergency Reserve was budgeted at 7.5% of the FY 2022-23 GPF Adopted Budget of \$872.07 million. As of June 30, 2024, the balance in this reserve was \$70.16 million, or approximately 8.1% of the FY 2023-24 GPF Adopted Budget of \$863.68 million. The reserve is approximate to one month of FY 2023-24 Adopted Budget in the GPF. This reserve will be held in Fund 1011 as directed by Council in Resolution 88717 C.M.S. The reserve requirement, pursuant to the CFP has been met.

However, the emergency reserve policy level of 7.5% is inadequate to sustain city services in an economic downturn as evidenced by the events of the last 2 years. The recommended policy level is 16.7% or two months of operating expenditures. This recommended level is supported by best practices outlined by the Government Finance Officer's Association's (GFOA).

Vital Services Stabilization Fund

The Vital Services Stabilization Fund (VSSF) was established in 2014 by City Council after the Great Recession to serve as the City's "Rainy Day" fund. Per the Consolidated Fiscal Policy, 25% of excess RETT revenue is intended to go into the VSSF. The FY 2022-23 ending available balance of \$10.27 million was assumed in its entirety in the FY 2024-25 Adopted Budget to balance expenditures as City Council declared that the City is experiencing a severe financial event and state of extreme fiscal necessity. The target funding level per the City's Consolidated Fiscal Policy is \$125.22 million, or 15% of the GPF revenues.

Table 13 below shows the estimated FY 2024-25 year end reserve balances.

Table 13: FY 2024-25 Q2 Reserve Balances (\$ in millions)

Description	FY 2023-24 Beginning Balances	FYE 2023-24 Estimated Balances
Mandated Emergency Reserves FY 2022-23*	66.63	70.16
Vital Services Stabilization Fund	10.27	—
OMERS Reserves (Reso. No. 85098 C.M.S)	2.36	2.36
GPF Balancing		(9.62)
Total Reserves	79.26	62.90

**The 7.5% GPF reserve is not a cumulative balance*

V. SELECTED Q2 NON-GPF

This section of the FY 2024-25 **Q2** report contains additional analysis on selected non-GPF funds. For additional fund descriptions, please visit the [Special Revenue Funds](#) page of the City's FY 2023-25 Adopted Budget book. This **Q2** report discusses selected funds that are of special interest to the City because the revenue comes from a special tax or local measure, or because of the particular revenue or expenditure restrictions. For these funds, the revenue tables below will show year-end estimates compared to the adopted budget. The expenditure tables in this section compares the FY 2024-25 Adopted Budget to FY 2024-25 year-end estimates.

The fund balance tables compare the FY 2024-25 unaudited beginning fund balance to the FY 2024-25 projected ending fund balance for these funds. Please note that some of the fund tables below show a budgeted transfer from fund balance for FY 2024-25. These amounts represent dollars designated to balance the Adopted Budget or to cover carry forward expenditures.

All other funds are summarized in **Table 79**.

Vital Services Stabilization Fund (VSSF) (1020)

The VSSF Fund (1020) was established with the City Council adoption of the City's Consolidated Fiscal Policy (CFP) in 2018. In years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of this fund must be considered to maintain existing services. The use of VSSF must be authorized by City Council resolution. The resolution shall explain the need for utilizing VSSF as well as how to replenish VSSF in future years.

The VSSF Fund has a target funding level of 15% of General Purpose Fund revenues. VSSF is funded by a percentage of excess RETT revenues.

Revenues - Through the second quarter (Q2) of FY 2024-25, revenue collections in the VSSF fund have come in at \$0.01 million and project to end the year at \$0.01 million.

Table 14: FY 2024-25 Vital Services Stabilization Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	0.01	0.01	0.01	— %
Total Revenue	—	0.01	0.01	0.01	— %

Expenditures - This fund does not project to have any expenditures in FY 2024-25.

Table 15: FY 2024-25 Vital Services Stabilization Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Total	—	—	—	—	— %

Fund Balance - FY 2024-25 revenue is projected to end the year at \$0.01 million. This results in a current year estimated operating surplus of \$0.01 million. \$0.50 million of the fund balance will be used to balance the GPF in FY 2024-25. Therefore, the estimated available fund balance in Vital Services Stabilization Fund (VSSF) is expected to decrease from \$0.50 million to \$0.01 million.

Table 16: FY 2024-25 Vital Services Stabilization Fund (VSSF) Fund Year-End Available Fund Balance (\$ in millions)

VITAL SERVICES STABILIZATION FUND (1020)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 0.50
Revenue	0.01
Expenditures	—
Estimated Current Year Surplus/(Shortfall)	0.01
Estimated Ending Fund Balance	0.51
Use of Fund Balance in FY 2024-25	
GPF Balancing	0.50
Estimated Ending Fund Balance	0.01

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

Measure HH - SSBT Fund (1030) is a City of Oakland ballot initiative approved by voters on November 8, 2016, that established a general tax of one cent per fluid ounce on the sugar sweetened beverage products. The tax is imposed upon the first non-exempt distribution of sugar-sweetened beverage products in the City. While this revenue is not restricted by State statute, City Council has elected to restrict it by policy and separate it into its own fund because the primary purpose of the tax is to raise revenue to support programs designed to discourage sugar consumption and to reduce the growing burden of obesity and non-communicable diseases.

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

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, collections from Measure HH came in at \$2.64 million, which is 18.4% of the adjusted budget of \$14.39 million, and now project to end the year at \$6.35 million, which is \$8.04 million or 55.9% under the Adjusted Budget. As of the date of this report only 5 months' worth of data was available for this fund. Collections of the SSBT to date are 12.5% lower when compared to the same period in FY 2023-24. The adjusted budget includes \$6.09 million in use of fund balance to cover carryforwards from FY 2023-24 and \$1.41 million in use of fund balance to cover expenditures as adopted in the budget. Excluding the use of the fund balance, the projected revenue from Measure HH for the year is expected to be \$6.15 million which is \$0.75 million or 10.9% under budget. This number represents an 8% decline from FY 2023-24, based on an ongoing annual decline rate of approximately 8% since the measure was implemented in FY 2017-18.

Table 17: FY 2024-25 Measure HH (SSBT) Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Local Tax	6.90	2.44	6.15	(0.75)	(10.9)%
Interest Income	—	0.22	0.22	0.22	— %
Miscellaneous Revenue	—	(0.01)	(0.01)	(0.01)	— %
Transfers from Fund	1.41	—	—	(1.41)	(100.0)%
Project Offsets & Carryforwards	6.09	—	—	(6.09)	(100.0)%
Total Revenue	14.39	2.64	6.35	(8.04)	(55.9)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$11.63 million, which is a savings of \$2.76 million, compared to the Adjusted Budget of \$14.39 million. The savings are primarily due to underspending in personnel costs.

Table 18: FY 2024-25 Measure HH (SSBT) Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	1.94	—	1.94	—	— %
City Administrator	3.30	0.97	3.43	(0.14)	(4.2)%
Economic and Workforce Development Department	0.59	0.03	0.47	0.12	20.3 %
Finance Department	0.37	0.04	0.36	0.01	3.1 %
Human Services Department	2.51	0.46	1.58	0.93	37.0 %
Oakland Parks and Recreation Department	5.63	1.90	3.79	1.84	32.7 %
Oakland Public Library Department	0.04	—	0.04	—	— %
Oakland Public Works Department	0.03	—	0.03	—	— %
Total	14.39	3.40	11.63	2.76	19.2 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$6.35 million. Expenditures are projected to end the year at \$11.63 million. This results in a current year estimated operating shortfall of \$5.28 million. \$2.55 million of the fund balance will be used to balance the GPF in FY 2024-25. Therefore, the estimated available fund balance in Measure HH (SSBT) Fund (1030) is expected to decrease from \$11.65 million to \$3.82 million.

Table 19: FY 2024-25 Measure HH (SSBT) Fund Year-End Available Fund Balance (\$ in millions)

MEASURE HH SSBT (1030)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 11.65
Revenue	6.35
Expenditures	11.63
Estimated Current Year Surplus/(Shortfall)	(5.28)
Estimated Ending Fund Balance	6.37
Use of Fund Balance in FY 2024-25	
GPF Balancing	(2.55)
Estimated Ending Fund Balance	3.82

Self-Insurance Liability Fund (1100)

The Self-Insurance Liability Fund (1100) receives contributions from the General Purpose Fund and select funds to cover costs associated with liability claims and settlements, insurance premiums, outside legal services, and court costs. Projecting these costs, particularly the settlements, are difficult as they are driven by being sued sporadically and with varying settlement values. Additionally, Insurance costs continue to increase over time due to market factors within the national insurance environment. Fixes will be in arrears as the negative balances must be trued up.

Revenues - Through the second quarter (**Q2**) of FY 2024-25, collections from the Self-Insurance Liability Fund have come in at negative \$0.01 million due to negative unrealized gains in the market, and are projected to come in at \$61.49 million, which is \$0.01 million or 0.02% under the Adjusted Budget of \$61.50 million.

Table 20: FY 2024-25 Self-Insurance Liability Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	0.02	0.02	0.02	— %
Miscellaneous Revenue	—	(0.03)	(0.03)	(0.03)	— %
Interfund Transfers	61.50	—	61.50	—	— %
Total Revenue	61.50	(0.01)	61.49	(0.01)	— %

Expenditures - FY 2024-25 year-end expenditures are projected to come in at the Adjusted Budget of \$61.50 million.

Table 21: FY 2024-25 Self-Insurance Liability Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
City Attorney	2.46	1.62	2.46	—	— %
Fire Department	2.28	0.04	2.28	—	— %
Non Departmental and Port	45.94	39.08	45.94	—	— %
Oakland Parks and	0.63	—	0.63	—	— %
Oakland Public Works	2.94	0.02	2.94	—	— %
Police Department	7.25	0.57	7.25	—	— %
Total Expenditures	61.50	41.32	61.50	—	— %

Fund Balance - FY 2024-25 revenue is projected to end the year at \$61.49 million. Expenditures are projected to end the year at \$61.50 million. This results in a current year estimated operating deficit of \$0.01 million. \$14.85 million of the fund balance will be used to balance the GPF in FY 2024-25, and \$8.23 million of excess fund balance to return to various contributing funds.

Therefore, the estimated available fund balance in the Self-Insurance Liability Fund at year-end is zero.

Table 22: FY 2024-25 Self-Insurance Liability Fund Year-End Available Fund Balance (\$ in millions)

SELF-INSURANCE LIABILITY FUND (1100)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 23.10
Revenue	61.49
Expenditures	61.50
Estimated Current Year Surplus/(Shortfall)	(0.01)
Subtotal Fund Balance	23.08
Use of Fund Balance in FY 2024-25	
GPF Balancing	(14.85)
Excess FB Return	(8.23)
Estimated Ending Fund Balance	—

Comprehensive Clean-Up Fund (1720)

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

Revenues - Through the second quarter (Q2) of FY 2024-25, collections from the Comprehensive Clean-Up Fund came in at \$12.88 million which is 52.7% of budget and are projected to come in at \$24.07 million, which is \$0.38 million or 1.5% lower than the Adjusted Budget of \$24.45 million.

Table 23: FY 2024-25 Comprehensive Clean-Up Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Fines & Penalties	0.02	—	0.02	—	— %
Interest Income	—	(0.04)	(0.04)	(0.04)	— %
Service Charges	24.09	12.91	24.09	—	— %
Transfers from Fund Balance	0.34	—	—	(0.34)	(100.0)%
Total Revenue	24.45	12.88	24.07	(0.38)	(1.5)%

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$22.82 million, which is an overspend of \$1.99 million, when compared to the Adjusted Budget of \$24.81 million.

Table 24: FY 2024-25 Comprehensive Clean-Up Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
City Administrator	0.10	—	0.10	—	— %
Fire Department	0.06	0.02	0.06	—	0.5 %
Oakland Public Works Department	24.66	12.65	22.67	1.99	8.1 %
Total Expenditures	24.81	12.67	22.82	1.99	8.0 %

Fund Balance - FY 2024-25 revenue is projected to end the year at \$24.07 million. Expenditures are projected to end the year at \$22.82 million. This results in a current year estimated operating surplus of \$1.25 million. \$0.77 million of the fund balance will be used to balance the GPF in FY 2024-25. There is a \$3.73 million return of excess fund balance from the Equipment Fund (4100). Therefore, the estimated available fund balance in the Comprehensive Clean-Up Fund is expected to increase from negative \$1.96 million to \$2.25 million in FY 2024-25.

Table 25: FY 2024-25 Comprehensive Clean-Up Fund Year-End Available Fund Balance (\$ in millions)

COMPREHENSIVE CLEAN-UP FUND (1720)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	(1.96)
Revenue	24.07
Expenditures	22.82
Estimated Current Year Surplus/(Shortfall)	1.25
Subtotal Fund Balance	(0.72)
Use of Fund Balance in FY 2024-25	
GPF Balancing	(0.77)
Return of Excess Fund Balance in Equipment Fund	3.73
Estimated Ending Fund Balance	2.25

Affordable Housing Trust Fund (1870)

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, collections from the Affordable Housing Trust Fund have come in at \$1.07 million which is 3.3% of the budget and are projected to come in at \$17.23 million, which is \$20.19 million or 53.9% lower than the Adjusted Budget of \$37.42 million. The adjusted budget assumes the use of \$20.76 million in fund balance to support expenditure carryforwards and \$0.82 million to balance expenditures as adopted in the budget. Excluding the use of the fund balance, the projected revenue for the year is expected to be \$17.23 million which is \$1.07 million or 6.8% over budget due primarily to an increase in assessed value of taxable property in the City.

Table 26: FY 2024-25 Affordable Housing Trust Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Property Tax	15.83	—	16.17	0.33	2.1 %
Interest Income	—	0.59	0.59	0.59	— %
Service Charges	—	0.49	0.49	0.49	— %
Miscellaneous Revenue	—	(0.02)	(0.02)	(0.02)	— %
Transfers from Fund Balance	0.82	—	—	(0.82)	(100.0)%
Project Offsets & Carryforwards	20.76	—	—	(20.76)	(100.0)%
Total Revenue	37.42	1.07	17.23	(20.19)	(53.9)%

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$36.84 million, which is an underspend of \$0.58 million, when compared to the Adjusted Budget of \$37.42 million.

Table 27: FY 2024-25 Affordable Housing Trust Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
City Administrator	0.56	0.28	0.58	(0.02)	(4.0)%
City Attorney	0.21	0.10	0.21	—	1.0 %
City Auditor	0.04	—	—	0.04	95.2 %
Economic and Workforce Development Department	0.59	0.08	0.17	0.42	70.9 %
Finance Department	0.28	0.16	0.31	(0.03)	(9.2)%
Housing and Community Development Department	35.62	15.88	35.56	0.06	0.2 %
Human Services Department	0.12	—	0.01	0.10	87.4 %
Total Expenditures	37.42	16.50	36.84	0.58	1.5 %

Fund Balance - FY 2024-25 revenue is projected to end the year at \$17.23 million. Expenditures are projected to end the year at \$36.84 million. This results in a current year estimated operating shortfall of \$19.61 million. \$5.78 million of the fund balance will be used to balance the GPF in FY 2024-25. There is a \$0.01 million return of excess fund balance from the Equipment Fund (4100). Also, there is a \$14.68 million transfer to the Jobs Housing Impact Fee Fund (1871) and the Affordable Housing Impact Fee Fund (1872). Therefore, the estimated available fund balance in the Affordable Housing Trust Fund is expected to decrease from \$37.49 million to negative \$2.57 million in FY 2024-25.

Table 28: FY 2024-25 Affordable Housing Trust Fund Year-End Available Fund Balance (\$ in millions)

AFFORDABLE HOUSING TRUST FUND (1870)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 37.49
Revenue	17.23
Expenditures	36.84
Estimated Current Year Surplus/(Shortfall)	(19.61)
Subtotal Fund Balance	17.88
Use of Fund Balance in FY 2024-25	
GPF Balancing	(5.78)
Return of Excess Fund Balance in Equipment Fund	0.01
Impact Fee Fund Transfer	(14.68)
Estimated Ending Fund Balance	(2.57)

Measures BB & F Funds (2215, 2217, 2218, 2219, 2220)

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

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, collections from Measure BB came in at \$12.69 million, which is 14.7% of the Adjusted Budget of \$86.43 million. The Sales tax collected for these funds is administered through the County and are submitted to the City in tranches. Projected year-end revenues are \$39.21 million, which is \$47.22 million or 54.6% under the Adjusted Budget. The Adjusted Budget for FY 2024-25 includes \$12.66 million in use of fund balance to balance expenditures adopted in the budget and an extra \$36.07 million from the fund balance to cover carry forwards from the previous fiscal year. Net of use of fund balance, Sales Tax from Measure BB and Measure F are expected to be \$35.84 million, which is \$0.04 million or 0.1% under the Adjusted Budget, according to the most recent estimates from the Alameda County Transportation Commission (ACTC) as of December 2024 for Measure BB, and as of September 2024 for Measure F.

Table 29: FY 2024-25 Measure BB & F Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Sales Tax	35.88	11.14	35.84	(0.04)	(0.1)%
Interest Income	—	1.00	1.00	1.00	— %
Service Charges	—	0.06	0.06	0.06	— %
Grants & Subsidies	1.81	—	1.81	—	— %
Miscellaneous Revenue	—	0.50	0.50	0.50	— %
Transfers from Fund Balance	12.66	—	—	(12.66)	(100.0)%
Project Offsets & Carryforwards	36.07	—	—	(36.07)	(100.0)%
Total Revenue	86.43	12.69	39.21	(47.22)	(54.6)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$87.80 million, which is an overage of \$1.37 million, compared to the Adjusted Budget of \$86.43 million. The savings is primarily due to underspending in personnel costs.

Table 30: FY 2024-25 Measure BB/F Funds Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	33.35	0.20	33.45	(0.10)	(0.3)%
City Administrator	0.41	0.12	0.24	0.17	41.4 %
City Attorney	0.05	0.01	0.01	0.04	73.3 %
Department of Transportation	42.48	11.09	44.85	(2.36)	(5.6)%
Finance Department	0.01	—	0.01	—	— %
Human Resources Management Department	—	—	—	—	— %
Human Services Department	6.96	1.15	6.48	0.48	6.9 %
Information Technology	—	—	—	—	— %
Mayor	—	—	—	—	— %
Non Departmental and Port	0.17	—	0.15	0.02	11.7 %
Oakland Public Works	2.71	0.90	2.30	0.40	14.9 %
Police Department	—	0.01	0.02	(0.02)	661.5 %
Total Expenditures	86.43	13.49	87.80	(1.37)	(1.6)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$39.21 million. Expenditures are projected to end the year at \$87.80 million. This results in a current year estimated operating shortfall of \$48.59 million, decreasing the estimated available fund balance in the Measure BB/F Funds from \$57.73 million to \$9.13 million in FY 2024-25.

Table 31: FY 2024-25 Measure BB/F Funds Year-End Available Fund Balance (\$ in millions)

Measure B/BB and Measure F Funds (2211, 2212, 2213, 2215, 2216, 2217, 2218, 2219, 2220)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 57.73
Revenue	39.21
Expenditures	87.80
Estimated Current Year Surplus/(Shortfall)	(48.59)
Estimated Ending Fund Balance	9.13

State Transportation Gas Tax Funds (2230, 2232)

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Gas Tax funds came in at \$10.65 million, which is 39.0% of the FY 2024-25 Adjusted Budget of \$27.35 million. Year-end revenues project to come in at \$22.93 million, which is \$2.03 million or 7.4% under the Adjusted Budget. The Adjusted Budget assumes \$1.87 million in use of fund balance to balance the expenditures as adopted in the budget and \$2.54 million in use of fund balance to support FY 2023-24 carryforwards. The actual Gas Tax projects to come in at \$22.93 million which is \$0.14 million or 0.6% above the Adjusted Budget estimate. The new projection is taken from the estimates for FY 2024-25 provided by the State of California, for the State revenue allocations to cities and counties for the Highway Users Tax Account (HUTA), and for the Road Maintenance and Rehabilitation Account (RMRA). Estimates are as of January 2025.

Table 32: FY 2024-25 State Transportation Gas Tax Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Gas Tax	22.79	8.41	22.93	0.14	0.6 %
Interest Income	—	0.23	0.23	0.23	— %
Service Charges	0.01	—	0.01	—	— %
Grants & Subsidies	0.14	—	0.14	—	— %
Miscellaneous Revenue	—	2.01	2.01	2.01	123082.1 %
Transfers from Fund Balance	1.87	—	—	(1.87)	(100.0)%
Project Offsets & Carryforwards	2.54	—	—	(2.54)	(100.0)%
Total Revenue	27.35	10.65	22.93	(2.03)	(7.4)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$21.26 million, which is a savings of \$6.70 million, compared to the Adjusted Budget of \$27.35 million. The savings are primarily due to underspending in personnel costs.

