



MEMORANDUM

TO: Honorable Mayor & City Council

FROM: Katano Kasaine
Director of Finance

SUBJECT: FY 2019-21 Budget Development
Questions/Responses #3

DATE: May 22, 2019

PURPOSE

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

QUESTIONS AND RESPONSES #3

- 1) For the fire inspection fees, which are charged (at re-inspection) what percent of the money is actually being collected? How much outstanding uncollected fees are there? What steps would be needed to collect those fees? How much would that cost? [Kaplan]**

There are 1,212 charges for Vegetation Management re-inspections in 2018 (including parcels that had multiple re-inspections). The total charges are valued at \$379,562. Staff anticipates sending these invoices to property owners within the next several weeks and will report back on overall collection rates once payments are received.

- 2) Is it true that parking spaces which are leased “bundled” together with residential or commercial space are not paying our parking taxes? What is the estimated fair market value of such spaces? What would the estimated annual revenue be if those parking spaces did pay our parking taxes? Are there any other parking spaces not paying our parking taxes? [Kaplan]**

Parking taxes are not applied if the rental agreement does not break out the cost of parking from the rent. It would require an audit of every commercial and residential rental property (including single and multi-family units) to determine the number of such parking spaces (approximately 27,165 accounts to audit) and an estimate of the potential revenues.

3) What is the capital cost per bike rack to install bike racks? What is the annual cost to maintain them? [Kaplan]

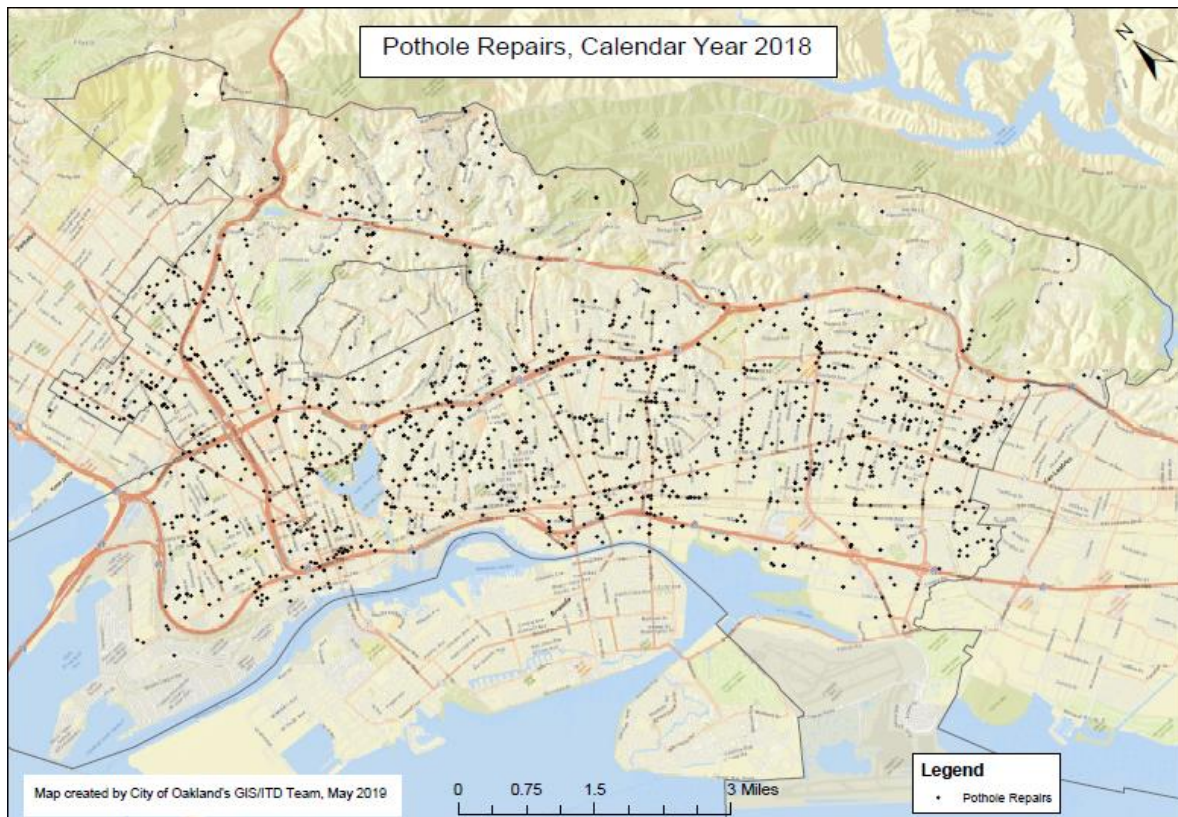
Installation costs approximately \$600 per bike rack. This includes purchase & installation plus site inspection, public notification, and contract administration. \$30 per year per bike rack is needed for maintenance. This estimate is based on a 20-year lifecycle for a bike rack.

