



# MEMORANDUM

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Scott P. Johnson

**SUBJECT:** Responses to Follow Up Questions from Councilmembers Regarding the FY 2011-12 Fourth Quarter Revenue and Expenditure Report **DATE:** December 4, 2012

City Administrator	Date
Approval /s/ <b>Deanna J. Santana</b>	<b>12/4/12</b>

## INFORMATION

City Councilmembers have asked some follow up questions related to the recently issued FY 2011-12 Fourth Quarter Revenue and Expenditure Report. Below find responses from staff. The report itself can be found on the City Administrator's Office, Budget Office website at <http://www2.oaklandnet.com/oakca1/groups/cityadministrator/documents/report/oak038274.pdf>. Please note that some of the information in this memorandum relates to potential future City actions or expenditures. Any action or expenditure that is subject to Council approval will be brought to the Council for appropriate review and approval.

### Property Sales

#### **Question:**

What specific property sales composed the \$8.7M in one-time payments and early recognition revenue cited in the Fourth Quarter Report that were expected in FY 2012-13 but actually occurred in FY 2011-12?

#### **Response:**

The table below lists the properties, sale value, and date executed.

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**Property Sales**

<b>Property</b>	<b>Sale Value</b>	<b>Date Executed</b>
3801 East 8 <sup>th</sup> Street	\$2,116,771	January 2012
66th & Oakport	\$515,000	January 2012
Kaiser	\$5,650,000	January 2012
1449 Miller Avenue	\$200,000	January 2012
1270 93rd Avenue	\$5,622	January 2012
8280 MacArthur Blvd	\$240,000	January 2012
<b>Total</b>	<b>\$8,727,393</b>	

**Coliseum City Environmental Impact Review (EIR) Funding**

**Question:**

When will the City know whether the Oversight Board or some other source will fund the Coliseum City EIR?

**Response:**

The City will not know whether bond funds will be available for the Coliseum City EIR until the City receives the “finding of completion” from the State Department of Finance, which is not expected until April or May 2013 at the earliest.

Once the finding of completion is received, the Oakland Redevelopment Successor Agency (ORSA) will seek approval from the ORSA board and Oversight Board to use a portion of the unencumbered bond proceeds to fund the Coliseum City EIR. Using ORSA bond proceeds is the City’s preferred option. If the City does not receive funding from the Oversight Board, the City will subsequently seek funding from another source, pending Council’s direction, including Alameda County Transportation Commission (ACTC) advance, Oakland-Alameda County Joint Powers Authority (JPA) funding, and last resort, General Purpose Fund.

**Sales Tax Growth Comparison**

**Question:**

How does the City of Oakland’s recent sales tax growth compare to the growth of other cities?

**Response:**

The table below compares sales tax revenue (adjusted) and percentage change among Bay Area counties from FY 2011-12 Q1 (July – Sept) to FY 2012-13 Q1, collected from HdL, one of the City’s financial and economic consultants.

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**Bay Area County Sales Tax (Actual)**

County	1Q 2012	1Q 2011	% Change
Santa Clara County	\$90,551,68	\$88,086,689	2.80%
Sonoma County	\$18,618,718	\$17,770,266	4.80%
Napa County	\$6,852,487	\$6,474,711	5.80%
Marin County	\$10,911,908	\$10,259,960	6.40%
San Mateo County	\$34,897,717	\$32,775,021	6.50%
San Francisco	\$40,614,007	\$37,560,965	8.10%
Solano County	\$15,520,938	\$14,339,842	9.10%
<b>Oakland</b>	<b>\$10,546,724</b>	<b>\$9,496,477</b>	<b>11.10%</b>
Contra Costa County	\$36,186,889	\$32,307,202	12.00%
Alameda County	\$64,908,854	\$57,798,142	12.30%
Bay Area	\$319,063,200	\$297,261,798	7.30%

Source: HdL

Presented below is a comparison of sales tax information for all of the cities in Alameda County, collected from HdL.

**Alameda County Sales Tax (Actual)**

Jurisdiction	FY 2008-09	FY 2010-11	FY 2011-12	Change 2008-09 to 2011-12	Change 2010-11 to 2011-12
Union City	\$7,902,629	\$7,564,013	\$7,386,405	-7%	-2%
Pleasanton	\$16,978,029	\$17,421,187	\$17,258,102	2%	-1%
Albany	\$2,021,714	\$1,951,174	\$1,933,938	-4%	-1%
Emeryville	\$6,372,853	\$6,597,610	\$6,814,832	7%	3%
Fremont	\$28,825,511	\$27,358,894	\$28,584,634	-1%	4%
Berkeley	\$13,588,207	\$13,192,221	\$13,895,473	2%	5%
Alameda	\$6,316,520	\$5,693,825	\$6,006,744	-5%	5%
Newark	\$8,042,095	\$7,541,935	\$8,092,556	1%	7%
San Leandro	\$17,434,672	\$16,743,048	\$18,223,223	5%	9%
Hayward	\$24,403,259	\$22,529,310	\$24,537,881	1%	9%
Dublin	\$11,264,805	\$11,558,901	\$12,955,264	15%	12%
<b>Oakland</b>	<b>\$38,350,821</b>	<b>\$34,368,917</b>	<b>\$40,200,443</b>	<b>5%</b>	<b>17%</b>
Livermore	\$14,932,098	\$14,069,099	\$17,856,342	20%	27%
Piedmont	\$157,981	\$125,460	\$165,679	5%	32%
<b>All (Incl Unincorp)</b>	<b>\$203,714,797</b>	<b>\$193,283,604</b>	<b>\$211,278,388</b>	<b>4%</b>	<b>9%</b>

Source: HdL

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### Property Tax Growth Comparison

#### Question:

How does the City of Oakland's recent property tax growth compare to the growth of other cities?