Table 33: FY 2024-25 State Transportation Funds Gas Tax Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	1.28	0.15	1.28	—	— %
City Administrator	0.19	0.06	0.17	0.02	9.1 %
Department of Transportation	25.78	8.76	20.46	5.32	20.6 %
Economic and Workforce Development Department	—	—	—	—	— %
Finance Department	0.10	—	0.01	0.09	86.9 %
Human Resources Management Department	—	—	—	—	— %
Oakland Public Works Department	—	—	—	—	— %
Total Expenditures	27.35	8.97	21.26	6.70	24.5 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$22.93 million. Expenditures are projected to end the year at \$21.26 million. This results in a current year estimated operating surplus of \$1.67 million, increasing the estimated available fund balance in the State Transportation Gas Tax Funds from \$11.84 million to \$13.51 million in FY 2024-25.

Table 34: FY 2024-25 State Transportation Funds Year-End Available Fund Balance (\$ in millions)

State Transportation (Gas Tax) Funds (2230, 2232)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 11.84
Revenue	22.93
Expenditures	21.26
Estimated Current Year Surplus/(Shortfall)	1.67
Estimated Ending Fund Balance	13.51

Measure Q - Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act Fund (2244)

Measure Q, the 2020 Oakland Parks and Recreation, Preservation, Litter Reduction, and Homelessness Support Act Fund (2244), is a City of Oakland ballot initiative approved by voters on March 3, 2020, that established an annual special parcel tax for 20 years. This measure, which passed by more than a two-thirds majority, imposes a special parcel tax for the purpose of raising revenue to provide services for parks, landscape maintenance, and recreational services; to address homelessness and enable unsheltered and unhoused residents to access temporary shelters, transitional, supportive, and permanent housing; and to address water quality and litter reduction, including the maintenance and cleaning of stormwater trash collection systems.

Revenues - Through the second quarter (Q2) of FY 2024-25, revenue collections in the Measure Q fund have come in at \$17.20 million which is 29.9% of the Adjusted Budget of \$57.59 million. Local Measure revenues are administered by the County and they are remitted in tranches. Year-end revenues project to come in at \$33.41 million, which is \$24.18 million or 42.0% under the Adjusted Budget. The Adjusted Budget assumes \$13.78 million in use of fund balance to balance expenditures as adopted in the budget and \$10.81 million to support carryforward expenditures. The actual Measure Q Tax, net of use of fund balance, projects to come in at \$33.01 million which is at budget.

Table 35: FY 2024-25 Preservation, Litter Reduction, Homelessness Support Act Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Local Tax	33.01	16.80	33.01	—	— %
Interest Income	—	0.42	0.42	0.42	— %
Miscellaneous Revenue	—	(0.02)	(0.02)	(0.02)	— %
Transfers from Fund Balance	13.78	—	—	(13.78)	(100.0)%
Project Offsets & Carryforwards	10.81	—	—	(10.81)	(100.0)%
Total Revenue	57.59	17.20	33.41	(24.18)	(42.0)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$55.28 million, which is a savings of \$2.31 million, compared to the Adjusted Budget of \$57.59 million. The savings are primarily due to underspending in personnel costs.

Table 36: FY 2024-25 Measure Q - OPR Preservation, Litter Reduction, Homelessness Support Act Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	4.66	0.14	4.66	—	— %
City Administrator	4.67	0.71	4.56	0.11	2.4 %
City Auditor	0.04	—	—	0.04	95.2 %
Economic and Workforce Development Department	0.11	—	0.01	0.11	95.5 %
Finance Department	0.08	—	0.08	—	— %
Human Services Department	12.45	1.75	12.05	0.40	3.2 %
Non Departmental and Port	1.29	0.28	0.99	0.30	23.1 %
Oakland Parks and Recreation Department	0.13	—	0.13	—	— %
Oakland Public Works Department	34.16	11.57	32.78	1.39	4.1 %
Total Expenditures	57.59	14.46	55.28	2.31	4.0 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$33.41 million. Expenditures are projected to end the year at \$55.28 million. This results in a current year estimated operating shortfall of \$21.87 million, decreasing the estimated available fund balance in Measure Q Fund (2244) from \$26.55 million to \$4.69 million in FY 2024-25 .

Table 37: FY 2024-25 Measure Q Year-End Fund Balance (\$ in millions)

MEASURE Q (2244)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	26.55
Revenue	33.41
Expenditures	55.28
Estimated Current Year Surplus/(Shortfall)	(21.87)
Estimated Ending Fund Balance	4.69

Vacant Property Tax Fund (2270)

Measure W - Vacant Property Tax Fund (2270) is a City of Oakland ballot initiative approved by voters on November 6, 2018, that established an annual special tax on vacant property for 20 years to raise revenue necessary to support and fund homelessness programs and services, affordable housing, code enforcement, and clean-up of blighted properties and illegal dumping. A property is considered vacant if it is not in-use for at least 50 days in a calendar year. "Use" is defined as the performance of a function or operation. The per-parcel tax rates are \$6,000 for vacant properties or lots and \$3,000 for vacant condominium, duplex, townhouse and commercial ground floor commercial spaces. The tax is included in the secured property tax bill administered by the Alameda County.

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Vacant Property Tax fund have come in at \$5.13 million which is 80.8% of the Adjusted Budget of \$6.36 million. Local Measure revenues are administered by the County and they are remitted in tranches. Year-end revenues project to come in at \$7.46 million, which is \$1.11 million or 17.5% over the FY 2024-25 Adjusted Budget of \$6.36 million, the Adjusted Budget assumes \$0.24 million in use of fund balance to balance expenditures as adopted in the budget, and \$0.75 million to support carryforward expenditures. Net of use of fund balance, the actual Vacant Property Tax projects to come at \$7.44 million which is \$2.07 million or 38.7% over budget. Through Q2, tax revenues have come in 18.1% higher in FY 2024-25 compared to the same period in FY 2023-24 which ended the year at \$6.52 million. The projection assumes the 18.1% growth will carry out through the end of the year due to a larger number of assessed properties.

Table 38: FY 2024-25 Vacant Property Tax Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Parking Tax	—	—		—	— %
Local Tax	5.36	5.11	7.44	2.07	38.7 %
Interest Income	—	0.03	0.03	0.03	— %
Transfers from Fund Balance	0.24	—	—	(0.24)	(100.0)%
Project Offsets & Carryforwards	0.75	—	—	(0.75)	(100.0)%
Total Revenue	6.36	5.13	7.46	1.11	17.5 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$6.42 million, which is an overage of \$0.06 million, when compared to the Adjusted Budget of \$6.36 million.

Table 39: FY 2024-25 Vacant Property Tax Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
City Administrator	—	—	—	—	— %
Finance Department	0.85	0.29	0.71	0.14	16.5 %
Human Services Department	0.24	0.17	0.29	(0.05)	(19.1)%
Oakland Public Works Department	5.08	2.22	5.27	(0.19)	(3.7)%
Total Expenditures	6.36	2.69	6.42	(0.06)	(1.0)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2023-24 revenue is projected to end the year at \$7.46 million. Expenditures are projected to end the year at \$6.42 million. This results in a current year estimated operating surplus of \$1.05 million, increasing the estimated available fund balance in the Vacant Property Tax Fund (2270) from \$2.51 million to \$3.56 million in FY 2024-25.

Table 40: FY 2024-25 Vacant Property Tax Fund Year-End Available Fund Balance (\$ in millions)

Vacant Property Tax Fund (2270)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 2.51
Revenue	7.46
Expenditures	6.42
Estimated Current Year Surplus/(Shortfall)	1.05
Estimated Ending Fund Balance	3.56

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

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the LLAD fund have come in at \$10.26 million which is 51.3% of the Adjusted Budget of \$19.98 million. The FY 2024-25 year-end revenues project to come in at \$19.79 million, which is \$0.18 million or 0.9% under the FY 2024-25 Adjusted Budget of \$19.98 million. The Adjusted Budget assumes \$0.22 million in use of fund balance to support carryforward expenditures. Net of use of fund balance, the actual LLAD Tax projects to come at \$19.47 million which is at budget.

Table 41: FY 2024-25 Landscaping and Lighting Assessment District (LLAD) Fund Revenue (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Local Tax	19.47	10.20	19.47	—	— %
Licenses & Permits	0.08	0.06	0.08	—	— %
Interest Income	—	(0.05)	—	—	— %
Service Charges	0.21	—	0.21	—	— %
Grants & Subsidies	—	0.04	0.04	0.04	— %
Miscellaneous Revenue	—	—	—	—	— %
Project Offsets & Carryforwards	0.22	—	—	(0.22)	(100.0)%
Total Revenue	19.98	10.26	19.79	(0.18)	(0.9)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$20.60 million, which is an overage of \$0.62 million, when compared to the Adjusted Budget of \$19.98 million.

Table 42: FY 2024-25 Landscaping and Lighting Assessment District (LLAD) Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Department of Transportation	2.56	1.99	4.17	(1.61)	(62.7)%
Finance Department	0.04	0.01	0.04	—	— %
Non Departmental and Port	3.27	—	3.27	—	— %
Oakland Parks and Recreation Department	9.87	9.87	9.87	—	— %
Oakland Public Works Department	4.24	2.90	3.26	0.98	23.2 %
Total Expenditures	19.98	14.77	20.60	(0.62)	(3.1)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$19.79 million. Expenditures projected to end the year at \$20.60 million. This results in a current year estimated operating shortfall of \$0.80 million. There is a \$1.95 million return of excess fund balance from the Equipment Fund (4100). As a result, the estimated available fund balance in the Landscaping and Lighting Assessment District Fund (2310) is increasing from negative \$0.59 million to \$0.55 million in FY 2024-25.

Table 43: FY 2024-25 Landscaping and Lighting Assessment District (LLAD) Fund Balance (\$ in millions)

Landscaping & Lighting Assess. District Fund (LLAD) (2310)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	(0.59)
Revenue	19.79
Expenditures	20.60
Estimated Current Year Surplus/(Shortfall)	(0.80)
Estimated Ending Fund Balance	(1.40)
Use of Fund Balance in FY 2024-25	
Excess FB Return	1.95
Estimated Ending Fund Balance	0.55

False Alarm Reduction Program Fund (2411)

The False Alarm Reduction Program was implemented by OPD in November 2003 by Ordinance No. 13015 C.M.S., and amended in 2010, to address the large number of false alarms that OPD was responding to each year. The revenue generated by these fees is to offset a portion of the expense that OPD incurs as a result of false alarm response. Fees also assist in encouraging residents and businesses to properly use and maintain their alarm systems, thus reducing false alarms.

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the False Alarm Reduction Fund came in at \$0.31 million, which is 21.3% of the FY 2024-25 Adjusted Budget of \$1.47 million. The FY 2024-25 year-end revenues in the False Alarm Reduction Program Fund project to come in at \$0.81 million, which is \$0.65 million or 44.7% lower compared to the FY 2024-25 Adjusted Budget of \$1.47 million. The Adjusted Budget assumes \$0.75 million in use of fund balance to support carryforward expenditures. Net of use of fund balance, the actual Service Charges for the program project to come at \$0.77 million which is \$0.50 million or 39.6% under budget. The projection assumes the first half level of collections from service charges will be realized in the second half of the year. FY 2023-24 was the lowest level of service charges collected over the past five fiscal years with service charges ending the year at \$0.83 million. This follows a negative trend in which revenues from service charges in this fund have been dropping year over year by an average of 12.4% over the past 5 fiscal years.

Table 44: FY 2024-25 False Alarm Reduction Program Fund Revenue (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Fines & Penalties	0.12	—	0.12	—	— %
Interest Income	—	(0.08)	(0.08)	(0.08)	— %
Service Charges	1.27	0.38	0.77	(0.50)	(39.6)%
Miscellaneous Revenue	—	—	—	—	— %
Project Offsets & Carryforwards	0.08	—	—	(0.08)	(100.0)%
Total Revenue	1.47	0.31	0.81	(0.65)	(44.7)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$0.81 million, which is a savings of \$0.65 million, compared to the Adjusted Budget of \$1.47 million. The savings are primarily due to underspending in personnel costs.

Table 45: FY 2024-25 False Alarm Reduction Program Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Information Technology Department	—	0.01	0.02	(0.02)	— %
Police Department	1.47	0.25	0.80	0.67	45.7 %
Total Expenditures	1.47	0.26	0.81	0.65	44.5 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$0.81 million. Expenditures projected to end the year at \$0.81 million. This maintains the estimated fund balance in False Alarm Reduction Program Fund (2411) at negative \$3.99 million.

Table 46: FY 2024-25 False Alarm Reduction Program Fund Balance (\$ in millions)

False Alarm Reduction Fund (2411)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	(3.99)
Revenue	0.81
Expenditures	0.81
Estimated Current Year Surplus/(Shortfall)	—
Estimated Ending Fund Balance	(3.99)

Development Service Fund (2415)

The Development Service Fund (2415) was created on June 20, 2006, by Ordinance [No. 12741 C.M.S.](#) This fund collects revenues from licenses, fees, and permits from housing and commercial planning and construction-related activities to support planning and zoning services, construction inspections and permit approvals, building code enforcement, plan checks and engineering services. This fund is required to keep a minimum 7.5% reserve of annual budgeted revenues for its balance, which would be \$6.01 million in FY 2024-25.

Table 47: Historical Revenue for Fund 2415

Fiscal Year	Budgeted Revenue	Year End Revenue (Projected for FY 2024-25)
FY 2024-25	80.11	71.48
FY 2023-24	73.02	66.94
FY 2021-22	63.98	73.94
FY 2020-21	47.33	50.25
FY 2019-20	61.58	60.71
FY 2018-19	49.92	63.20
FY 2017-18	45.14	90.13
FY 2016-17	38.03	77.15

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Development Services Fund came in at \$30.18 million, which is 21.7% of the FY 2024-25 Adjusted Budget of \$139.13 million. Year-end revenues project to come in at \$71.48 million, which is \$67.65 million or 48.6% under the Adjusted Budget. The Adjusted Budget assumes \$26.33 million in use of fund balance to balance expenditures as adopted in the budget and \$32.70 million in use of fund balance to support FY 2023-24 carryforward expenditures. Net of the use of fund balance, the revenues project to come in at \$71.48 million which is \$8.63 million or 10.8% below the budgeted revenue amount of \$80.11 million. Actual revenues received through Q2 are 13.1% higher in FY 2024-25 compared to the same period in FY 2023-24 which ended the year at \$66.94 million.

Table 48: FY 2024-25 Development Service Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Licenses & Permits	41.77	14.91	29.82	(11.96)	(28.6)%
Fines & Penalties	0.65	1.43	2.86	2.21	339.3 %
Interest Income	—	2.12	4.23	4.23	— %
Service Charges	35.99	11.52	32.88	(3.11)	(8.6)%
Grants & Subsidies	—	—	—	—	— %
Miscellaneous Revenue	1.00	0.20	1.00	—	— %
Transfers from Fund Balance	26.33	—	—	(26.33)	(100.0)%
Project Offsets & Carryforwards	32.70	—	—	(32.70)	(100.0)%
Total Revenue	139.13	30.18	71.48	(67.65)	(48.6)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures project to come in at \$118.49 million, which is a savings of \$19.11 million, compared to the adjusted budget of \$137.60 million. The projected savings are mainly attributed to vacancies.

Table 49: FY 2024-25 Development Service Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
City Administrator	3.61	1.75	3.73	(0.12)	(3.3)%
City Attorney	3.83	1.90	3.84	—	(0.1)%
City Auditor	0.05	0.01	0.02	0.04	69.6 %
Department of Transportation	20.53	4.40	15.41	5.12	24.9 %
Economic and Workforce Development Department	3.00	1.37	2.78	0.22	7.3 %
Finance Department	1.31	0.53	1.32	(0.02)	(1.3)%
Fire Department	11.42	3.25	8.54	2.88	25.2 %
Human Resources	—	—	—	—	— %
Information Technology	4.79	1.84	4.29	0.51	10.5 %
Mayor	—	0.08	0.16	(0.16)	— %
Non Departmental and Port	3.06	0.07	2.91	0.15	4.9 %
Oakland Public Works	4.40	0.84	4.21	0.19	4.3 %
Planning and Building Department	81.43	21.76	71.11	10.32	12.7 %
Total Expenditures	137.60	37.80	118.49	19.11	13.9 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - The large fund balance, \$104.90 million at the end of FY 2023-24, has accumulated over the life of the fund due to revenues exceeding the budget as well as longstanding underspending or delays in expenditures attributed to a high number of vacancies within the Planning and Building Department. This fund is required to keep a minimum 7.5% reserve of annual budgeted revenues for its balance, which would be \$6.01 million in FY 2024-25.

FY 2024-25 revenue projects to end the year at \$71.48 million. Expenditures project to end the year at \$118.49 million. This results in a current year estimated operating shortfall of \$47.01 million. The estimated available fund balance in the Development Service Fund (2415) is estimated to decrease from \$104.90 million to \$58.34 million in FY 2024-25.

Table 50: FY 2024-25 Development Service Fund Year-End Available Fund Balance (\$ in millions)

Development Service Fund Fund (2415)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 104.90
Revenue	71.48
Expenditures	118.49
Estimated Current Year Surplus/(Shortfall)	(47.01)
Estimated Ending Fund Balance	57.89
Use of Fund Balance in FY 2024-25	
Excess FB Return	0.45
Estimated Ending Fund Balance	58.34

Transient Occupancy Tax (Measure C) Fund (2419)

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Measure C have come in at \$2.04 million or 37.9% of the Adjusted Budget of \$5.38 million. The FY 2024-25 year-end revenues project to come in at \$4.41 million, which is \$0.98 million or 18.1% under the Adjusted Budget resembling the estimated shortfall for TOT in the GPF. Hotel closures, including the Hilton and Jack London Square’s Waterfront Hotel, have significantly impacted revenue, signaling ongoing recovery challenges in the City’s hospitality sector post-pandemic.

Table 51: FY 2024-25 Transient Occupancy Tax (Measure C) Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Transient Occupancy Tax	5.38	2.01	4.38	(1.00)	(18.6)%
Interest Income	—	0.03	0.03	0.03	— %
Miscellaneous Revenue	—	—	—	—	— %
Project Offsets & Carryforwards	—	—	—	—	— %
Total Revenue	5.38	2.04	4.41	(0.98)	(18.1)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 year-end expenditures are projected to come in at \$5.57 million, which is a savings of \$0.31 million, compared to the Adjusted Budget of \$5.88 million. The savings are primarily due to underspending in personnel costs.

Table 52: FY 2024-25 Transient Occupancy Tax (Measure C) Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Economic and Workforce Development Department	1.06	0.09	0.76	0.31	28.8 %
Non Departmental and Port	4.82	0.75	4.82	—	— %
Total Expenditures	5.88	0.83	5.57	0.31	5.2 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenues are projected to end the year at \$4.41 million. Expenditures are projected to end the year at \$5.57 million. This results in a current year estimated operating shortfall of \$1.16 million, decreasing the estimated available fund balance in the Measure C Fund (2419) from \$0.57 million to negative \$0.59 million in FY 2024-25.

Table 53: FY 2024-25 Transient Occupancy Tax (Measure C) Fund Year-End Available Fund Balance (\$ in millions)

Measure C - Transient Occupancy Tax (TOT) Surcharge Fund (2419)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 0.57
Revenue	4.41
Expenditures	5.57
Estimated Current Year Surplus/(Shortfall)	(1.16)
Estimated Ending Fund Balance	(0.59)

INTERNAL SERVICE FUNDS (4xxx)

The use of internal service funds as a component of the City's cost allocation framework is an acceptable practice provided that the City complies with Federal guidelines, Generally Accepted Accounting Principles (GAAP), audit standards, and maintains a positive balance. Per federal cost allocation guidelines and regulations, internal service fund cannot be used for the acquisition of capital assets, nor can the City use them to build significant capital or operating reserve balances.

The Electronic Code of Federal Regulations (eCFR), specifically 2 CFR 200.439, governs Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. These regulations dictate that capital acquisition costs cannot be included as an indirect cost to federal grants. These funds represent a cost allocated charge under these federal regulations. As such, capital acquisitions, such a land acquisition, building improvements that materially increase the building's value or useful life, or vehicle purchases; must be directly funded from eligible sources.

Below are links to regulatory guidelines and audit findings on this matter.

Guidance regarding direct and indirect cost is located here:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455>

Specific Guidance for Local Governments is here:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd41a10959e1acab>

Guidance regarding Capital Acquisitions is here:

[§ 200.439 Equipment and other capital expenditures](#)

This City has had past Audit Findings of Material Weakness its use of Internal Service Funds.

The 2009 Single Audit Report notes the following from the City's Independent Auditor.

"If it is determined that the City does not intend to or cannot recover the full cost of providing goods or services within a reasonable period of time, then the use of internal service funds is no longer appropriate under GAAP and should not be used..." This finding relates to accumulated negative fund balances in Internal Services Funds.

The linked [negative funds report](#) produced in Fall 2009 indicated that by June 2008, the City had accumulated negative balances in its exceeding \$52 million in its Internal Service Funds. This is especially notable especially given these negative balances existed prior to the Great Recession of 2008 and substantially impaired the City's ability to deal with that fiscal crisis. As of this report, City's Internal Service Funds are projected to close with a collective positive balance of just over \$6 million which reflects the positive diligent work of policymakers, administrators,

and finance staff since 2008. The City must maintain compliance with Federal guidelines and fiscal best practices going forward.