In addition to financial costs, there are often physical constraints on the installation of sidewalk bike racks (in-pavement utilities, narrow sidewalks, cracked concrete, street furniture) and for bike corrals (poor pavement, nearby storm drain inlets, parking removal).

4) Can you provide breakdown of the geographic distribution of those services which are provided for complaint-based public services, including specifically, pothole filling and illegal dumping removal? [Kaplan]

Pothole filling:

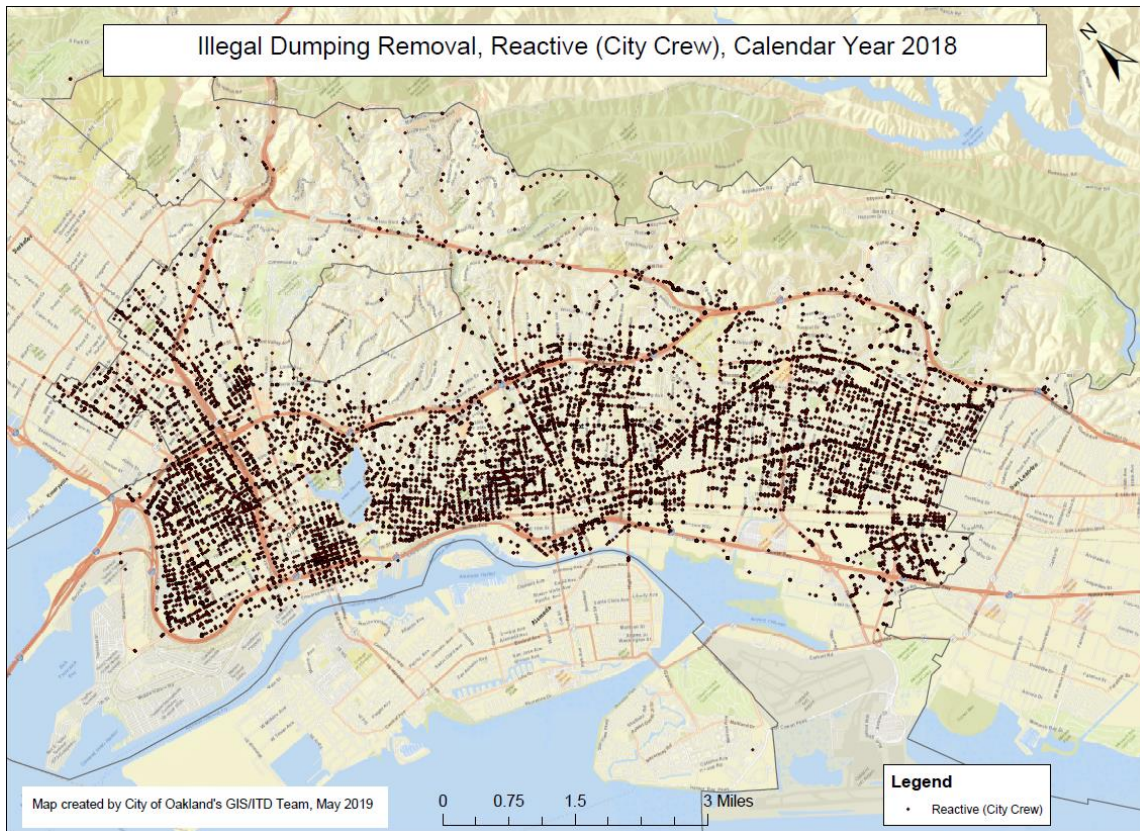
Below is a map showing all the pothole repairs performed during Calendar Year 2018.