#### Response:

Presented below is the property tax roll value for all of the cities in Alameda County, collected from the Alameda County Office of the Assessor. This is not property tax revenue, but a good proxy for such.

#### Alameda County Property Tax Roll (Net)

Jurisdiction	FY 2007-08	FY 2010-11	FY 2012-13	Change 2007-08 to 2012-13	Change 2010-11 to 2012-13
Emeryville	\$3,704,454,958	\$4,100,834,912	\$3,904,065,413	5%	-5%
Union City	\$7,652,390,573	\$7,490,247,845	\$7,461,507,440	-2%	0%
Pleasanton	\$16,518,770,891	\$16,970,485,181	\$16,920,999,689	2%	0%
Fremont	\$32,274,972,445	\$33,802,316,275	\$33,780,187,899	5%	0%
Alameda	\$8,591,864,282	\$9,162,426,183	\$9,321,292,903	8%	2%
Hayward	\$15,472,730,084	\$14,526,837,979	\$14,868,605,221	-4%	2%
<b>Oakland</b>	<b>\$39,280,452,626</b>	<b>\$38,466,196,986</b>	<b>\$39,498,592,715</b>	<b>1%</b>	<b>3%</b>
Livermore	\$13,334,726,052	\$12,652,813,566	\$13,173,126,021	-1%	4%
San Leandro	\$9,453,366,649	\$9,416,175,489	\$9,879,635,059	5%	5%
Albany	\$1,726,247,043	\$1,866,887,754	\$1,959,075,978	13%	5%
Berkeley	\$11,647,192,072	\$12,706,315,551	\$13,389,599,730	15%	5%
Newark	\$5,730,913,610	\$5,443,350,418	\$5,768,913,313	1%	6%
Piedmont	\$2,756,931,763	\$2,995,908,660	\$3,181,787,986	15%	6%
Dublin	\$8,148,085,708	\$8,131,861,856	\$8,730,198,403	7%	7%
<b>All (Incl Misc and Unincorp)</b>	<b>\$190,951,565,376</b>	<b>\$192,132,851,835</b>	<b>\$196,403,364,480</b>	<b>3%</b>	<b>2%</b>

Source: Alameda County Office of the Assessor

### Contingent Reserved for the Negotiated Settlement Agreement (NSA), Court Orders, and Litigation

#### Question:

How was the amount of the contingent reserved for NSA, court orders, and litigation (\$5.1M) determined, and what is the basis for the related note that this estimation is low for full compliance of all NSA terms?

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**Response:**

This set aside will be brought to the City Council for consideration in January 2013, but serves two primary categories: 1) the partial projected cost of an existing litigation claim that the City is appealing for which a reserve does not exist and the potential payment is subject to further determination, and which the City Council will be briefed in Closed Session in greater detail; and 2) the projected cost for potential additional NSA compliance measures and improvements in police services to address crime fighting. Here are costs that the City can anticipate relative to Category (2), which are preliminary and subject to City Council consideration:

<b>Potential NSA Compliance Measures/Improvements</b>	<b>Costs</b>
Early Warning System (aka iPAS) Procurement	\$1,500,000 (estimated)
Early Warning System—Sierra System Contract	\$900,000
Court Order—Command Staff Training Needs Assessment	\$300,000
Estimated Department Wide Training Needs	\$1,000,000 (estimated)
CeaseFire—Project Implementation Costs	\$150,000 (estimated)
Alameda County Sheriff—Law Enforcement Service Contract	\$500,000 (estimated)
Crime Reduction Strategic Plan (Wasserman Contract Amendment)	\$TBD
December 13 <sup>th</sup> Federal Court Outcome	\$TBD
<b>TOTAL</b>	<b>\$4,350,000</b>

The recommended earmark of funds for these purposes allows the City to set aside funds to address either of the above categories even though the final costs cannot be determined at this time. The amount is estimated low because there are other needs that exist with respect to the NSA and/or crime fighting measures and it does not include the cost for Category 1. With respect to Category 2, the goal is to plan for these expenses without having to impact the existing Oakland Police Department's (OPD) operating budget or rebalance the entire City budget. This also preserves the City Council required 7.5% reserve level. With respect to Category 2, given that the OPD has sustained a 25% reduction in sworn staff and 34% reduction in civilian staff over the past years, it is likely that additional investment in the OPD will be required to sustain compliance, as determined by the Federal Court.

Respectfully submitted,

/s/

SCOTT P. JOHNSON  
Assistant City Administrator

For questions, please contact Scott P. Johnson, Assistant City Administrator at (510) 238-6906.