Equipment Fund (4100)

The Equipment Fund (4100) is reported on a modified full accrual basis to reflect current assets and liabilities. The Fund supports the Citywide function for maintenance of City-owned equipment.

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Equipment Fund have come in at \$23.81 million or 52.6% of the Adjusted Budget of \$45.27 million. The FY 2024-25 year-end revenues project to come in at \$17.37 million, which is \$27.89 million or 61.6% under the FY 2024-25 Adjusted Budget. The Adjusted Budget assumes \$2.87 million in use of fund balance to balance expenditures as adopted in the budget, and \$13.09 million in use of fund balance to balance carryforward expenditures. The actual internal service fund revenues are expected to come in at \$16.97 million which is \$12.26 million or 42% under budget due to corresponding FY 2024-25 ISF charges that are being returned to various funds as a result of excess available fund balance sufficient to cover current year costs.

Table 54: FY 2024-25 Equipment Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Licenses & Permits	0.07	—	0.07	—	— %
Internal Service Funds	29.23	22.85	16.97	(12.26)	(42.0)%
Miscellaneous Revenue	—	0.02	0.02	0.02	— %
Transfers from Fund Balance	2.87	—	—	(2.87)	(100.0)%
Project Offsets & Carryforwards	13.09	—	—	(13.09)	(100.0)%
Total Revenue	45.27	23.81	17.37	(27.89)	(61.6)%

Expenditures - FY 2024-25 expenditures are projected to end the year at \$44.77 million, which is a savings of \$0.50 million, compared to the Adjusted Budget of \$45.27 million. The savings are primarily due to underspending in personnel costs.

Table 55: FY 2024-25 Equipment Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Fire Department	0.05	—	0.05	—	— %
Non Departmental and Port	2.37	—	2.37	—	— %
Oakland Public Works Department	42.84	14.76	42.34	0.50	1.2 %
Total	45.27	14.76	44.77	0.50	1.1 %

Fund Balance - FY 2024-25 revenue is projected to end the year at \$17.37 million. Expenditures ended the year at \$44.77 million. This results in a current year estimated operating shortfall of \$27.40 million. \$1.11 million of the fund balance will be used to balance the GPF in FY 2024-25. A review of the Equipment Fund was conducted for FY 2022, FY 2023, and FY 2024. This reconciliation identified excess fund balance that had been received from contributing funds. The excess amount will be returned to the respective funds and has been incorporated into the fund balance calculation. Therefore, the estimated available fund balance in the Equipment Fund (4100) is expected to decrease to zero in FY 2024-25. A detailed breakdown of the amounts returned to each fund is provided in **Table 57**.

Table 56: FY 2024-25 Equipment Fund Year-End Available Fund Balance (\$ in millions)

Equipment Fund (4100)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	46.24
Revenue	17.37
Expenditures	44.77
Estimated Current Year Surplus/(Shortfall)	(27.40)
Subtotal Fund Balance	18.84
Use of Fund Balance in FY 2024-25	
GPF Balancing	(1.11)
Return of Excess Fund Balance in Equipment Fund	(17.73)
Estimated Ending Fund Balance	—

Table 57: Fund Balance Return from Equipment Fund

	FY21-22	FY22-23	FY23-24
Beginning Fund Balance	9,361,320	25,229,953	27,345,262
Ending Fund Balance	25,229,953	27,345,262	40,361,180
Overage to Redistribute	15,868,633	2,115,309	13,015,918
Less: Restricted Funds	(4,424,014)	(4,424,014)	(4,424,014)
Net Overage to Redistribute	11,444,619	(2,308,705)	8,591,904
Fund Balance Redistribution by Fund	FY21-22	FY22-23	FY23-24
1010 - General Fund: General Purpose	5,718,469	(1,128,927)	3,872,173
1710 - Recycling Program	5,317	(1,041)	4,119
1720 - Comprehensive Clean-up	2,555,347	(511,949)	1,683,667
1760 - Telecommunications Reserve	3,278	(647)	2,388
1870 - Affordable Housing Trust Fund	13,806	(2,727)	—
2108 - HUD-CDBG	—	—	—

	FY21-22	FY22-23	FY23-24
2128 - Department of Health and Human Services	66,589	(13,227)	3,666
2211 - Measure B: Local Streets & Roads	2,927	—	—
2218 - Measure BB - Local Streets and Roads	9,467	(2,631)	8,964
2230 - State Gas Tax	178,585	(35,258)	119,691
2232 - Gas Tax RMRA	517,589	(155,199)	582,830
2244 - Measure Q - Parks & Recreation Preservation, Litter Reduction, and Homelessness Support Act	196,977	(38,134)	261,604
2270 - Vacant Property Tax Act Fund	39,928	—	—
2310 - Lighting and Landscape Assessment District	797,524	(157,229)	1,059,274
2332 - Gateway Industrial Park	87	(87)	830
2411 - False Alarm Reduction Program	2,587	(510)	—
2415 - Development Service Fund	143,388	(28,834)	98,515
2416 - Traffic Safety Fund	10,583	(2,089)	—
3100 - Sewer Service Fund	774,289	(152,892)	571,286
3200 - Golf Course	2,915	(576)	2,127
4100 - Equipment	126,224	(24,922)	111,387
4200 - Radio / Telecommunications	12,183	(2,405)	12,340
4400 - City Facilities	186,125	(32,986)	140,371
4500 - Central Stores	2,302	(454)	1,677
7760 - Grant Clearing	78,132	(15,978)	54,996
Total	11,444,619	(2,308,705)	8,591,904

Regulatory Compliance and Use of Funds

As stated above, the Equipment Services Fund covers the costs associated with the maintenance, upkeep, and fueling of the City's motorized fleet. This includes staff salaries and benefits, maintenance and fueling equipment, parts and supplies. However, per federal cost allocation guidelines and regulations, this fund cannot be used for the acquisition of capital assets such as vehicles.

The Electronic Code of Federal Regulations (eCFR), specifically 2 CFR 200.439, governs Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. These regulations dictate that capital acquisition costs cannot be included as an indirect cost to federal grants. This fund, which generates charges (e.g. master lease debt service or outright vehicle purchases) billed to other funds, represents an indirect charge under these federal regulations. As such, capital acquisitions, such a vehicle purchases, must be directly funded from eligible sources.

Below are links to regulatory guidelines and audit findings on this matter.

- [eCFR :: 2 CFR 200.439 -- Equipment and other capital expenditures.](#)
- [Oakland Single Audit Report](#) (with citation and findings)

Radio/Telecommunications Fund (4200)

The Radio/Telecommunications Fund (4200) is reported on a modified full accrual basis to reflect current assets and liabilities. Revenues are generated from communications equipment rentals and services charges to operating departments for personnel, maintenance and replacement of radios and other communications equipment in the City.

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Radio/Telecommunications Fund have come in at \$0.11 million which is 1.6% of the budget, and are projected to come in at \$5.49 million, which is \$1.48 million or 21.3% under the Adjusted Budget of \$6.97 million. The adjusted budget assumes \$1.59 million in the use of fund balance to balance carryforward expenditures. The actual internal service fund revenues are expected to come in at \$5.38 million which is at budget since the cost recovery of the ISF funds is built into the budget.

Table 58: FY 2024-25 Radio/Telecommunications Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	0.12	0.12	0.12	— %
Internal Service Funds	5.38	—	5.38	—	— %
Miscellaneous Revenue	—	(0.01)	(0.01)	(0.01)	— %
Project Offsets & Carryforwards	1.59	—	—	(1.59)	(100.0)%
Total Revenue	6.97	0.11	5.49	(1.48)	(21.3)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 expenditures are projected to end the year at \$6.96 million, which is \$0.02 million lower than the adjusted budget of \$6.97 million.

Table 59: FY 2024-25 Radio/Telecommunications Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	0.05	—	0.05	—	— %
Fire Department	0.01	—	0.01	0.01	45.6 %
Information Technology Department	6.66	3.58	6.62	0.04	0.5 %
Police Department	0.24	0.14	0.28	(0.04)	(17.6)%
Total	6.97	3.72	6.96	0.02	0.2 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$5.49 million. Expenditures are projected to end the year at \$6.96 million. This results in a projected operating shortfall of \$1.47 million. \$5.61 million of the fund balance will be used to balance the GPF in FY 2024-25. On the other hand, there is a \$0.02 million return of excess fund balance from the Equipment Fund (4100) Therefore, the fund balance in the Radio/Telecommunications Fund is projected to decrease from \$7.85 million to \$0.79 million.

Table 60: FY 2024-25 Radio/Telecommunications Fund Year-End Available Fund Balance (\$ in millions)

Radio/Telecommunications Fund (4200)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	7.85
Revenue	5.49
Expenditures	6.96
Estimated Current Year Surplus/(Shortfall)	(1.47)
Subtotal Fund Balance	6.38
Use of Fund Balance in FY 2024-25	
GPF Balancing	(5.61)
Return of Excess Fund Balance in Equipment Fund	0.02
Estimated Ending Fund Balance	0.79

Telephone Equipment and Software Fund (4210)

The Telephone Equipment and Software Fund (4210) is reported on a modified full accrual basis to reflect current assets and liabilities. Revenues are generated from telephone and software charges to operating departments for personnel, maintenance and replacement of City telephones and software.

Revenues - Through the second quarter (Q2) of FY 2024-25, revenue collections in the Telephone Equipment and Software Fund have come in at negative \$0.03 million and are projected to come in at \$2.22 million, or 1.5% under the Adjusted Budget of \$2.25 million. The actual internal service fund revenues are expected to come in at \$2.24 million which is at budget since the cost recovery of the ISF funds is built into the budget.

Table 61: FY 2024-25 Telephone Equipment and Software Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	(0.03)	(0.03)	(0.03)	— %
Internal Service Funds	2.24	—	2.24	—	— %
Project Offsets & Carryforwards	0.01	—	—	(0.01)	(100.0)%
Total Revenue	2.25	(0.03)	2.22	(0.03)	(1.5)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 expenditures are projected to end the year at \$1.98 million, which is a decrease of \$0.27 million, compared to the adjusted budget of \$2.25 million.

Table 62: FY 2024-25 Telephone Equipment and Software Fund (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Information Technology Department	2.25	1.01	1.98	0.27	12.2 %
Total	2.25	1.01	1.98	0.27	12.2 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$2.22 million. Expenditures are projected to end the year at \$1.98 million. As a result, there is a projected operating surplus of \$0.24 million. \$0.11 million of the fund balance will be used to balance the GPF in FY 2024-25. Therefore, the fund balance in the Telephone Equipment and Software Fund (4210) is projected to improve from negative \$1.20 million to negative \$1.07 million.

Table 63: FY 2024-25 Telephone Equipment and Software Fund Year-End Available Fund Balance (\$ in millions)

Telephone Equipment and Software Fund (4210)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	(1.20)
Revenue	2.22
Expenditures	1.98
Estimated Current Year Surplus/(Shortfall)	0.24
Subtotal Fund Balance	(0.96)
Use of Fund Balance in FY 2024-25	
GPF Balancing	(0.11)
Estimated Ending Fund Balance	(1.07)

Reproduction Fund (4300)

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Reproduction Fund have come in at \$0.01 million, which is 0.4% of the budget and are projected to come in at \$1.92 million, which is \$0.20 million or 9.4% under the Adjusted Budget of \$2.12 million. The adjusted budget assumes the use of \$0.17 million for the use of fund balance to support expenditure carryforwards and \$0.04 million in use of fund balance to balance expenditures as adopted in the budget. The actual internal service fund revenues are expected to come in at \$1.91 million, which is at budget since the cost recovery of the ISF funds is built into the budget.

Table 64: FY 2024-25 Reproduction Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	0.01	0.01	0.01	— %
Internal Service Funds	1.91	—	1.91	—	— %
Transfers from Fund Balance	0.04	—	—	(0.04)	(100.0)%
Project Offsets & Carryforwards	0.17	—	—	(0.17)	(100.0)%
Total Revenue	2.12	0.01	1.92	(0.20)	(9.4)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 expenditures are projected to end the year at \$2.10 million, which is a decrease of \$0.03 million, compared to the adjusted budget of \$2.12 million.

Table 65: FY 2024-25 Reproduction Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Information Technology Department	2.12	0.80	2.10	0.03	1.2 %
Total	2.12	0.80	2.10	0.03	1.2 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$1.92 million. Expenditures are projected to end the year at \$2.10 million. As a result, there is a projected operating

shortfall of \$0.18 million. \$0.69 million of the fund balance will be used to balance the GPF in FY 2024-25. Therefore, the fund balance in the Reproduction Fund (4300) is projected to decrease from \$0.96 million to \$0.09 million.

Table 66: FY 2024-25 Reproduction Fund Year-End Available Fund Balance (\$ in millions)

Reproduction Fund (4300)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	0.96
Revenue	1.92
Expenditures	2.10
Estimated Current Year Surplus/(Shortfall)	(0.18)
Subtotal Fund Balance	0.78
Use of Fund Balance in FY 2024-25	
GPF Balancing	(0.69)
Estimated Ending Fund Balance	0.09

City Facilities Fund (4400)

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the City Facilities Fund have come in at \$51.96 million or 90.0% of the Adjusted Budget of \$57.76 million. The FY 2024-25 year-end revenues project to come in at \$52.12 million, which is \$5.64 million or 9.8% under the FY 2024-25 Adjusted Budget. The Adjusted Budget assumes \$7.07 million in use of fund balance to balance carryforward expenditures. The actual internal service fund revenues are expected to come in at \$50.14 million which is at budget since the cost recovery of the ISF funds is built into the budget.

Table 67: FY 2024-25 City Facilities Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	(0.05)	(0.05)	(0.05)	— %
Service Charges	0.55	0.40	0.55	—	— %
Internal Service Funds	50.14	50.14	50.14	—	— %
Miscellaneous Revenue	—	1.48	1.48	1.48	— %
Project Offsets & Carryforwards	7.07	—	—	(7.07)	(100.0)%
Total Revenue	57.76	51.96	52.12	(5.64)	(9.8)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 expenditures are projected to end the year at \$53.56 million, which is a savings of \$4.20 million, compared to the Adjusted Budget of \$57.76 million. The savings are primarily due to underspending in personnel costs.

Table 68: FY 2024-25 City Facilities Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	1.84	0.01	1.84	—	— %
City Administrator	0.43	0.14	0.30	0.13	30.6 %
Human Resources Management Department	—	—	—	—	— %
Human Services Department	0.68	0.31	0.65	0.03	4.1 %
Non Departmental and Port	1.72	—	(0.15)	1.88	108.8 %
Oakland Parks and Recreation Department	—	0.17	—	—	— %
Oakland Public Works Department	53.08	22.85	50.91	2.18	4.1 %
Police Department	0.01	—	0.02	(0.01)	(86.9)%
Total	57.76	23.48	53.56	4.20	7.3 %

*The adjusted budget includes Council Budget Amendments and Carryforwards

Fund Balance - FY 2024-25 revenue is projected to end the year at \$52.12 million. Expenditures ended the year at \$53.56 million. This results in a current year estimated operating shortfall of \$1.45 million. \$1.59 million of the fund balance will be used to balance the GPF in FY 2024-25. On the other hand \$0.29 million is being returned out of excess fund balance in the Equipment Fund (4100). Therefore, the estimated available fund balance in the Facilities Fund (4400) is projected to decrease from \$4.16 million to \$1.42 million in FY 2024-25.

Table 69: FY 2024-25 Facilities Fund Year-End Available Fund Balance (\$ in millions)

City Facilities Fund (4400)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	4.16
Revenue	52.12
Expenditures	53.56
Estimated Current Year Surplus/(Shortfall)	(1.45)
Estimated Ending Fund Balance	2.72
Use of Fund Balance in FY 2024-25	
GPF Balancing	(1.59)
Return of Excess Fund Balance in Equipment Fund	0.29
Estimated Ending Fund Balance	1.42

Personnel Management Fund (4510)

The Personnel Management Fund (4510) is reported on a modified full accrual basis to reflect current assets and liabilities. Revenues are generated from personnel charges to operating departments for personnel, operations and maintenance for the City's Human Resource Department and Payroll Bureau in Finance.

Revenues - Through the second quarter (Q2) of FY 2024-25, revenue collections in the Personnel Management Fund have come in at negative \$0.05 million and are projected to come in at \$19.99 million which is \$0.05 million or 0.2% lower than the Adjusted Budget of \$20.03 million. The actual internal service fund revenues are expected to come in at \$20.03 million which is at budget since the cost recovery of the ISF funds is built into the budget.

Table 70: FY 2024-25 Personnel Management Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	(0.05)	(0.05)	(0.05)	— %
Internal Service Funds	20.03	—	20.03	—	— %
Total Revenue	20.03	(0.05)	19.99	(0.05)	(0.2)%

Expenditures - FY 2024-25 expenditures are projected to end the year at \$16.78 million, which is a savings of \$3.26 million, compared to the Adjusted Budget of \$20.03 million.

Table 71: FY 2024-25 Personnel Management Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
City Administrator	1.32	0.74	1.52	(0.20)	(15.1)%
Finance Department	6.91	2.12	4.50	2.40	34.8 %
Human Resources Management Department	11.80	5.11	10.75	1.05	8.9 %
Total	20.03	7.98	16.78	3.26	16.3 %

Fund Balance - FY 2024-25 revenue is projected to end the year at \$19.99 million. Expenditures ended the year at \$16.78 million. This results in a current year estimated operating surplus of \$3.21 million. \$3.31 million of the fund balance will be used to balance the GPF in FY 2024-25. Therefore, the estimated available fund balance in the Personnel Management Fund (4510) is projected to decrease to negative \$0.10 million.

Table 72: FY 2024-25 Personnel Management Fund Year-End Available Fund Balance (\$ in millions)

Personnel Management Fund (4510)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	—
Revenue	19.99
Expenditures	16.78
Estimated Current Year Surplus/(Shortfall)	3.21
Subtotal Fund Balance	3.21
Use of Fund Balance in FY 2024-25	
GPF Balancing	(3.31)
Estimated Ending Fund Balance	(0.10)

Purchasing Fund (4550)

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

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Purchasing Fund have come in at negative \$0.02 million and are projected to come in at \$8.56 million, which is \$0.08 million or 1.0% lower than the Adjusted Budget of \$8.64 million. The actual internal service fund revenues are expected to come in at \$8.58 million which is at budget since the cost recovery of the ISF funds is built into the budget.

Table 73: FY 2024-25 Purchasing Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	(0.02)	(0.02)	(0.02)	— %
Internal Service Funds	8.58	—	8.58	—	— %
Transfers from Fund Balance	0.07	—	—	(0.07)	(100.0)%
Total Revenue	8.64	(0.02)	8.56	(0.08)	(1.0)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 expenditures are projected to end the year at \$6.88 million, which is a savings of \$1.79 million, compared to the adjusted budget of \$8.67 million.

Table 74: FY 2024-25 Purchasing Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Department of Workplace and Employment Standard	3.54	1.32	2.74	0.80	22.7 %
Finance Department	5.13	1.97	4.14	0.99	19.3 %
Total	8.67	3.29	6.88	1.79	20.7 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$8.56 million. Expenditures are projected to end the year at \$6.88 million. As a result, there is a projected operating surplus of \$1.68 million. \$1.70 million of the fund balance will be used to balance the GPF in FY 2024-25. Therefore, the fund balance in the Purchasing Fund (4550) is projected to decrease from \$0.31 million to \$0.29 million.

Table 75: FY 2024-25 Purchasing Fund Year-End Available Fund Balance (\$ in millions)

Purchasing Fund (4550)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	\$ 0.31
Revenue	8.56
Expenditures	6.88
Estimated Current Year Surplus/(Shortfall)	1.68
Subtotal Fund Balance	1.99
Use of Fund Balance in FY 2024-25	
GPF Balancing	(1.70)
Estimated Ending Fund Balance	0.29

Information Technology Fund (4600)

The Information Technology Fund (4600) is reported on a modified full accrual basis to reflect current assets and liabilities. The Purchasing Fund supports the Citywide Software - Licensing, and Maintenance. Revenues are generated by charges to internal user departments.

Revenues - Through the second quarter (**Q2**) of FY 2024-25, revenue collections in the Information Technology Fund have come in at \$0.22 million and are projected to come in at \$26.93 million, which is \$13.66 million or 33.7% under the Adjusted Budget of \$40.59 million. The adjusted budget assumes the use of \$13.47 million of fund balance to support expenditure carryforwards. The actual internal service fund revenues are expected to come in at \$26.70 million which is at budget since the cost recovery of the ISF funds is built into the budget.

Table 76: FY 2024-25 Information Technology Fund Revenues (\$ in millions)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	—	0.24	0.24	0.24	— %
Internal Service Funds	26.70	—	26.70	—	— %
Miscellaneous Revenue	—	(0.01)	(0.01)	(0.01)	— %
Transfers from Fund Balance	0.41	—	—	(0.41)	(100.0)%
Project Offsets & Carryforwards	13.47	—	—	(13.47)	(100.0)%
Total Revenue	40.59	0.22	26.93	(13.66)	(33.7)%

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Expenditures - FY 2024-25 expenditures are projected to end the year at \$38.82 million, which is a savings of \$1.77 million, compared to the adjusted budget of \$40.59 million.