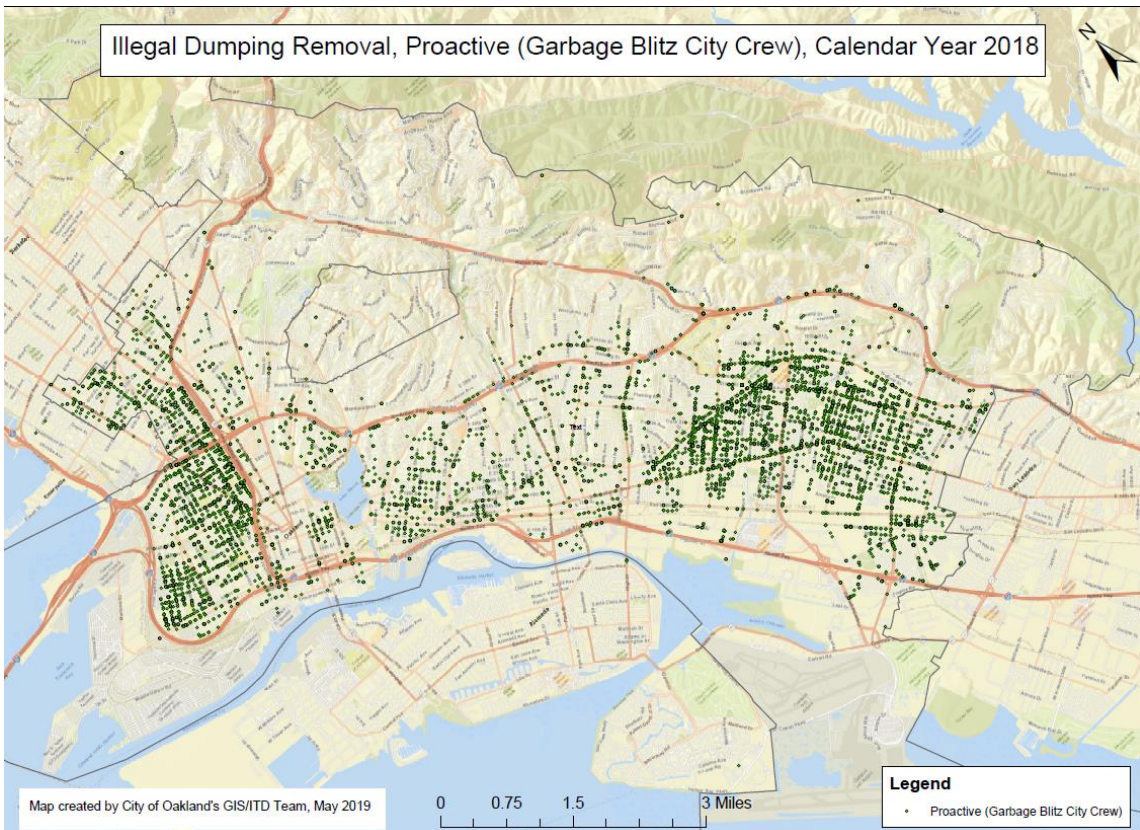
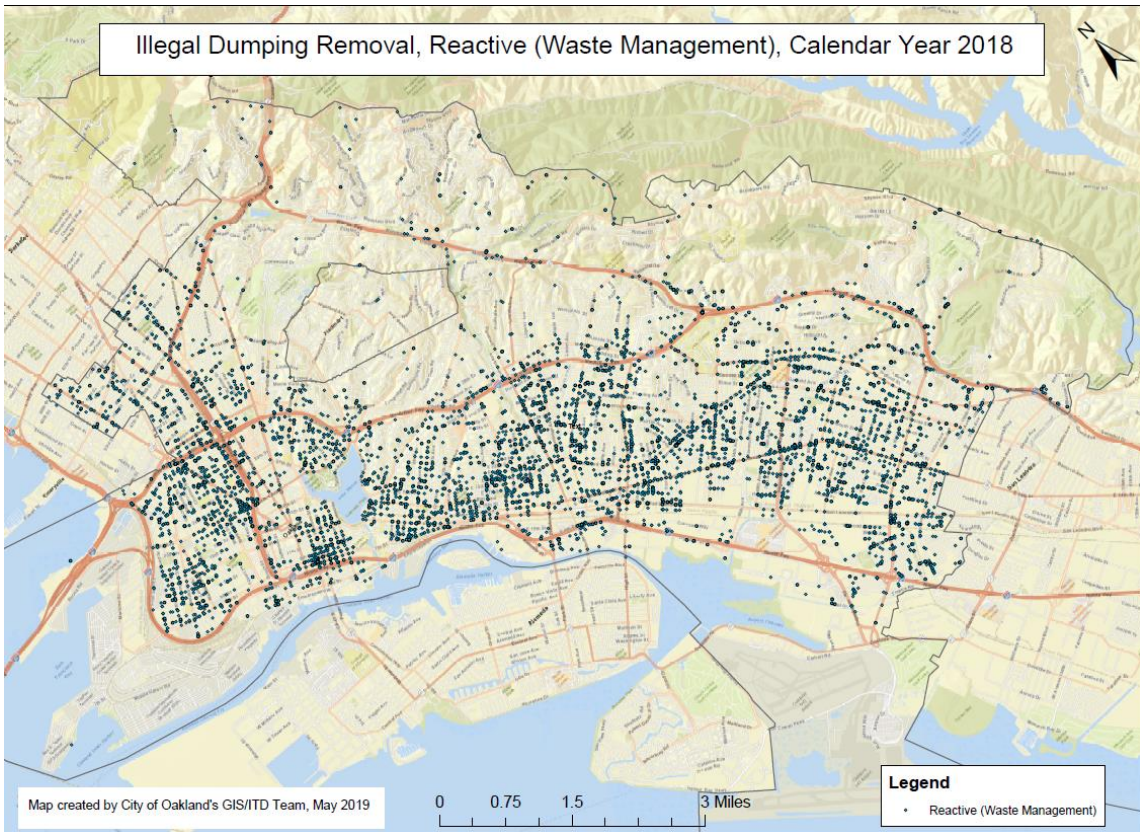


