



MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Sarah Schlenk
Interim Budget Director

SUBJECT: Service Delivery Assessment of
Proposed Adjustments to FY 14-15
Midcycle Budget from Four City Councilmembers

DATE: June 30, 2014

City Administrator	Date
Approval <u>/s/ Donna Hom</u>	<u>6/30/14</u>

INFORMATION

The purpose of this memorandum is to transmit to the full City Council and public a service delivery assessment of the adjustments to the Fiscal Year (FY) 2014-15 Proposed Midcycle Policy Budget (proposed midcycle budget), proposed by Councilmembers Noel Gallo, Dan Kalb, Rebecca Kaplan and Libby Schaaf. These proposed adjustments were published on Friday, June 27 as part of the July 1 Special City Council Meeting Agenda Packet as a Supplemental Report (#8) for the Midcycle Budget Item (#13-0540-1).

DISCUSSION:

All proposed funding amounts are one-time and, except one (1) item, are expected to come from amounts set-aside in the FY 13-15 Adopted Policy Budget (\$3,960,000) and the proposed midcycle budget (\$624,875) from the General Purpose Fund (GPF) reserve over and above the required 7.5% reserve amount. The one (1) item referenced above is a \$300,000 one-time adjustment from the Rent Adjustment Program.

Please find below a table that shows the proposed one-time adjustments and the associated service delivery assessment prepared by staff.

Budget Proposal	Proposed Allocation	Administration's Service Delivery Assessment
Disparity Study	\$200,000	The last Contracting/Purchasing Disparity study was published in 2007 and cost approximately \$500,000. Staff is researching if the scope of study required by the Charter can be met within the proposed \$200,000.

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Lawn Mowing Equipment for Oakland Parks & Recreation (OPR)	\$50,000	<p>Ball field mowing is currently provided by the Oakland Public Works Department (OPW) at an interval of once every three weeks. The proposed \$50,000 does not provide sufficient funding for OPR to provide mowing services at sports fields or for Public Works to increase the frequency of mowing at sports fields.</p> <p>Policy alternative: OPW could use the \$50,000 for overtime costs for mowing sports fields on an as-needed basis, which would immediately improve mowing service for sports fields.</p>
“Worst Streets” Road Improvements to be Applied to Each Council District	\$900,000	<p>This proposal would allocate \$112,500 to each Council District. Per a memorandum titled “FY 14-15 Midcycle Budget Questions, Response #3,” dated June 19, 2014, reconstruction of a fully deteriorated block is estimated to cost between \$150,000 to \$380,000 per block depending on length. If less work is needed, the cost could be somewhere between \$35,000 and \$100,000 per block. Thus, the amount of services that could be provided for \$112,500 would be dependent on the condition of the street identified within each Council District.</p>
Bus Rapid Transit (BRT) Capital Improvement Mitigation Projects	\$1,000,000	<p>This funding would fund infrastructure improvements (façade improvements, lighting and security improvements, additional signage, etc.) that are currently not funded by the BRT project, but have been requested by merchants. If approved by the City Council, AC transit will be requested to match the City’s \$1 million allocation to fund additional parking impact mitigation activities. The specific appropriation of these funds is proposed to be addressed in a separate report back to the City Council.</p>
Professional Public Engagement Survey	\$45,000	<p>The \$75,000 estimate for survey cost provided in the proposed midcycle budget policy trade-offs section was designed to accommodate many of the recommendations of the City’s Budget Advisory Committee, notably that the poll should have a “large enough sample to capture Oakland’s primary ethnic groups at a reasonable margin of error.” With a reduced funding amount of \$45,000, the poll may not be able to capture the demographic (ethnic, income, age, language) and geographic (hills vs. flats, council district, zip code) distinctions at a reasonable margin of error.</p>
One (1) Blight Crew for Litter, Illegal Dumping and Graffiti Pilot	\$200,000	<p>Since funding for an additional illegal dumping crew was included as part of the FY 2013-15 Biennial Budget and this additional resource is one-time funding, staff is proposing to</p>

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		<p>utilize this \$200,000 to purchase equipment and to fund additional overtime costs. With a capacity of 3x that of a standard pick-up truck (currently used), a mini-packer truck will allow litter abatement crews to spend more time in the field instead of having to make frequent trips to unload illegally dumped items. The overtime funds will allow existing illegal dumping crews to work additional hours and provide more timely responses to service requests.</p> <p>A proposal to consolidate Litter, Illegal Dumping and Graffiti functions into one "Blight Crew" would require additional analysis from staff, but \$200,000 would be insufficient to cover the costs of hiring the necessary additional staff and the purchase of equipment.</p>
Set-aside for Fireboat Grant Match (only if no additional funds are found)	\$100,000	<p>The Oakland Fire Department (OFD) is currently pursuing a \$1,000,000 Port Security Grant to purchase a Fire Boat (Moose Boat) to respond to emergencies within the Port. In addition, this boat would be made available for regional/mutual aid response efforts. If received, the grant would fund \$750,000, and the City would be responsible for a \$250,000 grant match. If the City is awarded this grant, the City will need to identify an additional \$150,000 to meet the match requirement. It should be noted that the Port of Oakland may be able to fund \$125,000.</p>
Set-aside for a Vital Services Stabilization Fund (to be established)	\$2,089,875	<p>With the proposed allocation of additional funds, and to true-up other changes since the original proposed amendments, the reserve allocation must increase by \$69,111 to meet the required 7.5% reserve in the GPF. Staff calculates that the Stabilization Fund would decrease slightly to \$2,020,764 in order to meet the 7.5% reserve requirement. Between the Stabilization Fund and GPF required reserve, the reserve level would total 7.91%.</p>
\$300,000 allocation from Rent Adjustment Program Surplus Funds (2413)	\$300,000	<p>The Rent Adjustment Program has seen an increase in petition filings in recent years and is projected to increase 35 to 50 percent due to changes to the rent ordinance that become effective August 1, 2014. If approved, this funding of \$300,000 will allow the Department of Housing & Community Development to hire two additional limited duration positions to assist with oversight of the revised rent ordinance and management of existing/future petition filings.</p>

In addition to the above referenced memo regarding adjustments to the proposed midcycle budget, Councilmembers Dan Kalb and Libby Schaaf issued a separate supplemental memorandum on June 26, 2014 requesting that the City Administration continue to look for

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\$62,000 in on-going revenues to convert one (1) of three (3) temporary part-time (TPT) to a full-time Fire Suppression Inspectors for FY 2014-15. The Administration will continue to look for on-going funding for a permanent full-time position. As noted in the memorandum titled "FY14-15 Midcycle Budget Questions, Response #4," dated June 26, 2014, the Fire Administration believes that a full assessment regarding appropriate staffing must take place once the Fire Marshal is appointed and the Assistant Fire Marshal position is unfrozen and filled. The recruitment of the Civilian Fire Marshal, funded by the City Council in March 2014, is underway.

For questions, please contact Alex Orogas, Assistant to the City Administrator, at 238-6587 or at aorologas@oaklandnet.com.

Respectfully submitted,

/s/

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Interim Budget Director