Table 77: FY 2024-25 Information Technology Fund Expenditures (\$ in millions)

Agency / Department	FY 2024-25 Adjusted Budget	FY 2024-25 Q2 YTD Actuals	FY 2024-25 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	3.55	0.07	3.55	—	— %
City Administrator	0.30	0.06	0.32	(0.02)	(5.0)%
Finance Department	8.07	0.69	8.01	0.07	0.8 %
Fire Department	0.53	—	0.03	0.50	94.1 %
Human Resources Management Department	—	0.09	—	—	— %
Information Technology Department	27.38	9.40	26.16	1.22	4.5 %
Non Departmental and Port	0.75	0.60	0.75	—	— %
Total	40.59	10.91	38.82	1.77	4.4 %

**The adjusted budget includes Council Budget Amendments and Carryforwards*

Fund Balance - FY 2024-25 revenue is projected to end the year at \$26.93 million. Expenditures are projected to end the year at \$38.82 million. As a result, there is a projected operating shortfall of \$11.89 million. \$0.69 million of the fund balance will be used to balance the GPF in FY 2024-25. Therefore, the fund balance in the Information Technology Fund (4600) is projected to decrease from \$16.37 million to \$3.79 million.

Table 78: FY 2024-25 Information Technology Fund Year-End Available Fund Balance (\$ in millions)

Information Technology Fund (4600)	FY 2024-25 Q2 Year-End Estimate
Beginning Fund Balance - Audited	16.37
Revenue	26.93
Expenditures	38.82
Estimated Current Year Surplus/(Shortfall)	(11.89)
Subtotal Fund Balance	4.48
Use of Fund Balance in FY 2024-25	
GPF Balancing	(0.69)
Estimated Ending Fund Balance	3.79

ALL OTHER FUNDS – FUND BALANCE SUMMARY

Table 79: FY 2024-25 All Other Funds Year-End Available Fund Balances (\$ in millions)

Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
1020 - Vital Services Stabilization Fund	0.50	0.01	—	0.51	—	0.50	0.01
1030 - Measure HH (SSBDT)	11.65	6.35	11.63	6.37	—	2.55	3.82
1100 - Self Insurance Liability	23.10	61.49	61.50	23.08	(8.25)	14.85	—
1150 - Worker's Compensation Insurance Claims	—	0.57	9.69	(9.12)	—	—	(9.12)
1200 - Pension Override Tax Revenue	381.19	94.26	94.26	381.19	—	—	381.19
1610 - Successor Redevelopment Agency Reimbursement Fund	(0.13)	1.46	1.12	0.22	—	—	0.22
1700 - Mandatory Refuse Program	(1.09)	2.38	2.38	(1.09)	—	—	(1.09)
1710 - Recycling Program	5.14	6.83	6.52	5.45	0.01	—	5.46
1720 - Comprehensive Clean-up	(1.96)	24.07	22.82	(0.72)	3.73	0.77	2.25
1750 - Multipurpose Reserve	(8.87)	8.86	9.14	(9.15)	—	—	(9.15)
1760 - Telecommunications Reserve	(1.24)	1.31	1.27	(1.21)	0.01	—	(1.20)
1770 - Telecommunications Land Use	1.93	0.87	0.90	1.90	—	—	1.90
1780 - Kid's First Oakland Children's Fund	18.74	23.57	39.26	3.05	—	—	3.05
1820 - OPRCA Self Sustaining Revolving Fund	2.80	6.98	10.18	(0.40)	—	—	(0.40)
1870 - Affordable Housing Trust Fund	37.49	17.23	36.84	3.20	0.01	5.78	(2.58)
1871 - Jobs Housing Impact Fee Fund	7.15	5.73	13.82	(0.95)	—	—	(0.95)

Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
1872 - Affordable Housing Impact Fee Fund	9.50	18.86	21.18	7.19	—	—	7.19
1882 - Multi Service Center/Rent	0.11	0.11	0.12	0.09	—	—	0.09
1885 - 2011A-T Subordinated Housing	23.87	0.75	1.51	23.11	—	—	23.11
2102 - Department of Agriculture	(0.48)	8.69	8.15	0.06	—	—	0.06
2103 - HUD-ESG/SHP/HOPWA	(12.82)	14.68	34.17	(32.31)	—	—	(32.31)
2108 - HUD-CDBG	(4.83)	8.33	10.60	(7.09)	—	—	(7.09)
2109 - HUD-Home	1.53	2.92	25.11	(20.65)	—	—	(20.65)
2112 - Department of Justice	(2.14)	1.74	4.70	(5.10)	—	—	(5.10)
2120 - Federal Action Agency	(0.16)	0.59	0.90	(0.46)	—	—	(0.46)
2123 - US Dept of Homeland Security	(0.62)	0.23	2.12	(2.50)	—	—	(2.50)
2124 - Federal Emergency Management Agency (FEMA)	(0.61)	10.23	9.31	0.32	—	—	0.32
2128 - Department of Health and Human Services	(2.18)	18.75	31.58	(15.02)	0.06	—	(14.96)
2138 - California Department of Education	6.99	6.74	5.70	8.03	—	—	8.03
2139 - California Department of Conservation	(4.71)	4.17	7.78	(8.31)	—	—	(8.31)
2144 - California Housing and Community Development	1.78	20.77	148.36	(125.81)	—	—	(125.81)
2152 - California Board of Corrections	0.28	6.55	14.65	(7.82)	—	—	(7.82)
2159 - State of California Other	(14.71)	60.63	190.04	(144.12)	—	—	(144.12)
2160 - County of Alameda: Grants	0.70	1.65	2.43	(0.08)	—	—	(0.08)

Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
2172 - Alameda County: Vehicle Abatement Authority	(0.21)	0.37	0.16	(0.01)	—	—	(0.01)
2190 - Private Grants	0.11	0.48	0.15	0.44	—	—	0.44
2195 - Workforce Investment Act	1.16	3.69	6.79	(1.94)	—	—	(1.94)
2215 - Measure F - Vehicle Registration Fee	3.36	1.64	4.10	0.90	—	—	0.90
2218 - Measure BB - Local Streets and Roads	43.87	28.26	69.22	2.91	0.02	—	2.92
2219 - Measure BB - Bike and Pedestrian	5.81	2.88	7.87	0.82	—	—	0.82
2220 - Measure BB - Paratransit	4.69	3.08	6.65	1.13	—	—	1.13
2230 - State Gas Tax	2.36	11.99	11.83	2.52	0.26	—	2.79
2232 - Gas Tax RMRA	9.48	10.94	9.43	10.99	0.95	—	11.93
2241 - Measure Q- Library Services Retention & Enhancement	8.78	20.13	24.06	4.86	—	—	4.86
2243 - Measure D - Parcel Tax to Maintain, Protect & Improve Library Services	10.34	16.28	18.75	7.87	—	—	7.87
2244 - Measure Q - Parks & Recreation Preservation, Litter Reduction, and Homelessness Support Act	26.55	33.01	55.28	4.29	0.42	—	4.71
2250 - Measure N: Fund	0.89	2.12	2.15	0.86	—	—	0.86
2252 - Measure Z - Violence Prevention and Public Safety Act of 2014	9.10	26.97	40.61	(4.54)	—	—	(4.54)
2253 - Oakland Zoo Fund	0.23	15.01	15.01	0.23	—	—	0.23
2261 - Measure AA - Oversight	6.40	3.20	7.52	2.09	—	—	2.09
2262 - Measure AA - Early Education	19.46	28.37	43.60	4.23	—	—	4.23

Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
2263 - Measure AA - Oakland Promise	8.47	14.18	20.64	2.01	—	—	2.01
2264 - Measure AA - First 5	(0.26)	6.58	3.21	3.11	—	—	3.11
2270 - Vacant Property Tax Act Fund	2.51	5.36	6.42	1.45	0.04	—	1.49
2310 - Lighting and Landscape Assessment District	(0.59)	19.75	20.60	(1.44)	1.95	—	0.51
2330 - Werner Court Vegetation Mgmt District	0.07	—	—	0.07	—	—	0.07
2331 - Wood Street Community Facilities District	0.58	0.10	0.20	0.48	—	—	0.48
2332 - Gateway Industrial Park	1.37	1.50	2.33	0.54	—	—	0.54
2333 - Brooklyn Basin Public	0.60	0.50	1.02	0.09	—	—	0.09
2411 - False Alarm Reduction Program	(3.99)	1.39	0.82	(3.42)	—	—	(3.42)
2412 - Measure M - Alameda County: Emergency Dispatch Service Supplemental Assessment	1.26	2.65	3.10	0.81	—	—	0.81
2413 - Rent Adjustment Program Fund	(1.05)	9.31	9.14	(0.87)	0.03	—	(0.85)
2415 - Development Service Fund	104.90	71.48	118.49	57.89	0.45	—	58.34
2416 - Traffic Safety Fund	(0.04)	0.99	0.97	(0.03)	0.01	—	(0.02)
2417 - Excess Litter Fee Fund	1.93	0.70	0.97	1.66	—	—	1.66
2419 - Measure C: Transient Occupancy Tax (TOT) Surcharge	0.57	5.38	5.57	0.38	—	—	0.38
2420 - Transportation Impact Fee	10.56	1.91	9.78	2.69	—	—	2.69
2421 - Capital Improvements Impact Fee Fund	5.50	1.16	6.55	0.10	—	—	0.10

Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
2430 - Lead Settlement 2022	5.15	0.07	4.41	0.81	—	—	0.81
2826 - Mortgage Revenue	3.13	0.09	1.67	1.55	—	—	1.55
2830 - Low and Moderate Income Housing Asset Fund	27.31	5.99	35.09	(1.79)	—	—	(1.79)
2990 - Public Works Grants	(0.96)	0.33	0.38	(1.01)	—	—	(1.01)
2994 - Social Services Grants	0.53	1.20	1.12	0.60	—	—	0.60
2996 - Parks and Recreation Grants 2001	0.18	0.02	0.08	0.12	—	—	0.12
2999 - Miscellaneous Grants	9.18	2.91	13.06	(0.97)	—	—	(0.97)
3100 - Sewer Service Fund	111.71	72.85	155.50	29.07	1.46	—	30.53
3200 - Golf Course	(0.72)	0.88	3.11	(2.95)	—	—	(2.94)
4100 - Equipment	46.24	17.37	44.77	18.84	(17.73)	1.11	—
4200 - Radio / Telecommunications	7.85	5.49	6.96	6.38	0.02	5.61	0.79
4210 - Telephone Equipment and Software	(1.20)	2.22	1.98	(0.96)	—	0.11	(1.07)
4300 - Reproduction	0.96	1.92	2.10	0.78	—	0.69	0.09
4400 - City Facilities	4.16	52.12	52.96	3.32	0.30	0.99	2.63
4450 - City Facilities Energy Conservation Projects	(0.21)	—	—	(0.22)	—	—	(0.22)
4500 - Central Stores	(0.08)	0.65	0.61	(0.04)	—	—	(0.04)
4510 - Personnel Management	—	19.99	16.78	3.21	—	3.31	(0.10)
4550 - Purchasing	0.31	8.56	6.88	1.99	—	1.70	0.29
4600 - Information Technology	16.37	26.93	38.82	4.48	—	0.69	3.79
5322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for Oakland	10.52	0.26	8.74	2.05	—	—	2.05

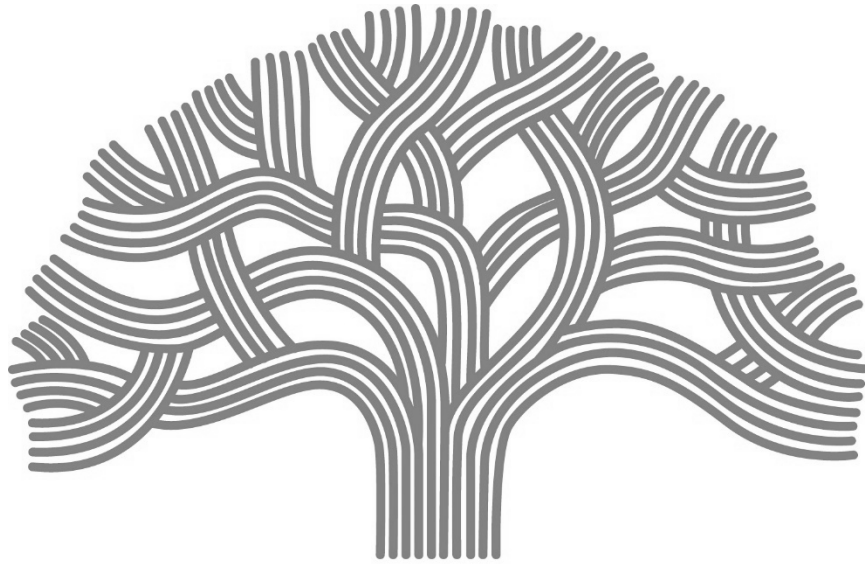
Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
5331 - Measure KK: Affordable Housing (GOB 2017A-2 Taxable)	10.03	0.19	6.89	3.33	—	—	3.33
5332 - Measure KK: Infrastructure Series 2020B-1 (Tax Exempt)	14.12	0.31	23.44	(9.01)	—	—	(9.01)
5333 - Measure KK: Affordable Housing Series 2020B-2 (Taxable)	16.40	0.33	15.74	1.00	—	—	1.00
5335 - Measure KK: Infrastructure Series 2022C-1 (Tax Exempt)	95.63	2.24	116.93	(19.06)	—	—	(19.06)
5337 - Measure KK: Series 2023 GOB	37.05	0.87	39.98	(2.06)	—	—	(2.06)
5338 - Measure KK Infrastructure Series 2024E GOB (Tax Exempt)	—	—	—	—	—	—	—
5340 - Measure U: Affordable Housing and Infrastructure GOB	30.94	0.66	29.89	1.71	—	—	1.71
5341 - Measure U: Affordable Housing GOB Series 2023A-2 (Taxable)	64.75	1.36	60.19	5.92	—	—	5.92
5500 - Municipal Capital Improvement	(3.33)	10.00	10.00	(3.33)	—	—	(3.33)
5505 - Municipal Capital Improvement: Public Arts	3.64	0.21	1.67	2.19	—	—	2.19
5510 - Capital Reserves	1.22	0.02	1.01	0.23	—	—	0.23
5610 - Central District Projects	20.42	0.20	6.21	14.41	—	—	14.41
5614 - Central District: TA Bonds Series 2006T	12.96	2.23	7.81	7.38	—	—	7.38
5638 - BMSP: TA Bond Series 2006C-	0.44	0.01	0.14	0.31	—	—	0.31

Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
5643 - Central City East TA Bonds Series 2006A-T	16.94	0.21	6.79	10.36	—	—	10.36
5650 - Coliseum Projects	4.97	0.10	2.92	2.16	—	—	2.16
5656 - Coliseum: TA Bonds Series 2006B-T (Taxable)	26.21	0.19	5.93	20.46	—	—	20.46
5671 - OBRA: Leasing & Utility	56.15	1.61	4.54	53.22	—	—	53.22
5999 - Miscellaneous Capital Projects	4.61	2.37	13.14	(6.15)	—	—	(6.15)
6013 - 2013 LED Streetlight Acquisition Lease Financing	0.01	1.44	1.44	0.01	—	—	0.01
6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS	9.34	54.08	54.09	9.32	—	—	9.32
6064 - GO Refunding Bonds, Series 2015A	1.59	5.52	5.52	1.58	—	—	1.58
6322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for Oakland	0.59	1.46	1.46	0.59	—	—	0.59
6330 - Measure KK: 2017A-1 (TE) Infrastructure and Affordable Housing	1.50	2.25	2.25	1.49	—	—	1.49
6331 - Measure KK: 2017A-2 (Taxable) Infrastructure and Affordable Housing	1.13	4.14	4.15	1.12	—	—	1.12
6332 - Measure KK: 2020B-1 GOB	2.61	3.94	3.95	2.60	—	—	2.60
6333 - Measure KK: 2020B-2 GOB	1.31	4.96	4.97	1.30	—	—	1.30
6334 - 2020 GOB Refunding	(0.70)	5.81	5.81	(0.70)	—	—	(0.70)
6335 - Measure KK: Infrastructure Series 2022C-1 GOB (Tax Exempt)	23.56	10.45	10.45	23.55	—	—	23.55

Fund Description	FY24-25 Beg Audited Fund Balance	FY24-25 Year End Rev Projections	FY24-25 Year End Exp Projections	FY24-25 Year End Estimated Fund Balance	Equipment Fund/Self Insurance Excess FB	GPF Balancing	Estimated Ending Fund Balance P12-25
6337 - Measure KK: Infrastructure Series 2023D GOB (Tax-Exempt)	4.87	2.82	2.82	4.87	—	—	4.87
6340 - Measure U: Infrastructure Series 2023 A-1 GOB (Tax-Exempt)	3.49	1.76	1.77	3.48	—	—	3.48
6341 - Measure U: Affordable Housing GOB Series 2023A-2 (Taxable)	13.75	12.93	12.94	13.75	—	—	13.75
6540 - Skyline Sewer District - Redemption	0.04	—	0.02	0.02	—	—	0.02
6557 - Piedmont Pines P1 2018 Reassessment Refunding Bond	0.23	0.11	0.13	0.21	—	—	0.21
6587 - 2012 Refunding Reassessment Bonds-Debt Service	0.58	0.42	0.46	0.53	—	—	0.53
6613 - JPFA Lease Revenue Refunding Bonds, Series 2018	(0.01)	8.33	8.33	(0.01)	—	—	(0.01)
6999 - Miscellaneous Debt Service	—	25.00	25.00	—	—	—	—
7100 - Police and Fire Retirement	450.01	23.13	3.76	469.37	—	—	469.37
7130 - Employee Deferred Compensation	—	0.04	0.05	(0.01)	—	—	(0.01)
7320 - Police and Fire Retirement System Refinancing Annuity Trust	30.19	3.72	3.72	30.19	—	—	30.19
7540 - Oakland Public Library Trust	1.43	0.10	1.14	0.39	—	—	0.39
7640 - Oakland Public Museum Trust	0.45	0.01	0.38	0.08	—	—	0.08
7760 - Grant Clearing	(11.31)	—	11.38	(22.69)	1.98	(0.95)	(19.76)
7999 - Miscellaneous Trusts	2.97	0.26	2.05	1.18	—	—	1.18

CITY OF OAKLAND

CONSOLIDATED FISCAL POLICY



Section 1. Budgeting Practices

Part A. General Provisions

The City's Fiscal Year shall begin on July 1st of each year and end on June 30th of the subsequent year. The City shall adopt a two-year biennial policy budget by June 30th of odd-numbered calendar years. The City shall amend its biennial policy budget (midcycle) by June 30th of even-numbered years. The budget and midcycle amendments shall be adopted by resolution of the City Council as required by the City Charter.

Part B. Policy on Balanced Budgets

The City shall adopt a balanced budget that limits appropriations to the total of estimated revenues and unallocated fund balances projected to be available at the close of the current fiscal year. The City Administrator shall be responsible for ensuring that the budget proposed to the City Council by the Mayor, adheres to the balanced budget policy.

This policy entails the following additional definitions and qualifications:

1. The budget must be balanced at an individual fund level.
2. City policies on reserve requirements for individual funds must be taken into account. The appropriated expenditures included in the balanced budget equation must include the appropriations necessary to achieve or maintain reserve targets.
3. Appropriated revenues can include transfers from unallocated fund balance where such fund balance is reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. Transfers from fund balance are not to be counted as revenue if the fund balance is not reasonably expected to exist by the end of the fiscal year preceding the year of the adopted budget. (Note: The precise definition of 'fund balance' will vary from fund to fund, depending on the fund's characteristics and accounting treatment.)
4. Appropriated expenditures can include transfers to fund balance or to reserves.

From time to time the City Council may present changes in policy and consider additional appropriations that were not anticipated in the most recently adopted budget. Amendments by the City Council shall maintain a balanced budget.

Each fiscal year the City Administrator shall report to the City Council on actual revenues and expenditures in the General Purpose Fund and other funds as deemed necessary.