Illegal Dumping:

Below are three maps which show the geographic distribution of Illegal Dumping services performed in the Calendar Year 2018. The three maps are Reactive (City Crew), Reactive (Waste Management), and Proactive (Garbage Blitz Crews).

Predominately, the areas of North, East, and West Oakland suffer most from Illegal Dumping activities. However, the combination of proactive and reactive services has proven to be the quickest and most responsive service model. The sheer volume makes reactive alone problematic, but proactive alone would cause service delays to several hot-spot areas in more remote parts of the City.





5) How much are scooter companies paying to lock to public bike racks? [Kaplan]

The Proposed FY 2019-20 Master Fee Schedule does not include a fee for locking an e-scooter to a bike rack. However, it does include a 0.10 cents per trip fee for scooter rides ending inside a meter zone. Bike racks are more likely to be in meter zones than not, so staff is not recommending a separate, additional fee for bike rack parking at this time.

Instead, staff will study the impact of locking e-scooters to bike racks and return to Council within the first year of the regulate permit program to make recommendations which may include new fees as well as investments in additional bike racks.

6) What are the low hanging fruit of one-time IT infrastructure investments that could lead to ongoing operational efficiencies and long-term cost savings for the City? How much would it cost for each investment? (Gibson-McElhaney)

Following are a few IT Infrastructure projects that would lead to efficiencies. Please note staff have not done a thorough cost benefit analysis for these projects, so the numbers in table are preliminary estimates.

Project	Estimated Cost	Rationale
Expanding fiber optic network to more City buildings	\$2 - 3M	The City's annual spending on leased lines is about \$200-250k. Expanding the fiber would increase the bandwidth and eliminate this expense.
Replacing old network equipment	\$1M	Significant portion of networking equipment is at the end of its life (i.e. no longer supported by vendor).
Deploying virtual desktop citywide	\$1 – 1.6M per year	Currently each department spends \$2-3K per user for new workstations. Approximately 20% of all workstations need to be replaced each year – $\$3,500 \times 0.2 \times \$2,000 = \$1.6M$ per year.

7) What are the projected proceeds to the City for the sale of 2100 Telegraph and where is that money allocated? (Bas)

The negotiated price and terms of sale are still part of ongoing confidential closed session negotiations which would not be disclosed until Council authorizes staff to bring the term sheet for consideration of approval at the CED Committee. The City will not realize receipt of sale proceeds until closing and transfer of the property, which only occurs after the developer has satisfied numerous conditions of closing (including preparing final architectural drawings and obtaining financing commitments). The DDA terms may also

HONORABLE MAYOR AND CITY COUNCIL

Subject: FY 2019-21 Budget Development Questions/Responses #3

Date: May 22, 2019

Page 6

contain extension options that would further delay a final closing beyond the 2-year budget cycle. Sales proceeds have not been allocated.

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

Respectfully submitted,

/s/

KATANO KASAINÉ
Director of Finance