Part C. Use of Excess Real Estate Transfer Tax (RETT) Revenues

To ensure adequate levels of the General Purpose Fund reserves and to provide necessary funding for municipal capital improvement projects and one-time expenses, the City shall require that excess Real Estate Transfer Tax revenues be defined and used as follows:

1. The excess Real Estate Transfer Tax (RETT) revenue is hereby defined as any amount of projected RETT revenues that exceed 15% of General Purpose Fund Tax Revenues (inclusive of RETT).
2. The excess Real Estate Transfer Tax, as described in this section, shall be used in the following manner and appropriated through the budget process:
 - a. At least 25% shall be allocated to the Vital Services Stabilization Fund, until the value in such fund is projected to equal to 15% of total General Purpose Fund revenues over the coming fiscal year; and
 - b. At least 25% shall be used to fund debt retirement and unfunded long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post-Employment Benefits (OPEB) unfunded liabilities; and
 - c. The remainder shall be used to fund one-time expenses or to augment reserves.
3. Use of the excess RETT revenues for purposes other than those established in this section must be authorized by City Council resolution. The resolution shall explain the need for using excess RETT revenues for purposes other than those established in this section. The resolution shall also include steps the City will take to return to using excess RETT revenues pursuant to this section.
4. Following the completion of the annual audit, excess RETT revenues will be analyzed to determine whether the transfers to the Vital Services Stabilization Fund or expenditures to fund debt retirement and unfunded long-term obligations were sufficient. If insufficient funds were transferred, a true-up payment shall be made in the next fiscal year. If the transfers exceed the actual requirement, the amounts in excess may be credited against allocations in the next fiscal year.

Part D. Use of One-Time Revenues

1. One-time revenues are defined as resources that the City cannot reasonably expect to receive on an ongoing basis, such as proceeds from asset sales and debt refinancing. This part shall not apply to the use of excess RETT revenues pursuant to Section 1. Part C.
2. Fiscal prudence requires that any unrestricted one-time revenues be used for one-time expenses. Therefore, one-time revenues shall be used in the following manner, unless they are legally restricted to other purposes: to fund one-time expenditures, to fund debt retirement and unfunded long-term obligations such as negative fund balances, Police and Fire Retirement System (PFRS) unfunded liabilities, CalPERS pension unfunded liabilities, paid leave unfunded liabilities, and Other Post-Employment Benefits (OPEB) unfunded liabilities; or shall remain as fund balance.

3. Use of one-time revenues for purposes other than those established in in this section must be authorized by City Council resolution. The resolution shall explain the need for using one-time revenues for purposes other than those established in this section. The resolution shall also include steps the City will take to return to using one-time revenues pursuant to this section.

Part E. Use of Unassigned General Purpose Fund Balance

Any unassigned General Purpose Fund balance, as projected in the 3rd Quarter Revenue and Expenditure Report, and not budgeted for other purposes, shall be used in accordance with Section 1, Part D.

Part F. Analysis of Funding for Debt or Unfunded Long-Term Obligations From Certain Revenues

When excess RETT or other one-time revenues are used to fund accelerated debt retirement or unfunded long-term obligations, the City Administrator shall present his or her analysis and recommendations to the Council based on the best long-term financial interest of the City.

Part G. Criteria for Project Carryforwards and Encumbrances

Previously approved but unspent project appropriations ("carryforwards") and contingent liability reserves for current purchases or contracts that are paid in the following fiscal year ("encumbrances") are financial obligations against reserves. Fiscal prudence requires that such obligations be limited.

Each fiscal year, the Finance Department will submit a list of eligible carryforwards and encumbrances to all departments for evaluation for all funds, including the General Purpose Fund. Departments may request to retain some or all carryforwards and encumbrances when such balances are:

1. Deemed essential to the delivery of active city projects, programs and services; or
2. If the liquidation of such balances would be in violation of legislative or legal requirements.

A departmental request to retain project carryforwards and/or encumbrances must be submitted to the Finance Department. Departments shall provide specific reasons for requested project carryforwards and encumbrance carryforwards, including, but not limited to, those reasons outlined above. Carryforward of project appropriations in funds with negative balances will only be allowed on an exception basis.

The Finance Department will recommend to the City Administrator an action on the departmental requests. The City Administrator shall make a final determination on project carryforward and encumbrances, and will direct the Finance Department to make carryforwards

available to the appropriate department.

Part H. Grant Retention Clauses

Prior to the appropriation of revenues from any grant outside of the budget process, the City Council shall be informed of any retention clauses that require the City to retain grant-funded staff, services, programs, or operations beyond the term of the grant. The fiscal impacts of such retention clauses shall be disclosed. During the biennial budget process staff shall report to the Council the ongoing projected fiscal impacts of such retention clauses.

Part I. Alterations to the Budget

Substantial or material alterations to the adopted budget including shifting the allocation of funds between departments and substantial or material changes to funded service levels, shall be made by resolution of the City Council.

The Finance Department will include departmental expenditure projections for the General Purpose Fund in the Second Quarter Revenue & Expenditure Report. In the event that a department is projected to overspend in the General Purpose Fund by more than one percent (1%), the City Administrator shall bring an informational report to the City Council within 60 days following acceptance of the Revenue & Expenditure report by the City Council. The report shall list the actions the Administration is taking to bring the expenditures into alignment with the budget.

Part J. Transfers of Funds between accounts.

The City Administrator shall have the authority to transfer funds between personnel accounts, and between non-personnel accounts within a department. The City Administrator shall have the authority to transfer funds allocated to personnel accounts to non-personnel accounts within a department provided that cumulative transfers within one fiscal year do not exceed 5% of the original personnel account allocation of that department. The City Administrator shall have the authority to transfer funds from non-personnel accounts to personnel accounts within a department. The City Administrator shall have the authority to transfer funds allocated to personnel accounts to non-personnel accounts if the transfer is required to meet the conditions of or maximize the funding derived from a grant that has been approved by the City Council. For the purposes of this section accounts for the provision of temporary personnel services shall be considered personnel accounts.

Part K. Pay-Go Account Expenditures, Priority Project Fund Expenditures, and Grants

The City Council hereby finds and determines that it is in the public interest to spend Pay-go account fund to facilitate and support programs & services of the City of Oakland, capital improvement projects of the City of Oakland, and programs & capital improvement projects of the public schools and other public entities within the City of Oakland. The Council authorizes Pay-Go account funds to be used for the following purposes:

Capital Improvements:

1. To pay for or augment funding for a City of Oakland capital improvement project including planning and pre-construction services for projects such as, but not limited to, feasibility studies and design, landscaping, architectural and engineering services and all services and materials needed to construct a capital improvements such as, but not limited to, contractor services, lumber, concrete, gravel, plants and other landscape materials, fountains, benches, banners, signs, affixed artwork and any other design and decorative elements of the project; and
2. To provide a grant to a public school, including a school chartered by the State of California or Oakland Unified School District, or other public entity for use on capital improvement project within the City of Oakland, including planning and pre-construction services for projects such as, but not limited to, feasibility studies and design, landscaping, architectural and engineering services and all services and materials needed to construct a capital improvements such as, but not limited to, contractor services, lumber, concrete, gravel, plants and other landscape materials, fountains, benches, banners, signs, affixed artwork and any other design and decorative elements of the project; and

Furniture & Equipment:

3. To pay for or augment funding for purchase of furniture and equipment, including computer equipment and software, to be used by participants in a program operated by the City of Oakland; and
4. To provide a grant to a public school, including a school chartered by the State of California or Oakland Unified School District, or another public entity to be used for furniture and equipment, including computer equipment and software, to be used by participants in a program operated by the public school or public entity.

Pay-go purposes stated above shall operate as restrictions on Pay-go expenditures or Pay-go grants, regardless of the Pay-go account funding source.

Pay-go purposes stated above shall apply to any and all Pay-go expenditures or grants made by the Mayor and each City Councilmember. All Pay-go expenditures and grants shall be administered by the City Administrator on behalf of the city, and grant agreements shall be required for all such grants.

In accord with the City Council's motion approving the initial allocation of Councilmember Priority Project funds on June 8, 2006, the City Councilmembers must obtain City Council approval for all Priority Project expenditures.

All Priority Project fund grants approved by the City Council and shall be administered and executed by the City Administrator on behalf of the city, and grant agreements shall be required for all such grants.

Section 2. Reserve Funds

Part A. General Purpose Fund Emergency Reserve Policy

1. Council hereby declares that it shall be the policy of the shall City of Oakland maintain in each fiscal year a reserve equal to seven and one-half (7.5%) of the General Purpose Fund (Fund 1010) appropriations as adopted in the biennial or midcycle budget, and not including prior year carryforwards, encumbrances, or appropriations to Fund Balance for, such fiscal year (the "General Purpose Fund Emergency Reserve Policy"),
2. Each year, upon completion of the City's financial audited statements, the City Administrator shall report the status of the General Purpose Funds Emergency Reserve to the City Council and on the adequacy of the of the 7.5% reserve level. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the City Administrator shall present to Council a strategy to meet the General Purpose Funds Emergency Reserve Policy. Each year, the City Administrator shall determine whether the 7.5% reserve level requires adjustment and recommend any changes to the City Council.
3. The amounts identified as the General Purpose Funds Emergency Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency. For the purposes of this Ordinance, "fiscal emergency" may be declared (1) by the Mayor and approved by the majority of the City Council, or (2) by a majority vote of the City Council.
4. Prior to appropriating monies from the General Purpose Funds Emergency Reserve, the City Administrator shall prepare and present such analysis to the City Council. Upon review and approval of the proposed expenditure by the City Council, and appropriate fiscal emergency declaration necessary for the use of GPF reserve, the City Administrator will have the authority to allocate from the reserves.

Part B. Vital Services Stabilization Fund Reserve Policy

1. Council hereby declares that it shall be the policy of the City of Oakland to maintain a Vital Services Stabilization Fund (VSSF) with a target funding level of 15% of General Purpose Fund Revenues. The funding of the Vital Services Stabilization Fund shall be made pursuant to Section 1, Part C concerning excess Real Estate Transfer Tax.
2. In years when the City forecasts that total General Purpose Fund revenues will be less than the current year's revenues, or anytime significant service reductions, such as layoffs or furloughs, are contemplated due to adverse financial conditions, use of this fund must be considered to maintain existing services.
3. Use of the VSSF must be authorized by City Council resolution. The resolution shall explain the need for using the VSSF. The resolution shall also include steps the City will take in order to replenish the VSSF in future years.

Part C. Capital Improvements Reserve Fund

1. Council hereby declares that it shall be the policy of the City of Oakland to maintain a Capital Improvements Reserve Fund.
2. Revenue received from one time activities, including the sale of Real Property, shall be deposited into the Capital Improvements Reserve Fund, unless otherwise directed by a majority vote of the City Council. Interest earnings on monies on deposit in the Capital Improvements Reserve Fund shall accrue to said fund and be maintained therein.
3. Monies on deposit in the Capital Improvements Reserve Fund may be appropriated by Council to fund unexpected emergencies, major capital maintenance, repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program.

Section 3. Budget Process, Fiscal Planning, Transparency, and Public Participation

Unless otherwise noted all timelines apply only to budget development years, normally odd numbered years and not to mid-cycle revisions to an adopted two-year budget.

1. Assessment of Stakeholder Needs, Concerns and Priorities

Timeline: Budget Advisory Committee review prior to survey release. Survey completion by December 5th of even-numbered years. Results publicly available within three weeks of survey's close.

Requirements: The City Administrator should develop or secure a statistically valid survey for assessing the public's concerns, needs and priorities prior to the development of the biennial budget. Whenever feasible, the City should conduct a professional poll administered to a statistically relevant and valid sample of residents that is representative of Oakland's population in terms of race, income, neighborhood, age, profession, family size, homeownership/renter-ship, etc. If that's not possible, then demographic information should be collected and reported out with the survey results.

Prior to release, the survey questions shall be submitted to the Budget Advisory Committee by September 1st of even numbered years for review of bias, relevance, consistency in administration, inclusion of benchmark questions, and ability to assess concerns, needs and priorities. The survey instrument, method of dissemination, and any instructions for administration shall be publicly available. The survey should be conducted following the November election and before December 5th.

If the City cannot afford a professional survey, an informal survey shall be made available for broad dissemination by the Mayor and Councilmembers through community list serves and other communication channels. Furthermore, the City Administrator shall take steps to promote participation, such as issuing a Flyer promoting participation in the survey and methods of participation (survey internet link, email, phone number) and posting such Fliers near publicly available computers in all City libraries, Recreation Centers, and Senior Centers. A list of those dissemination channels should be publicly available along with survey results.

Survey results should be publicly available within three weeks of the completion and analysis of the survey. Survey results should be made widely available, shared on social media, and published on the City's Budget website. In the event that City's statistically valid survey has been completed, the Mayor and City Administrator shall include in their proposed budget a summary of the survey data and a statement regarding how the data was or was not incorporated into the final proposed budget. Informal surveys and their results shall be made public but not included in their proposed budget document.

The City Administrator shall development a standardized and diverse means of collecting resident input via other means prior to budget development.

2. Council Initial Budget Briefing and Priorities Discussion

Timeline: February

Requirements: The Mayor and City Council will hold a bi-annual budget workshop soon after the commencement of the Council term. The workshop will include briefings on estimated baseline expenditures, revenue projections and an overview of the City's budgeting process. The workshop will provide the Mayor and Council with the opportunity to begin discussing priorities for the next budget year based on the Assessment of Stakeholder Needs, Concerns and Priorities.

3. Five-Year Forecast

Timeline: Produced and heard by the Council's Finance & Management Committee or the full City Council in February or March. Forecast Fact Sheets should be distributed to City community centers and Forecast data should be available on Open Data Portal within two weeks of the Council hearing.

Requirements: Each Budget Cycle, the City Administrator must prepare a Five-Year Forecast.

The Five-Year Financial Forecast (“Forecast”) is a planning tool that estimates the City's likely revenues and expenditures over five-years, based on appropriate financial, economic, and demographic data. The purpose of the Forecast is to surface all major financial issues and estimate future financial conditions to support informed long-term decision making. Such planning provides for greater financial stability, signals a prudent approach to financial management, and is consistent with best practices.

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.

4. Statement of Councilmember Priorities

Timeline: Written submission due by March 15th.

Requirements: City Council Members will have the opportunity to advise the Mayor and City Administrator publicly of their priorities. Each Councilmember shall be invited to submit up to seven expenditure priorities in ranked and/or weighted order for changes to the baseline budget as presented in the Five-Year Forecast. Councilmember priority statements must be submitted as part of a report to be heard by the City Council and/or in a publicly available writing to the Mayor and City Administrator by March 15. In addition to the priorities, Councilmembers may also submit other suggestions, including revenue suggestions.

5. Administrator's Budget Outlook Message & Calendar Report

Timeline: Heard by City Council before April 15th.

Requirements: The City Administrator shall bring as a report to the City Council a Budget Outlook Message & Calendar no later than April 15th that provides an overview of the budget development process and lists all key dates and estimated dates of key budget events, including, but not limited to the release of the Mayor and Administrator's Proposed Budget, Community Budget Forums, Council meetings, and formal budget passage dates. This publication shall be posted on the City's website and by other means determined by the City Administrator.

6. Release of Mayor & Administrator's Proposed Budget & Fact Sheet

Timeline: Published and publicly available by May 1st. Heard by City Council and Fact Sheet distributed by May 15th.

Requirements: The Proposed Budget must be released by May 1st and shall clearly indicate any substantive changes from the current baseline budget, including all changes to service levels from the current budget. The Proposed Budget shall indicate staffing by listing the number of positions in each classification for each Department, including a listing of each position proposed for addition or deletion. The Council shall hold a public meeting to present the Proposed Budget no later than May 15th in budget adoption years. The full proposed budget document shall be made available online from the City's website, and printed copies shall be available in all City libraries. Additionally, the proposed budget data shall be available in open data format on the City's open data portal by May 1st. Every effort should be made to thoroughly respond to any public request for departmental budget details, such as line item budgets. The requested information shall also be made available on the City's website and open data portal within a reasonable time following the request.

The Proposed Budget must include a Budget Fact Sheet with easy-to-understand graphics and text explaining the City's overall finances, the Proposed Budget and that year's Budget Calendar. The Fact Sheet shall be published in languages required by Oakland's Equal Access Ordinance. The Fact Sheet shall be printed and made available in all City Recreation Centers and Senior Centers as well as all City libraries by May 15th or the presentation to the Council, whichever is

sooner.

7. Community Budget Forums

Timeline: During the months of May and June of odd-numbered years

Requirements: The Administration and Council shall hold at least one (1) Community Budget Forum in each council district. These forums, organized by the City Administrator's Office in partnership with Councilmembers shall be scheduled to maximize residents' access. The forums should include sufficient time for a question and answer period in a format that maximizes community participation, as well as a presentation of budget facts by City staff. One or more of the forums must be scheduled in the evening. Another must be scheduled on the weekend. These meetings shall also be scheduled so that Councilmembers have sufficient opportunity to attend a meeting close to their council district. Every member of the City Council shall make their best effort to attend the Community Budget Forum in their council district. Sufficient Fact Sheets in all available languages shall be available at all Forums.

These forums should be publicized in social media and via other means in a manner that is linguistically and culturally appropriate. City Council staff shall work with community-based, faith-based, identity based, and district specific organizations to ensure that a representative and broad group of residents is aware and encouraged to attend each forum.

8. Ongoing Public Education

Timeline: During the months of May and June of even-numbered years

Requirements: Beginning with the first even-numbered year following adoption of this ordinance, the Administration and City Council shall hold at least three (3) Community Budget Education Presentations in different neighborhoods throughout the City and outside of City Hall. These presentations shall seek to increase Oakland residents understanding and awareness of the City Budget and Budget process.

9. Budget Advisory Commission's Report

Timeline: June 1st

Requirements: The Budget Advisory Committee (BAC) shall be requested to submit published, written report to the full City Council regarding the proposed budget with any suggested amendments no later than June 1 in budget adoption years. If submitted, the statement shall be published as part of the next budget report to the City Council. The BAC is encouraged to provide similar statements during the mid-cycle budget revise and any other significant budget actions.

10. Council President's Proposed Budget

Timeline: June 17th

Requirements: The City Council President, on behalf of the City Council, shall prepare a proposed budget for Council consideration to be heard at a Special City Council Budget Hearing occurring on or before June 17th. The Council President may delegate the duty to prepare a budget proposal to another member of the Council. The Finance Department will provide a costing analysis for proposed amendments. The City Council may schedule additional Special City Council Budget Hearings or Workshops as needed.

11. Council Budget Amendments

Timeline: No later than up to three (3) days prior to final budget adoption for public noticing

Requirements: In addition to the Council President's proposed budget, any Councilmember or group of Councilmembers may submit proposed budget amendments at any time during the budget process. However, the adopted budget shall not contain substantive amendments made on the floor by Councilmembers at the final meeting when the budget is adopted. All substantive amendments must have been published in the City Council agenda packet for at least three days prior to the budget's final adoption and posted on the City's budget website. This shall not preclude Council members from combining elements from various proposals, provided each element considered has been published in the City Council agenda packet as a component of one proposal. This three-day noticing requirement may be waived by a vote of Council upon a finding that (1) new information impacting the budget by at least \$1 million dollars came to the attention of the body after the publication deadline making it not reasonably possible to meet the additional notice requirement and (2) the need to take immediate action on the item is required to avoid a substantial adverse impact that would occur if the action were deferred to a subsequent special or regular meeting, such as employee layoffs.

Councilmembers will present their proposed amendments in an easy to understand, standardized format provided by the City Administrator. The format should allow the proposals to be easily compared to the Mayor's Proposed Budget and to one another. Additions and reductions shall be clearly noted in separate sections.

In order to provide sufficient time to evaluate the cost of proposals, Councilmembers should request costing analyses for proposed budget amendments or line-items within a budget amendment to the City Administrator at least six (6) working days prior to the City Council meeting where that amendment will be considered.

12. Process Feedback & Continual Improvement

Timeline: September 30th following budget adoption

Requirements: The Budget Advisory Commission (BAC) shall be requested to submit an Informational Report to the Council's Finance and Management Committee and City Council containing their analysis of the budget adoption process including, but not limited to: 1) the informational quality of the Proposed Budget; 2) the City Administration's and City Council's attention to engaging the public and its impacts on the budget process and product; 3) the level of

transparency and open dialogue in all public meetings dedicated to the budget; and 4) opportunities for improving the process in future years. In assessing opportunities for continually improving public participation in the budget process, the Administration, City Council and BAC shall be requested to consider the following guiding principles:

- **Inclusive Design:** The design of a public participation process includes input from appropriate local officials as well as from members of intended participant communities. Public participation is an early and integral part of issue and opportunity identification, concept development, design, and implementation of city policies, programs, and projects.
- **Authentic Intent:** A primary purpose of the public participation process is to generate public views and ideas to help shape local government action or policy.
- **Transparency:** Public participation processes are open, honest, and understandable. There is clarity and transparency about public participation process sponsorship, purpose, design, and how decision makers will use the process results.
- **Inclusiveness and Equity:** Public participation processes identify, reach out to, and encourage participation of the community in its full diversity. Processes respect a range of values and interests and the knowledge of those involved. Historically excluded individuals and groups are included authentically in processes, activities, and decision and policymaking. Impacts, including costs and benefits, are identified and distributed fairly.
- **Informed Participation:** Participants in the process have information and/or access to expertise consistent with the work that sponsors and conveners ask them to do. Members of the public receive the information they need, and with enough lead time, to participate effectively.
- **Accessible Participation:** Public participation processes are broadly accessible in terms of location, time, and language, and support the engagement of community members with disabilities.
- **Appropriate Process:** The public participation process uses one or more engagement formats that are responsive to the needs of identified participant groups; and encourage full, authentic, effective and equitable participation consistent with process purposes. Participation processes and techniques are well- designed to appropriately fit the scope, character, and impact of a policy or project. Processes adapt to changing needs and issues as they move forward.
- **Use of Information:** The ideas, preferences, and/or recommendations contributed by community members are documented and given consideration by decision-makers. Local officials communicate decisions back to process participants and the broader public, with a description of how the public input was considered and used.
- **Building Relationships and Community Capacity:** Public participation processes invest in and develop long-term, collaborative working relationships and learning opportunities with community partners and stakeholders. This may include relationships with other temporary or ongoing community participation venues.
- **Evaluation:** Sponsors and participants evaluate each public participation process with the collected feedback and learning shared broadly and applied to future public participation efforts.

CITY OF OAKLAND

AGENDA REPORT

2009 SEP -3 PM 7:31

To: Office of the City Administrator
Attn: Dan Lindheim
From: Budget Office and Finance & Management Agency
Date: September 15, 2009

Subject: Status Report On Citywide Efforts to Research And Correct Negative Fund Balances

SUMMARY

This report provides a status update of staff efforts to clear the City's negative fund balances. It follows the Mayor's September 2008 report to Council on the City's financial condition, which discussed in detail the negative fund balances and recommended actions to address these negatives. One of the key initiatives intended to mitigate existing and avoid future negatives was the Mayor's December 2008 directive to staff:

- (a) assign each City fund (whether positive or negative) to a particular City department ("fund manager") to monitor revenue collection and spending;
- (b) require fund managers to develop specific plans and timetables to eliminate negative balances; and
- (c) require reporting of such plans in the FY 2009-11 budget.

Funds with negative fund balances were presented in the Mayor's FY 2009-11 proposed budget along with recommended strategies for resolving the negatives (see pages D-127 through D-137 of the Financial Summaries section). This report discusses progress made since December 2008 in clearing negative fund balances. *Attachment A* compares FY 2007-08 audited ending fund balances with FY 2008-09 unaudited ending fund balances for the negative funds, and provides status of the fund managers' clean-up efforts.

FISCAL IMPACT

This is an informational report with no direct fiscal impact. However, negative balances continue to draw resources from other funds, and ultimately become the responsibility of the General Purpose Fund. As of June 2009, the unaudited total of the negative balances was \$145.9 million, with Internal Service Funds accounting for a third of this figure.

Item No. _____
Finance and Management Committee
September 15, 2009

BACKGROUND

There are various funds in the City with negative balances, categorized as follows:

1. **Negative Internal Services Funds:** Internal services funds are funds used to account for goods or services given to one department by another on a cost reimbursement basis. These funds are profit and loss oriented. Repayment schedules were established in FY 2005-07 but not followed. For FY 2009-11, the City Council approved continuation of the negative fund repayment, as well as cost reductions for the Equipment and Facilities funds.
2. **Selected General Funds on Existing Repayment Schedules:** These include the Self-Insurance Liability, Henry J. Kaiser Convention Center, Telecommunications Reserve and Contract Administration Fee funds. Repayment schedules were also established in FY 2005-07 and have been followed since. However, for FY 2009-10 only, the City Council approved suspension of repayments to these funds, with resumption scheduled for FY 2010-11.
3. **Negative Funds Not Requiring One-Time Revenues:** These negative balances exist in other City-controlled funds including the Mandatory Refuse Program, Comprehensive Clean-Up, Multipurpose Reserve, and Grant Clearing funds. The FY 2009-11 adopted budget includes rate increases, cost reductions, and other transfers from positive funds to mitigate negative balances.
4. **Negative Funds Requiring One-Time Revenues:** These are funds with historical negatives whose only balancing option is an infusion of one-time revenues, or the write-off of negatives against the General Purpose Fund.
5. **Negative Grant Funds:** These negatives are generally caused by lagging draw-downs, requirements to expend prior to reimbursement and, in rare cases, disallowed expenditures. Departments have been developing plans and timelines to address these negatives, conducting research as necessary with assistance from the Finance and Management Agency along with the Budget Office.
6. **Other Negative Funds:** These funds are primarily capital, bond and trust/agency funds. They are minor, manageable and require follow-up by the Finance and Management Agency.

Negative fund balances accumulated over time and are largely due to years of operating gaps caused by charging expenses that could not be sustained; and/or ongoing expenditures that outpaced ongoing revenues, made worse by no proactive intervention to reduce costs or raise revenues.

Actions were taken in FY 2005-07 to address the negative balances in the following six funds:

- General Fund Group: *Self-Insurance Liability (1100); Henry J. Kaiser Convention Center (1730); Telecommunications Reserve (1760); and Contract Administration Fee (1790).*

- Internal Service Funds (ISFs): *Equipment (4100) and City Facilities (4400)*.

Repayment schedules were established for these funds such that negative balances would be eliminated after 10 years. For General Fund Group funds, repayments were based on structured transfers from the General Purpose Fund covering current operating appropriation and annual installments. For ISFs, repayment schedules were based on gradually increasing rates charged to other “using” funds over time. In most cases, these schedules were followed. Nonetheless, the actual rate increases charged to using funds to amortize ISF debt were substantially lower than recommended – and adopted by Council – in FY 2005-07. For the Equipment and Facilities funds, there was a three to six percent spread between budgeted and actual rates charged to using funds. Negative balances in these funds increased as a result of this variance, as well as a result of increased costs. Finally, it is important to note that for FY 2009-10 only, the City Council suspended repayment of selected General Fund Group negatives; repayment will resume in FY 2010-11.

KEY ISSUES AND IMPACTS

Over the last year, Finance & Management Agency (FMA) and Budget Office staff, along with departmental fiscal officers, have taken proactive steps to reduce and eliminate negative fund balances. Beginning in December 2008 with the Mayor’s directive, the following has occurred:

- Specific departments were assigned as fund managers with responsibilities to monitor revenue collection and spending and alert FMA and the Budget Office of major deviations from the budget;
- Fund managers have undertaken development of plans and timelines to eliminate negative fund balances;
- FMA and Budget Office staff meet with departments quarterly to review the status of assigned funds and progress toward elimination of negatives, providing up-to-date cash balance status for all funds.
- **More recently, FMA and the Budget Office have enacted measures to cease activity in negative funds – including payments, journals, payroll and project balance carryforwards – that would increase negative balances.** The attached memo distributed to all fund managers reiterated the negative fund balance review process, departmental responsibilities and consequences for noncompliance (*Attachment B*).
- **Further, with the adoption of the FY 2009-11 budget, the City Council passed the financial policy (Ordinance No. 12946 C.M.S.; *Attachment C*), which provides the City with additional tools for managing negative fund balances.** It requires that half of one-time revenues be used to pay off negative ISF balances and half be used to pay off other negative funds’ balances.

SUMMARY OF NEGATIVE FUNDS by Category			
Group	Ending Fund Balance P12- 08 (Audited)	Ending Fund Balance P12- 09 (Unaudited)	Variance
1. Negative Internal Service Funds (Cash Basis)	(52,475,567)	(54,055,029)	(1,579,462)
2. Selected General Funds on existing repayment schedules	(33,579,844)	(31,465,411)	2,114,433
3. Negative Funds NOT requiring one-time revenues	(13,497,103)	(16,596,140)	(3,099,036)
4. Negative Funds requiring one- time revenues	(12,179,501)	(12,005,362)	174,138
5. Negative Grant Funds	(20,199,268)	(30,053,791)	(9,854,523)
6. Other Negative Funds	(2,400,243)	(1,791,580)	608,663
Grand Total	(134,331,526)	(145,967,314)	(11,635,787)

Comparison of FY 2007-08 audited negative balances to FY 2008-09 un-audited negative balances shows improvements made in funds that are currently on repayment schedules (Category 2 below), funds requiring one-time revenues or write-offs (Category 4 below), and other negative funds (Category 6 below). While negatives in the Internal Service Funds (Category 1 below) increased through June 2009, this was anticipated as the new accelerated repayment schedules were not approved until July 2009 (as part of the FY 2009-11 budget). The increase in negatives among funds that do not require one-time revenues or General Fund support (Category 3 below) is mainly due to not fully recovering the cost of operation with the historically low rates charged; increasing delinquencies of mandatory refuse in the wake of the economic downturn; and insufficient GPF transfers to cover the operation. Planned action to address these negative balances include raising rates charged, and instituting and/or adhering to repayment plans. It is also expected that collections of delinquent accounts will improve as the economy turns around, and liens through the county will be settled.

Lastly, an increase in negatives among Grant Funds (Category 5 below) was generally caused by the City having to make advance payments of program expenditures, while grant draw downs to reimburse the City lagged. City departments are working with FMA and Budget Office to develop a plan to address these negatives. The attached table provides comments from departments on the status of these funds. The \$9.9 million increase in negative balances is mostly comprised of the following funds:

- Lighting and Landscape Assessment District Fund 2310 – Negative fund balance was proposed to be eliminated through use of one-time revenues, which were diverted to balance the General Purpose Fund. No solution has been proposed at this time (\$2.0 million increase).
- Oakland Redevelopment Agency Grants Fund 2185 - Current drawdowns are expected to eliminate negative balance by the first quarter of this fiscal year (\$3.9 million increase).

- HUD/CDBG (Housing Urban Development)/(Community Development Block Grant) Fund 2108 - Current drawdowns are expected to eliminate negative balance by the first quarter of this fiscal year (\$3.0 million increase).

Attachment A provides a detailed comparison of FY 2007-08 audited ending fund balances with FY 2008-09 unaudited ending fund balances, along with the status of the fund managers' clean-up efforts.

SUSTAINABLE OPPORTUNITIES

There are no direct sustainable opportunities associated with this report.

DISABILITY AND SENIOR ACCESS

There are no direct disability and senior access issues associated with this report.

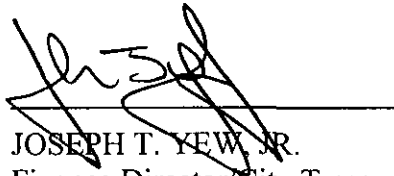
RECOMMENDATION

Staff recommends that the City Council accept this report.

Respectfully submitted,



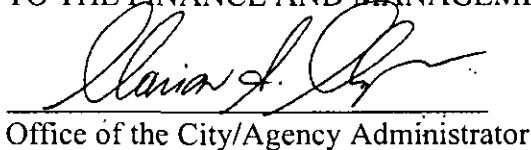
CHERYL TAYLOR
Budget Director



JOSEPH T. YEW, JR.
Finance Director/City Treasurer

Prepared by:
Nila Wong
Financial Analyst

APPROVED FOR FORWARDING
TO THE FINANCE AND MANAGEMENT COMMITTEE:


Office of the City/Agency Administrator

Attachments

Attachment A: Status of Negative Fund Balances, FY 2007-08 Ending Fund Balance (Audited) Versus FY 2008-09 Ending Fund Balance (Unaudited)

Attachment B: Negative Funds memo from the Finance and Management Agency

Attachment C: Ordinance No. 12946 C.M.S. Amending Ordinance No. 12502 C.M.S. to Clarify General Purpose Fund (GPF) Reserve Requires; Require A Mayoral Declaration Of Fiscal Emergency And Approval By Council Or A Council Declaration Of Fiscal Emergency Before The GPF Reserve Can Be Drawn Down; Require That Excess Real Property Transfer Tax Revenues Be Used To Build Up The GPF Reserve, Pay Back Negative Internal Service Fund Balances, Establish Set-Asides For Other Post-Employment Benefits (OPEB) And Police And Fire Retirement System (PFRS) Liabilities, And Fund Capital Improvements Projects; Require That One-Time Revenues Be Used To Repay Negative Fund Balances In Internal Service And Other Funds; And Provide Criteria For Project Carryforwards And Encumbrances In The GPF

SUMMARY OF NEGATIVE FUNDS BY CATEGORY

Group	Fund & Description	Assigned Agency / Dept	Ending FB P12-08 (Audited)	Ending FB P12-09 (UNAUD.)	Sum of Variance	Status
1. Negative Internal Service Funds (Cash Basis)						
	4100 Equipment	PWA	(20,181,922)	(15,496,396)	4,685,526	This fund is currently on a repayment plan as part of the FY 2009-11 Adopted Budget. Reduction in negative fund balance was largely due to the depreciation of the equipment assets
	4200 Radio / Telecommunications	DIT	55,718	(355,179)	(410,898)	Addressed prior years non-payments or underpayments from participating agencies during FY 09-11 budget development. Appropriations have been increased to cover negative fund balance.
	4300 Reproduction	DIT	(5,920)	(124,170)	(118,250)	Estimated revenue was overstated, creating a negative fund balance. Reproduction jobs have decreased due to budget constraints. Staff is developing a plan to eliminate the negative balance.
	4400 City Facilities	PWA	(26,416,474)	(31,314,583)	(4,898,109)	This fund is currently on a repayment plan as part of the FY 2009-11 Adopted Budget. The FY 2008-09 Adopted Budget had a structural deficit of \$5.8 million.
	4500 Central Stores	FMA	(4,376,202)	(5,319,566)	(943,364)	Negative balance will be paid down with funds collected through the established assessment schedule.
	4550 Equipment Parts Stores	DCP	(1,550,766)	(1,445,134)	105,632	Negative balance will be paid down with funds collected through the established assessment schedule.
	Subtotal		(52,475,567)	(54,055,029)	(1,579,462)	
2. Selected General Funds on existing repayment schedules						
	1100 Self Insurance Liability	Budget Office	(22,592,288)	(21,452,416)	1,139,872	Negative balance will be paid down with funds collected through the established repayment schedule; and recovery of legal costs.
	1730 Henry J Kaiser Convention Center	Budget Office	(5,215,747)	(4,682,662)	533,085	Negative balance will be paid down with funds collected through the established repayment schedule.
	1760 Telecommunications Reserve	Budget Office	(1,122,034)	(1,222,682)	(100,648)	Negative balance will be paid down with funds collected through the established repayment schedule.
	1790 Contract Administration Fee	DCP	(4,649,775)	(4,107,651)	542,123	Negative balance will be paid down with funds collected through the established assessment schedule.
	Subtotal		(33,579,844)	(31,465,411)	2,114,433	
3. Negative Funds NOT requiring one-time revenues						
	1700 Mandatory Refuse Program	FMA	(7,375,550)	(9,424,921)	(2,049,371)	Rising lien receivables due to non-payments of garbage fees, and previous multiple transfers to GPF. Negative Funds should be eliminated when liens are collected through sale of properties, and the recent increase of surcharge rate.
	1720 Comprehensive Clean-up	PWA	678,007	(513,567)	(1,191,574)	Staff is preparing analysis of the causes of the negative fund balance. Anticipated under spending will be used in FY 2009-10 to "pay back" current negative fund balance.
	1750 Multipurpose Reserve	CEDA	(3,170,176)	(3,887,067)	(716,891)	Garage rate increases and expenditure reductions were adopted for FY09-11. Additionally, Transportation staff will charge a percentage of their time directly to capital projects in other funds where possible, which will reduce personnel costs.

Group	Fund & Description	Assigned Agency / Dept	Ending FB P12-08 (Audited)	Ending FB P12-09 (UNAUD.)	Sum of Variance	Status
	7760 Grant Clearing	CEDA / PWA	(2,859,594)	(2,064,986)	794,608	This fund is currently on a repayment plan (2-3 year) in conjunction with CEDA and FMA
	7780 Oakland Redevelopment Agency Projects (ORA)	CEDA	(769,790)	(705,599)	64,191	Funds are being advanced to the City from ORA to increase positive interest earning; research will be complete by 12/31/09 to identify any unreimbursed charges.
	Subtotal		(13,497,103)	(16,596,140)	(3,099,036)	
4. Negative Funds requiring one-time revenues						
	1600 Underground District Revolving Fund	PWA	(2,423,142)	(2,471,453)	(48,311)	Increase in negative balance due to negative interest charges. Existing large negative fund balance is due to old unreimbursable projects.
	5500 Municipal Capital Improvement	CEDA / CIP / Budget	(4,644,609)	(4,384,781)	259,829	Receivable of \$500k collected in FY08-09, but offset by interest charges
	5999 Miscellaneous Capital Projects	CEDA / CIP / Budget	(3,887,804)	(3,969,052)	(81,248)	Multiple departments have contributed to the negative fund balance (DIT, Non-Dept., CEDA/DEC, PWA). Staff is preparing analysis to identify source of overspending and develop plan for elimination of negative FB.
	7400 Security Deposits - California Waste Solutions	OPD	(46,608)	-	46,608	Negative balance eliminated.
	7660 Museum Preservation Trust	Museum	(137,338)	(140,077)	(2,740)	Proposed to use positive balance from Fund 7680 to eliminate negative and close the fund; pending FMA research/action
	7752 Rehabilitation Trust: City Funded	FMA	(1,039,999)	(1,039,999)	-	Staff is preparing analysis of the causes of the negative fund balance.
	Subtotal		(12,179,501)	(12,005,362)	174,138	
5. Negative Grant Funds						
	2061 2006 FEMA: 1628 Winter Storms	CEDA	45	(235,392)	(235,437)	Finalizing projects, draw downs and clean-up by 12/31/09.
	2062 2006 FEMA: 1646 Spring Storms	CEDA	(158,886)	(462,670)	(303,784)	Finalizing projects, draw downs and clean-up by 12/31/09.
	2081 2008 Winter Storm	PWA	(18,446)	35,879	54,325	Negative balance eliminated.
	2102 Department of Agriculture	DHS	(192,287)	(84,915)	107,372	Pending drawdown of \$20k; disallowed vehicle charges from Summer Food Service Program \$28k should be transferred back to Equipment Fund; and old non-DHS projects \$36k
	2103 HUD-ESG/SHP/HOPWA	DHS	(7,845,904)	(5,768,976)	2,076,927	Original existing uncollectible balance prior to program transfer to DHS (\$4.0M); Uncollectible amounts due to HUD modified cost reimbursement methodology (\$1.2M); and to be billed (\$0.5M).
	2105 HUD-EDI Grants	CEDA	104,527	(130,165)	(234,692)	FY08-09 final draw pending, which will eliminate negative.
	2106 Department of Defense	CEDA	(297,925)	-	297,925	Negative eliminated via payment from the Army Base redev area. Fund is closing.
	2108 HUD-CDBG	CEDA	1,947,139	(1,003,282)	(2,950,421)	FY08-09 final draw completed in July totaling \$2.2M, which eliminated the negative.
	2112 Department of Justice	OPD	10,403	(56,542)	(66,944)	Staff is preparing analysis of the causes of the negative fund balance.
	2114 Department of Labor	DHS	(1,072,891)	(173,142)	899,749	CEDA drew down over \$900k to close out DOL grants. DHS has \$12k pending drawdowns. Remaining negative balance are unallowed fringe benefits and pending overhead cost waiver adjustments for Senior AIDES participants (non-employees).
	2118 National Foundation of the Arts and Humanities	OPR	(83,697)	(83,697)	-	Staff is preparing analysis of the causes of the negative fund balance.
	2120 Federal Action Agency	DHS	(116,014)	(93,214)	22,800	Collected in FY09/10

Group	Fund & Description	Assigned Agency / Dept	Ending FB P12-08 (Audited)	Ending FB P12-09 (UNAUD.)	Sum of Variance	Status
	2123 US Dept of Homeland Security	Fire	(244,858)	(915,459)	(670,601)	Homeland Security Grants received payments subsequently in P01-10 and P02-10. This is a reimbursement grant and thus, it is showing negative until the grants are fully reimbursed before December 2009.
	2124 Federal Emergency Management Agency (FEMA)	Fire	(3,471,623)	(3,638,832)	(167,209)	USAR Grant received payments subsequently in P01-10 and P02-10. This is a reimbursement grant and thus, it is showing negative because it is not rolled over to FY 2009-10. There is cash drawdown in the amount of \$174K.
	2126 Department of Education	Library	(154,390)	(154,875)	(484)	Staff is preparing analysis of the causes of the negative fund balance.
	2128 Department of Health and Human Services	DHS	(80,921)	(1,213,611)	(1,132,690)	\$1,170,000 are negative fund balances that originated from FMS (pre-Oracle). The likelihood of collecting this amount is remote. \$40,000 of net expenditures are pending collection.
	2134 California Parks and Recreation	CEDA	(1,093,726)	(848,097)	245,629	Draw down requests on current grants are up-to-date; research will be completed by 12/31/09 to identify cause of historic negative.
	2141 State Traffic Congestion Relief - Proposition 42	CEDA	(198,216)	243,653	441,869	Negative eliminated by underspending compared to actual revenue.
	2144 California Housing and Community Development	CEDA/DHS	746	(4,102)	(4,848)	Request for reimbursement is in process. To be received in Q1 of FY09/10
	2148 California Library Services	Library	2,372	(1,196,510)	(1,198,882)	Staff is preparing analysis of the causes of the negative fund balance.
	2152 California Board of Corrections	OPD	(80,935)	(15,034)	65,901	Staff is preparing analysis of the causes of the negative fund balance.
	2154 California Integrated Waste Management Board	PWA	(330,692)	(343,428)	(12,736)	Staff is preparing analysis of the causes of the negative fund balance. Once variances are identified, departments will be contacted to assist in preparing prior year adjustments to move ineligible grant charges to other matching fund sources.
	2158 5th Year State COPS Grant, AB 1913, Statutes of 2000	OPD	340,587	(165,149)	(505,735)	Staff is preparing analysis of the causes of the negative fund balance.
	2162 Metro Transportation Com: TDA	CEDA	(127,524)	(64,116)	63,407	Draw down requests on current grants are up-to-date; research will be completed by 12/31/09 to identify cause of historic negative.
	2163 Metro Transportation Com: Program Grant	CEDA	(72,734)	(231,347)	(158,613)	Draw down requests on current grants are up-to-date; research will be completed by 12/31/09 to identify cause of historic negative.
	2164 Congestion Mitigation & Air Quality (CMAQ)	CEDA	(890,728)	(147,367)	743,362	Draw down requests on current grants are up-to-date; research will be completed by 12/31/09 to identify cause of historic negative.
	2185 Oakland Redevelopment Agency Grants	CEDA	2,441,934	(1,338,787)	(3,780,721)	FY08-09 final draw was completed to eliminate negative; positive cash of \$1.4M as of P02-10.
	2190 Private Grants	DHS	(409,906)	(276,592)	133,314	Negative funds originating from City Attorney's Office and Capital Improvement Projects. DHS in contact with CAO and CIP to determine resolution.
	2213 Measure B: Paratransit - ACTIA	DHS	38,979	(250,358)	(289,337)	All drawdowns on current grants will be processed in the current year and will eliminate negative balance.
	2214 ACTIA Reimbursable Grants	CEDA	(342,795)	(378,635)	(35,840)	Draw down requests on current grants are up-to-date; research will be completed by 12/31/09 to identify cause of historic negative.
	2230 State Gas Tax	PWA	(12,887)	(971,147)	(958,261)	Additional revenue for FY08-09 is still anticipated to come and should eliminate the negative fund balance.

Group	Fund & Description	Assigned Agency / Dept	Ending FB P12-08 (Audited)	Ending FB P12-09 (UNAUD.)	Sum of Variance	Status
	2310 Lighting and Landscape Assessment District	PWA / CEDA	(4,032,012)	(6,020,497)	(1,988,485)	Negative FB was proposed to be eliminated through use of one-time revenues, which were later diverted to balance the General Purpose Fund. Negative balance was due to past structural deficits.
	2400 Senior Citizens Bonds	DHS	(3,576)	44	3,620	Negative balance eliminated.
	2511 Local Law Enforce Block Grant (LLEBG) 2001	OPD	(17,087)	(17,087)	-	Staff is preparing analysis of the causes of the negative fund balance.
	2513 Local Law Enforce Block Grant (LLEBG) 2003	OPD	(239,153)	(239,153)	-	Staff is preparing analysis of the causes of the negative fund balance.
	2602 Department of Labor (ARRA)	DHS	-	(3,014)	(3,014)	Collected in FY09/10
	2810 Rehabilitation Trust Loans	CEDA	(2,499)	(2,499)	-	Fund inactive; CEDA is working with FMA to identify appropriate source to eliminate negative and close fund.
	2820 Community Development Rehabilitation Loan Section 3	CEDA	(3,172)	(3,172)	-	Fund inactive; CEDA is working with FMA to identify appropriate source to eliminate negative and close fund.
	2822 Title I Loans: Revolving	CEDA	(30,431)	(30,431)	-	Fund inactive; CEDA is working with FMA to identify appropriate source to eliminate negative and close fund.
	2824 FHA 203k Loan: Revolving	CEDA	(17,808)	(17,808)	-	Fund inactive; CEDA is working with FMA to identify appropriate source to eliminate negative and close fund.
	2916 Vice Crimes Protection - Court Ordered to Police	OPD	(1,973)	(1,973)	-	Staff is preparing analysis of the causes of the negative fund balance.
	2990 Public Works Grants	PWA	(856,569)	(1,161,436)	(304,867)	Staff is preparing analysis of the causes of the negative fund balance by Agency, and will ask responsible departments to assist in preparing prior year adjustments to move ineligible grant charges to other matching fund sources.
	2992 Parks and Recreation Grants	OPR	(2,583,736)	(2,590,857)	(7,121)	The large negative balance occurred in FY 1993-94 and likely cannot be recovered. OPR was not the custodian of the fund, and no supporting documentation was found. \$7,121 we are awaiting grant reimbursement.
	Subtotal		(20,199,268)	(30,053,791)	(9,854,523)	
6. Other Negative Funds						
	5012 JPFA Admin Building: Series 1996	CEDA	(1,661,739)	(1,596,959)	64,779	CEDA proposed to FMA to use positive balance from Fund 5502 to eliminate negative and close fund; pending FMA research/vaction.
	6015 COP-Oakland Museum 2002 Series A	FMA	(547,309)	(2,945)	544,363	Negative balance will be eliminated in FY09-10.
	6570 JPFA Pooled Assessment: 1996 Revenue Bonds - Asses Non Dept / Debt Serv		(139,781)	(142,324)	(2,543)	Negative balance will be eliminated overtime through transfers of excess funds from lower bonds.
	6999 Miscellaneous Debt Service	FMA	(48,386)	(49,351)	(965)	Staff is preparing analysis of the causes of the negative fund balance.
	7520 Caring for Oaklanders in Need (COIN)	Library	(2,727)	-	2,727	Negative balance eliminated.
	7700 Earthquake Relief Efforts	Fire	(302)	-	302	Prior year accounting adjustment will eliminate negative fund balance.
	Subtotal		(2,400,243)	(1,791,580)	608,663	
Grand Total			(134,331,526)	(145,967,314)	(11,635,787)	

CITY OF OAKLAND
Memorandum

DATE: July 29, 2009
TO: Distribution List
FROM: Finance and Management Agency
SUBJECT: Negative Funds

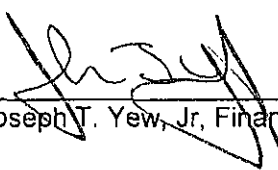
Attached please find the "Negative Fund Balance / Cash Balance Report" for the period ending May 31, 2009. This report will be distributed to all departments on a monthly basis to aid in the monitoring and management of all city funds, especially those with negative balances. Consistent with the Mayoral directive issued December 17, 2008, each city fund has been assigned to a specific department as a manager. These managers are responsible for the following:

- Monitor revenue collection and spending in the assigned fund on a monthly basis;
- Report any deviations from the budget (in revenues or expenditures) to the Budget Director or Finance Director / City Treasurer;
- For negative funds, develop and implement measures to eliminate negatives within a reasonable time period (multi-year repayment schedules will be considered for larger negatives); and
- Meet with the Budget Office and Finance and Management Agency quarterly to review the financial status of the assigned funds (and, for the negative funds, discuss progress on eliminating the deficits).

Please note that **effective immediately**, activity in these negative funds (payments, journals and payroll) which will increase the negative balance will not be processed AND carry-forward budgets (78811) in these funds will not be allowed to move into spending accounts until the fund's Responsible Department has provided to the Finance and Management Agency, Accounting Division:

- Documentation showing that offsetting revenues will be received (For grants, provide copies of the billing or draw-down requested); and/or
- A detailed plan with a timeline to address negatives

FMA and Budget Office will schedule monthly meetings with relevant City Agencies/Departments to review the negative fund balance report. Please contact Osborn Solitei, Acting Controller, at 510-238-3809 or osolitei@oaklandnet.com if you have any questions.



Joseph T. Yew, Jr, Finance Director/City Treasurer

CC: Dan Lindheim, City Administrator
Marianna Maryshéva-Martinez, Assistant City Administrator
Cheryl Taylor, Budget Director

FILED
OFFICE OF THE CITY CLERK
OAKLAND

APPROVED AS TO FORM AND LEGALITY

INTRODUCED BY COUNCIL MEMBER _____

2009 JUN 17 PM 5:14


CITY ATTORNEY

OAKLAND CITY COUNCIL
ORDINANCE No. 12946 C.M.S.

ORDINANCE AMENDING ORDINANCE NO. 12502 C.M.S. TO CLARIFY GENERAL PURPOSE FUND (GPF) RESERVE REQUIREMENTS; REQUIRE A MAYORAL DECLARATION OF FISCAL EMERGENCY AND APPROVAL BY COUNCIL OR A COUNCIL DECLARATION OF FISCAL EMERGENCY BEFORE THE GPF RESERVE CAN BE DRAWN DOWN; REQUIRE THAT EXCESS REAL PROPERTY TRANSFER TAX REVENUES BE USED TO BUILD UP THE GPF RESERVE, PAY BACK NEGATIVE INTERNAL SERVICE FUND BALANCES, ESTABLISH SET-ASIDES FOR OTHER POST-EMPLOYMENT BENEFITS (OPEB) AND POLICE AND FIRE RETIREMENT SYSTEM (PFRS) LIABILITIES, AND FUND CAPITAL IMPROVEMENTS PROJECTS; REQUIRE THAT ONE-TIME REVENUES BE USED TO REPAY NEGATIVE FUND BALANCES IN INTERNAL SERVICE AND OTHER FUNDS; AND PROVIDE CRITERIA FOR PROJECT CARRYFORWARDS AND ENCUMBRANCES IN THE GPF.

WHEREAS, on June 17, 2003, the City Council adopted Ordinance No. 12502 C.M.S., which repealed the original reserve policy for the City's undesignated general fund balance and adopted new operating budget and capital improvement budget policies, and a higher minimum level of reserves; and

WHEREAS, to ensure fiscal prudence and responsibility, the City desires to amend its reserve policy to clarify the established reserved requirements and to establish criteria for the use of GPF reserve, use of excess Real Estate Transfer Tax (RETT) revenue, and use of one-time revenues; and

WHEREAS, to minimize drawdowns from the GPF reserve by previously approved project carryforwards and purchase order encumbrances, the City wishes to add specific criteria for such carryforwards and encumbrances in the General Purpose Fund; now, therefore,

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporates them into this Ordinance.

SECTION 2. The Municipal Code is hereby amended to add, delete, or modify sections as set forth below (section numbers and titles are indicated in **bold type**; additions are indicated by underscoring and deletions are indicated by ~~strike-through~~ type; portions of the regulations not cited or not shown in underscoring or strike-through type are not changed).

SECTION 3. Ordinance No. 12502 C.M.S. is hereby amended in its entirety to read as follows:

SECTION 2A. General Purpose Fund Reserve Policy

1. Council hereby declares that it shall be the policy of the City of Oakland to provide in each fiscal year a reserve of undesignated, uncommitted fund balance equal to seven and one-half percent (7.5%) of the General Purpose Fund (Fund 1010) appropriations for such fiscal year (the "General Purpose Fund Reserve Policy").

2. Each year, upon completion of the City's financial audited statements, the ~~City Manager~~City Administrator ~~will~~ shall report the status of the General Purpose Fund Reserve to City Council and on the adequacy of the 7.5% reserve level. If in any fiscal year the General Purpose Fund Reserve Policy is not met, the ~~City Manager~~City Administrator shall present to Council a strategy to meet the General Purpose Fund Reserve Policy. Each year, the City Administrator shall determine whether the 7.5 % reserve level requires adjustment, and recommend any changes to the City Council.

3. The amounts identified as the undesignated General Purpose Fund Reserve may be appropriated by Council only to fund unusual, unanticipated and seemingly insurmountable events of hardship of the City, and only upon declaration of fiscal emergency. For the purposes of this Ordinance, "fiscal emergency" may be declared (1) by the Mayor and approved by the majority of the City Council or (2) by a majority vote of the City Council.

SECTION 3B. Capital Improvements Reserve Fund

1. There is hereby established a fund in the Treasury of the City of Oakland to be known as the "Capital Improvements Reserve Fund" (~~the "Capital Improvements Contingency Fund"~~).

2. ~~Commencing with the 2003-05 budget~~On an annual basis, an amount equal to \$6,000,000 shall be ~~deposited~~held into the Capital ~~Contingency~~ Improvements Reserve Fund (~~the "Capital Improvements Reserve Requirement"~~). Revenues received from one-time activities, including the sale of real property, shall, ~~unless otherwise directed by Council~~, be deposited into the Capital Improvements Reserve Fund, unless otherwise provided in Sections D and E of this ordinance or otherwise directed by a majority vote of the City Council. Interest earnings on monies on deposit in the Capital Improvements Reserve Fund shall accrue to said fund and be maintained therein.

3. Monies on deposit in the Capital Improvements Reserve Fund shall, ~~unless otherwise directed by Council~~, may be appropriated by Council to fund unexpected emergency or major capital maintenance or repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program only if not already allocated to a specific project.

4. Each year, upon completion of the City's financial audited statements, the City Administrator shall report the status of the Capital Improvements Reserve Fund to City Council. If in any fiscal year the required Capital Improvements Reserve Fund threshold of \$6,000,000 is not met, the City Administrator shall present to Council a strategy to meet the said threshold.

~~SECTION 4C.~~ Prior to appropriating monies from the contingency or reserves established by this Ordinance, the Budget Office shall prepare an analysis of the proposed expenditure and the City Administrator shall present such analysis to the City Council. Upon review and approval of the proposed expenditure by the City Council, and appropriate fiscal emergency declaration necessary for the use of GPF reserve, the City Manager/Administrator will have the authority to allocate from the contingency or reserves. For the purposes of this Ordinance, "fiscal emergency" may be declared (1) by the Mayor and approved by the majority of the City Council or (2) by Council majority vote.

~~SECTION 5.~~ The City Manager shall annually as part of the budget process prepare and submit to the City Council a report detailing the activity and status of the contingency or reserves established pursuant to this Ordinance. Interim reports may be prepared as requested by the Council.

D. Use of Excess Real Estate Transfer Tax (RETT) Revenues To Build Up the GPF Reserve, Pay Back Negative Internal Service Fund balances, Establish Set-Asides for Other Post-Employment Benefits (OPEB) and Police and Fire Retirement System (PFRS) Liabilities, and Fund Capital Improvements Projects.

To ensure adequate levels of the General Purpose Fund reserves and to provide necessary funding for municipal capital improvement projects, the City shall require that excess Real Estate Transfer Tax revenues be defined and used as follows:

- 1) The "excess" Real Estate Transfer Tax (RETT) revenue is hereby defined as any annual amount collected in excess of the "normal baseline" collection threshold of \$40 million.
- 2) The excess Real Estate Transfer Tax collections, as described in this section, shall be used in the following manner:
 - a. Replenish General Purpose Fund (GPF) reserves until such reserves reach to 10 percent of current year budgeted GPF appropriations.
 - b. After such reserves have been replenished, the order of use of the remaining excess collection is as follows: 50 percent to repay negative internal services funds balances; 30 percent set aside for the Police and Fire Retirement System (PFRS) liability until this obligation is met; 10 percent to establish a trust for Other Post-Employment Retirement Benefits (OPEB); and 10 percent to replenish the Capital Improvements Reserve Fund until it reaches \$10,000,000.
- 3) Use of the "excess" RETT revenue for purposes other than those established above may only be allowed upon declaration of a fiscal emergency by the Mayor and a majority vote by the City Council. For the purposes of this Ordinance, "emergency" may be declared (1) by the Mayor and approved by the majority of the City Council or (2) by a majority vote of the City Council.

E. Use of One Time Revenues To Repay Negative Fund Balances in Internal Service and Other Funds; and Provide Criteria for Project Carryforwards and Encumbrances in the GPF.

- 1) From time to time, the City may receive "one time revenues", defined as financial proceeds that will not likely occur on an ongoing basis, such as sales of property or proceeds from the refinancing of debt, but not including additional Real Estate Transfer Tax revenues discussed in Section "D" above.
- 2) Fiscal prudence and conservancy requires that one time revenues not be used for recurring expenses, that outstanding negative balances in various City funds be paid off, and that municipal capital projects addressing health and safety issues be adequately funded. Therefore, upon receipt of one time revenues, such revenues shall be used in the following manner, unless legally restricted to other purposes: 50 percent to pay off negative fund balances in the Internal Service Fund, and another 50 percent to pay off negatives in all other funds.
- 3) Use of the "one time revenues" for purposes other than those established above may only be allowed upon declaration of a fiscal emergency. For the purposes of this Ordinance, "emergency" may be declared (1) by the Mayor and approved by the majority of the City Council or (2) by a majority vote of the City Council.

F. Criteria for Project Carryforwards and Encumbrances in the General Purpose Fund.

Previously approved but unspent project appropriations ("carryforwards"), as well as funding reserved to pay for purchases or contracts that are entered into in the current year but are not paid for until the following year ("encumbrances"), draw down funding from reserves. Fiscal prudence requires that such drawdowns be limited in the General Purpose Fund (GPF). Therefore:

- 1) Funding for non-operating projects and purchases shall be restricted within the General Purpose Fund; capital purchases and projects in particular shall not be funded from the General Purpose Fund.
- 2) In cases when non-capital, operating projects and purchases must be funded in the General Purpose Fund, these shall be included in an annual budget and supported with new annual revenues.
- 3) Carryover of unspent project carryforwards and encumbrances in the GPF from one year into the next, with no new funding, will be allowed only on an exception basis.
- 4) In the beginning of each fiscal year, before project carryforwards and encumbrances are carried over from the prior year, and no later than August 1:
 - The Budget Director shall liquidate all unspent project carryforwards and encumbrances in the GPF and advise affected City departments of said action.
 - The Budget Director shall provide a report of all unspent project carryforwards and encumbrances to the City Council for review and direction.
- 5) Departments may request to retain some or all of the liquidated GPF carryforwards and encumbrances, only if and when such balances are deemed essential to the delivery of city projects, programs and services, and only if the liquidation of such balances would be in violation of legislative or legal requirements, could lead to health or safety issues, and/or would greatly impact essential City projects, programs and services.
- 6) A request to retain some or all of the liquidated carryforwards or encumbrances must be submitted in writing to the Budget Director within five (5) working days of receiving an

advisory from the Budget Office about said liquidations, and must detail specific reasons necessitating such a request, including but not limited to those stated in item (3) above.

- 7) The Budget Director, upon review of a department's request, shall recommend an action to the City Administrator within five (5) working days of receiving the department's request.
- 8) The City Administrator, in consultation with the Budget Director, shall make a final determination of any and all requests for exceptions by departments, by August 20, and all requesting departments should be so notified by August 30.

SECTION 4. This ordinance shall be effective immediately, if passed by the affirmative vote of at least six City Council members; if this ordinance is passed by the affirmative vote of five City Council members, it will be effective seven days after final passage.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 30 2009, 2009

PASSED BY THE FOLLOWING VOTE:

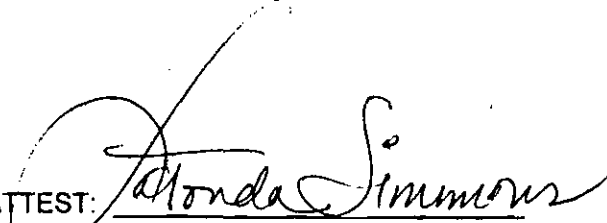
AYES--- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID and PRESIDENT BRUNNER — 8

NOES--- 0

ABSENT--- 0

ABSTENTION--- 0

Introduction Date: JUN 16 2009

ATTEST: 
 LATONDA SIMMONS
 City Clerk and Clerk of the Council of
 the City of Oakland, California

Attestation: July 9, 2009

GENERAL PURPOSE FUND (1010)
FY 2024-25 Balancing

DESCRIPTION				17-Dec-24			3-Feb-25		
Beginning Fund Balance				(6,826,000)			(6,826,000)		
Revenue				758,515,757			756,493,467		
Expenditures				879,227,063			843,690,603		
Estimated Current Year Surplus/(Shortfall)				(120,711,306)			(87,197,136)		
Estimated Ending Fund Balance				(127,537,306)			(94,023,136)		
Use of Fund Balance in FY 2024-25									
Return of Excess Fund Balance in Equipment Fund				8,320,000			8,320,000		
Legal Settlements				(10,575,655)			(3,467,590)		
Estimated Ending Fund Balance				(129,792,961)			(89,170,726)		
TOTAL REDUCTION TARGET				129,792,961			89,170,726		
AMOUNT REDUCED				(129,792,961)			(89,327,959)		
VARIANCE (SURPLUS)/DEFICIT				0			(157,233)		
DECEMBER 17th BALANCING - IMMEDIATE ACTIONS									
REDUCTIONS				Total Amount			GPF Amount \$*		
City Council Authority (refer to Exhibit 1 for details)				(40,843,430)			(39,720,506)		
City Administrator Authority									
Fund	Dept.	Description	Level of Action	GPF Percentage	Total Amount	GPF Amount \$*	GPF Percentage	Total Amount	GPF Amount \$*
1010	CAO	Eliminate Expenditure Budget	Admin - Budget Reso	100%	(99,648)	(99,648)	100%	(99,648)	(99,648)
1010	CAO	Reduce Expenditure Budget	Admin - Budget Reso	100%	(190,403)	(190,403)	100%	(190,403)	(190,403)
1010	CAO	Transfer funding to Fund 2252 - 0.70 FTE Assistant to the City Administrator	Admin - Budget Reso	100%	(85,876)	(85,876)	100%	(85,876)	(85,876)
1010	City Council	Savings from Councilmember serving as Interim Mayor (5mo)	Assumption Change	100%	(71,835)	(71,835)	100%	(71,835)	(71,835)
1010	DOT	Restoration of Parking Enforcement Efforts	Assumption Change	100%	(3,692,308)	(3,692,308)	100%	(3,692,308)	(3,692,308)
1010	DVP	Eliminate GPF Contracts	Admin - Budget Reso	100%	(490,304)	(490,304)	100%	(490,304)	(490,304)
1010	DVP	Transfer Positions out of Fund 1010 to meet Target Reduction	Admin - Budget Reso	100%	(808,745)	(808,745)	100%	(808,745)	(808,745)
1010	DWES	Reduce GPF Contracts	Admin - Budget Reso	100%	(343,449)	(343,449)	100%	(343,449)	(343,449)
1010	DWES	Reduce GPF O&M	Admin - Budget Reso	100%	(227,129)	(227,129)	100%	(227,129)	(227,129)
1010	EWD	Eliminate Ambassador Program	Admin - Budget Reso	100%	(1,100,000)	(1,100,000)	100%	(1,100,000)	(1,100,000)
1010	EWD	Cut Cultural Arts Grant program	Admin - Budget Reso	100%	(683,532)	(683,532)	100%	(683,532)	(683,532)
1010	EWD	Eliminate Plaza Activation Funding	Admin - Budget Reso	100%	(100,000)	(100,000)	100%	(100,000)	(100,000)
1010	EWD	Increase Revenue for Billboards	Admin - Budget Reso	100%	(400,000)	(400,000)	100%	(400,000)	(400,000)
1010	EWD	Transfer 1.0 FTE ELDE	Admin - Budget Reso	100%	(178,600)	(178,600)	100%	(178,600)	(178,600)
1010	Finance	BT Revenue Tax Enforcement Efforts	Assumption Change	100%	(4,250,000)	(4,250,000)	100%	(1,100,000)	(1,100,000)
1010	Finance	Eliminate Amplifund Contract	Admin - Budget Reso	100%	(250,000)	(250,000)	100%	(250,000)	(250,000)
1010	Finance	Eliminate Finance Admin O&M	Admin - Budget Reso	100%	(150,000)	(150,000)	100%	(150,000)	(150,000)
1010	Finance	Eliminate Payroll and Purchasing AI O&M	Admin - Budget Reso	100%	(200,000)	(200,000)	100%	(200,000)	(200,000)
1010	Fire	Academy related OT backfills	Assumption Change	100%	(2,500,000)	(2,500,000)	100%	(2,500,000)	(2,500,000)
1010	Fire	Brownouts of 2 additional Fire Stations (beyond Station 10), January 1 - June 30, 2025.	Admin - Budget Reso	100%	(5,543,070)	(5,543,070)	100%	(5,543,070)	(5,543,070)
1010	Fire	Mutual Aid Reimbursements (Revenue)	Assumption Change	100%	(993,607)	(993,607)	100%		-
1010	Fire	Position Freeze/Reduction: Assistant Chief (Fire Chief) (1.0 FTE) Anticipated Retirement	Admin - Budget Reso	100%	(281,220)	(281,220)	100%	(281,220)	(281,220)
1010	HSD	Homelessness Funding in the GPF to Prioritize Draw Downs on Restricted Funds	Admin - Budget Reso	100%	(1,900,000)	(1,900,000)	100%	(1,900,000)	(1,900,000)
1010	HSD	Transfer Eligible GPF Expenditures for HeadStart Program	Admin - Budget Reso	100%	(573,194)	(573,194)	100%	(573,194)	(573,194)
1010	HSD	Transfer Eligible Positions for HeadStart Program	Admin - Budget Reso	100%	(196,300)	(196,300)	100%	(196,300)	(196,300)
1010	HSD	Transfer Eligible Positions to Measure BB	Admin - Budget Reso	100%	(65,525)	(65,525)	100%	(65,525)	(65,525)
1010	IT	Transfer Eligible Expenditures to Fund 4600 Fund Balance	Admin - Budget Reso	100%	(1,000,000)	(1,000,000)	100%	(1,000,000)	(1,000,000)
1010	IT	Reduce contracts - Intranet restoration	Admin - Budget Reso	100%	(200,000)	(200,000)	100%	(200,000)	(200,000)
1010	IT	Staff reduction - Info Sys Spec II [Pending Retirement]	Admin - Budget Reso	100%	(106,008)	(106,008)	100%	(106,008)	(106,008)
1010	IT	Transfer position from 1010 to 2159	Admin - Budget Reso	100%	(105,000)	(105,000)	100%	(105,000)	(105,000)
1010	Library	Transfer personnel actuals out of fund 1010 to Measures C fund 2241 and Measure D fund 2243.	Admin - Budget Reso	100%	(3,265,952)	(3,265,952)	100%	(3,265,952)	(3,265,952)
1010	Office of the City Attorney	Restricted Affirmative Litigation Funds (Project 1007397)		100%	(538,340)	(538,340)	100%		-
1010	Office of the City Attorney	Restricted Affirmative Litigation Funds (Santos Settlement)		100%	(245,943)	(245,943)	100%		-
1010	OPD	Transfer 1.0 FTE Police Officer (PERS) to Measure Z CY	Admin - Budget Reso	100%	(1,470,755)	(1,470,755)	100%	(1,470,755)	(1,470,755)
1010	OPD	Reduce GPF Travel	Admin - Budget Reso	100%	(280,000)	(280,000)	100%	(280,000)	(280,000)
1010	OPD	Reduce 2 Remaining Police Academies	Admin - Budget Reso	100%	(6,938,277)	(6,938,277)	100%	(6,938,277)	(6,938,277)

GENERAL PURPOSE FUND (1010)
FY 2024-25 Balancing

City Administrator Authority (cont.)				17-Dec-24			3-Feb-25		
Fund	Dept.	Description	Level of Action	GPF Percentage	Total Amount	GPF Amount \$*	GPF Percentage	Total Amount	GPF Amount \$*
1010	OPD	Reduce GPF Overtime & Eliminate Special OPD Units	Admin - Budget Reso	100%	(25,150,411)	(25,150,411)	100%	(1,445,000)	(1,445,000)
1010	OPRYD	Transfer Eligible Positions to Fund 1820	Admin - Budget Reso	100%	(461,600)	(461,600)	100%	-	-
1010	OPRYD	Reduce O&M set aside for Pool Managers	Admin - Budget Reso	100%	(403,258)	(403,258)	100%	(403,258)	(403,258)
1010	PC - CPRA	52211 - Stationery and Office Supplies	Admin - Budget Reso	100%	(6,000)	(6,000)	100%	(6,000)	(6,000)
1010	PC - CPRA	52213 - Minor Computer Hardware and Software (No Asset Number, Not Capitalized)	Admin - Budget Reso	100%	(33,516)	(33,516)	100%	(33,516)	(33,516)
1030	HSD	Eliminate Food Program	Admin - Budget Reso	100%	(299,735)	(299,735)	100%	-	-
1030	CAO	Reduce Expenditure Budget	Admin - Budget Reso	100%	(60,680)	(60,680)	100%	-	-
1720	Citywide	FB & Underspending: Transfer 4400 Water Charges to LLAD and Personnel Expenses from LLAD to 1720	Admin - Budget Reso	55%	(807,000)	(445,951)	55%	(600,000)	(331,562)
1720	Citywide	Equipment Refund: Transfer 4400 Water Charges to LLAD and Personnel Expenses from LLAD to 1720	Admin - Budget Reso	55%	(1,427,065)	(788,602)	55%	-	-
1720	OPW	Reduce O/M Funding	Admin - Budget Reso	55%	(100,000)	(55,260)	55%	(100,000)	(55,260)
1720	OPW	Release Old PO Encumbrances in KOEB	Admin - Budget Reso	55%	(75,000)	(41,445)	55%	(75,000)	(41,445)
1720	OPW	Release Old PO Encumbrances in PTSD	Admin - Budget Reso	55%	(4,578)	(2,530)	55%	(4,578)	(2,530)
1720	OPW	Park Supervisor I.SC193-moved 6 months cost to F2244	Admin - Budget Reso	55%	(102,609)	(56,702)	55%	(102,609)	(56,702)
1720	OPW	Tree Supervisor II.SC230 move 6 months cost to F2244	Admin - Budget Reso	55%	(149,977)	(82,878)	55%	(149,977)	(82,878)
1870	EWD	Transfer 0.19 FTE Real Estate Agent	Admin - Budget Reso	100%	(27,000)	(27,000)	100%	-	-
1870	EWD	Transfer 0.5 FTE Real Estate Agent	Admin - Budget Reso	100%	(141,050)	(141,050)	100%	-	-
1870	EWD	Transfer 1.0 FTE Real Estate Agent	Admin - Budget Reso	100%	(282,100)	(282,100)	100%	-	-
1870	HCD	Transfer 3.84 FTE + ISFs from 1870 to 2108	Admin - Budget Reso	100%	(1,201,527)	(1,201,527)	100%	-	-
4100	OPW	Eliminate Funding for Grant Writing Contract	Admin - Budget Reso	45%	(250,000)	(112,845)	45%	(250,000)	(112,845)
4100	OPW	Reduced Self Insurance Contribution	Admin - Budget Reso	45%	(864,572)	(390,250)	45%	(864,572)	(390,250)
4200	IT	Reduce contracts - Phone repair	Admin - Budget Reso	80%	(6,450)	(5,158)	80%	(6,450)	(5,158)
4210	IT	Reduce contracts - Phone repair	Admin - Budget Reso	60%	(108,882)	(65,573)	60%	(108,882)	(65,573)
4300	City Wide	Reallocation of Underspending	Admin - Budget Reso	60%	(694,265)	(416,777)	60%	(694,265)	(416,777)
4400	OPW	Eliminate Facilities Master Plan Project Funding	Admin - Budget Reso	55%	(915,880)	(506,119)	55%	(915,880)	(506,119)
4510	Finance	Eliminate Meals	Admin - Budget Reso	61%	(750)	(461)	61%	(750)	(461)
4510	Finance	Eliminate Miscellaneous Educational Expenses	Admin - Budget Reso	61%	(750)	(461)	61%	(750)	(461)
4510	Finance	Eliminate Miscellaneous Travel	Admin - Budget Reso	61%	(2,000)	(1,229)	61%	(2,000)	(1,229)
4510	Finance	Eliminate O&M For Payroll Consolidation Expenses	Admin - Budget Reso	61%	(50,000)	(30,720)	61%	(50,000)	(30,720)
4510	Finance	Eliminate Per Diem and Lodging	Admin - Budget Reso	61%	(2,000)	(1,229)	61%	(2,000)	(1,229)
4510	Finance	Eliminate Registration & Tuition	Admin - Budget Reso	61%	(1,500)	(922)	61%	(1,500)	(922)
4510	HRM	Reduce GPF O&M	Admin - Budget Reso	61%	(98,700)	(60,641)	61%	(98,700)	(60,641)
4510	City Wide	Reallocation of Underspending	Admin - Budget Reso	61%	(3,128,020)	(1,921,851)	61%	(3,128,020)	(1,921,851)
4550	Finance	Reduce Transfer To Fund Balance	Admin - Budget Reso	64%	(64,317)	(40,856)	64%	(64,317)	(40,856)
4550	City Wide	Reallocation of Underspending	Admin - Budget Reso	64%	(1,632,254)	(1,036,844)	64%	(1,632,254)	(1,036,844)
4600	CAO	Reduce Expenditure Budget	Admin - Budget Reso	65%	(3,000)	(1,939)	65%	(3,000)	(1,939)
4600	Finance	Eliminate Finance Admin O&M	Admin - Budget Reso	65%	(207,267)	(133,967)	65%	(207,267)	(133,967)
4600	IT	Reduce contracts - Fire WiFi project	Admin - Budget Reso	65%	(281,170)	(181,734)	65%	(281,170)	(181,734)
4600	IT	Reduce contracts - Microsoft on-call support	Admin - Budget Reso	65%	(198,588)	(128,357)	65%	(198,588)	(128,357)
7760	OPW	Reduce O&M in BIAD	Admin - Budget Reso	0%	(400,000)	-	0%	(400,000)	-
7760	OPW	Reduce O&M in OPW HR	Admin - Budget Reso	0%	(69,907)	-	0%	(69,907)	-
7760	OPW	Reduce O&M in OPW Fiscal	Admin - Budget Reso	0%	(104,161)	-	0%	(104,161)	-
7760	OPW	Reduce O&M in Directors Org	Admin - Budget Reso	0%	(52,031)	-	0%	(52,031)	-
7760	OPW	Reduce O&M in BDC Administration	Admin - Budget Reso	0%	(20,000)	-	0%	(20,000)	-
7760	OPW	Reduce O&M in Facilities Planning and Development	Admin - Budget Reso	0%	(18,000)	-	0%	(18,000)	-
7760	OPW	Reduce O&M in Bureau of Environment Admin.	Admin - Budget Reso	0%	(18,370)	-	0%	(18,370)	-
7760	OPW	Reduce O&M in Bureau of Maint.and Int. Services	Admin - Budget Reso	0%	(9,710)	-	0%	(9,710)	-
City Administrator Authority Subtotal					(79,460,670)	(74,103,196)		(46,719,612)	(42,093,213)
IMMEDIATE ACTIONS TOTAL					(120,304,101)	(113,823,703)		(87,563,042)	(81,813,719)

GENERAL PURPOSE FUND (1010)
FY 2024-25 Balancing

DECEMBER 17th BALANCING - ACTIONS WITH LATER EFFECT				17-Dec-24			3-Feb-25		
Fund	Dept.	Description	Level of Action	GPF Percentage	Total Amount	GPF Amount \$*	GPF Percentage	Total Amount	GPF Amount \$*
1010	CAO	Eliminate Positions and Position Change	Admin - Budget Reso	100%	(351,926)	(351,926)	100%	(62,971)	(62,971)
1010	City Attorney	Eliminate Positions	Admin - Budget Reso	100%	(91,531)	(91,531)	100%	(40,045)	(40,045)
1010	City Clerk	Eliminate Positions	Admin - Budget Reso	100%	(115,428)	(115,428)	100%	-	-
1010	City Clerk	City Council Translation Services	Admin - Budget Reso	100%	(109,064)	(109,064)	100%	-	-
1010	City Council	Eliminate Positions	Admin - Budget Reso	100%	(435,564)	(435,564)	100%	-	-
1010	DOT	Position Changes	Admin - Budget Reso	100%	(1,013,724)	(1,013,724)	100%	-	-
1010	Fire	Brownouts of 4 additional Fire Stations (beyond Station 10), January 1 - June 30, 2025.	Admin - Budget Reso	100%	(7,675,020)	(7,675,020)	100%	-	-
1010	Fire	Position Eliminations	Admin - Budget Reso	100%	(445,497)	(445,497)	100%	(27,018)	(27,018)
1010	HSD	Eliminate Positions and O&M	Admin - Budget Reso	100%	(346,339)	(346,339)	100%	(27,018)	(27,018)
1010	Mayor	Eliminate Positions	Admin - Budget Reso	100%	(516,140)	(516,140)	100%	-	-
1010	OPD	Eliminate Positions - Non-Sworn	Admin - Budget Reso	100%	(590,705)	(590,705)	100%	(397,488)	(397,488)
1010	OPRYD	Reduce O&M for Cultural, Arts, Nature and Science (CANS) DECOM	Admin - Budget Reso	100%	(113,010)	(113,010)	100%	-	-
1010	OPRYD	Reduce O&M for Lake Merritt Health & Safety, Park Ambassador Pilot Program	Admin - Budget Reso	100%	(114,000)	(114,000)	100%	-	-
1010	OPW	Eliminate Positions and O&M	Admin - Budget Reso	100%	(1,451,402)	(1,451,402)	100%	(289,386)	(289,386)
1010	CPRA	Eliminate Positions	Admin - Budget Reso	100%	(187,527)	(187,527)	100%	(89,502)	(89,502)
1010	Race & Equity	Eliminate Position	Admin - Budget Reso	100%	(79,662)	(79,662)	100%	(41,822)	(41,822)
1030	CAO	Eliminate Positions and Position Change	Admin - Budget Reso	100%	(26,716)	(26,716)	100%	-	-
1720	OPW	Eliminate Positions and O&M	Admin - Budget Reso	55%	(1,505,669)	(832,038)	55%	(334,095)	(184,622)
1870	CAO	Eliminate Positions and Position Change	Admin - Budget Reso	100%	(141,663)	(141,663)	100%	(9,661)	(9,661)
4100	OPW	Eliminate Positions	Admin - Budget Reso	45%	(169,854)	(76,669)	45%	-	-
4100	OPW	Reduce Fuel Expenses due to reduction in Public Safety vehicle usage	Admin - Budget Reso	45%	(500,000)	(225,690)	45%	-	-
4200	IT	Eliminate Positions	Admin - Budget Reso	80%	(215,816)	(172,581)	80%	-	-
4210	IT	Eliminate Positions	Admin - Budget Reso	60%	(112,714)	(67,881)	60%	-	-
4400	OPW	Eliminate Positions	Admin - Budget Reso	55%	(159,486)	(88,133)	55%	(76,118)	(42,063)
4510	Finance	Eliminate Positions	Admin - Budget Reso	61%	(126,732)	(77,864)	61%	(29,682)	(18,236)
4510	HRM	Eliminate Positions	Admin - Budget Reso	61%	(397,864)	(244,447)	61%	-	-
4550	DWES	Eliminate Positions	Admin - Budget Reso	64%	(127,382)	(80,916)	64%	-	-
4550	Finance	Eliminate Positions	Admin - Budget Reso	64%	(71,178)	(45,214)	64%	-	-
4600	IT	Eliminate Positions	Admin - Budget Reso	65%	(391,289)	(252,909)	65%	-	-
7760	OPW	Eliminate Positions	Admin - Budget Reso	0%	(611,942)	-	0%	(261,739)	-
ACTIONS WITH LATER EFFECT TOTAL					(18,194,843)	(15,969,258)		1,686,546	(1,229,834)
BALANCING ITEMS SUBSEQUENT TO DECEMBER 17th									
1010	Citywide	Grant Terminations - January 28th 2025	Admin - Budget Reso				100%	(2,610,876)	(2,610,876)
1010	Non-Dept	Coliseum Payment Refund	Admin - Budget Reso				100%	(2,610,000)	(2,610,000)
1010	OPRYD	Needed to Provided Summer 2025 Town Camp Programs					100%	\$1,137,750	1,137,750
1010	Citywide	Contract Terminations Placeholder - February 12th 2025					100%	(2,500,000)	(2,500,000)
1010	Non-Dept	Rose Foundation Grant - Legal Settlement Required					100%	\$298,720	298,720
ACTIONS WITH LATER EFFECT TOTAL					-	-		(6,284,406)	(6,284,406)

REMAINING (SURPLUS)/DEFICIT	\$ 0	\$ (157,233)
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*Reductions in certain non-GPF funds can also result in savings to the GPF because these funds draw from or impact services that are partially supported by the GPF. As such, their reduction indirectly contributes to GPF savings. The percentage column in the table indicates the share of the total reduction in the non-GPF that translates to savings in the GPF.

**FY 2024-25 Budget Amendments
City Council Authority Items - EXHIBIT 1**

ATTACHMENT B

Immediate Actions						
City Council Authority						
<i>Fund</i>	<i>Dept.</i>	<i>Description</i>	<i>Level of Action</i>	<i>GPF Percentage</i>	<i>Total Amount</i>	<i>GPF Amount</i>
1010	Citywide	Unrestrict Funding and Transfer Fund Balance from 1100 - Self Insurance Liability	Council	100%	(14,851,619)	(14,851,619)
1010	Citywide	Balance from 1870 - Affordable Housing Trust Fund	Council	100%	(5,778,000)	(5,778,000)
1010	Citywide	Unrestrict Funding and Transfer Fund Balance from 1030 - Measure HH (SSBDT)	Council	100%	(2,550,000)	(2,550,000)
1010	Citywide	Balance from 1020 - Vital Services Stabilization Fund	Council	100%	(503,000)	(503,000)
1010	EWD	Adds \$400,000 O&M for Scotlan Convention Center	Council	100%	400,000	400,000
1010	OPD	Transfer Eligible Expenditures to Measure Z FB	Council	100%	(2,489,849)	(2,489,849)
1010	EWD	Adds \$157,125 O&M for Raiders Training Facility Prop Tax	Council	100%	157,125	157,125
1011	Citywide	Transfer Fund Balance from 1011 in excess of Fiscal Emergency Declaration required reserve threshold	Council	100%	(9,622,793)	(9,622,793)
4200	Citywide	Reallocation of Fund Balance	Council	80%	(5,605,295)	(4,482,370)
City Council Authority Total					(40,843,430)	(39,720,506)