

Budget 101 & Oakland Library FY 2024 - 2025 Midcycle Budget Proposal

Library Commission

Presentation – 2024



Presentation Outline

- 1. Budget Cycle & Overview**
Budget cycle & revenues and expenditures.
- 2. Budget Process**
City of Oakland's budget process steps and timeline overview.
- 3. Biennial Budget Planning**
Financial revenue and expenditure forecast.
- 4. Budget Terms and Concepts**
Terms and concepts often referred to in budget.
- 5. Library FY 25 Midcycle Budget Proposal**
Summary of the Oakland Public Library FY 25 budget proposal.
- 6. Open Gov Budget Portal**
City of Oakland online budget portal.

Budget Cycle



Biennial Budget

- Two fiscal-year (biennial) budget cycle.
- Fiscal Year (FY) begins on July 1 and ends on June 30.



Why Biennial?

- To improve the City's long-term planning
- Enhance funding stability
- Create greater efficiency in the budget development process.



Budget Amendments

- Appropriations are divided into two one-year spending plans.
- Toward the end of the first year of the two-year budget cycle, a midcycle budget review is conducted.
- Midcycle addresses variances in est, revenues & expenditures.

Revenues and Expenditures



How is it Determined

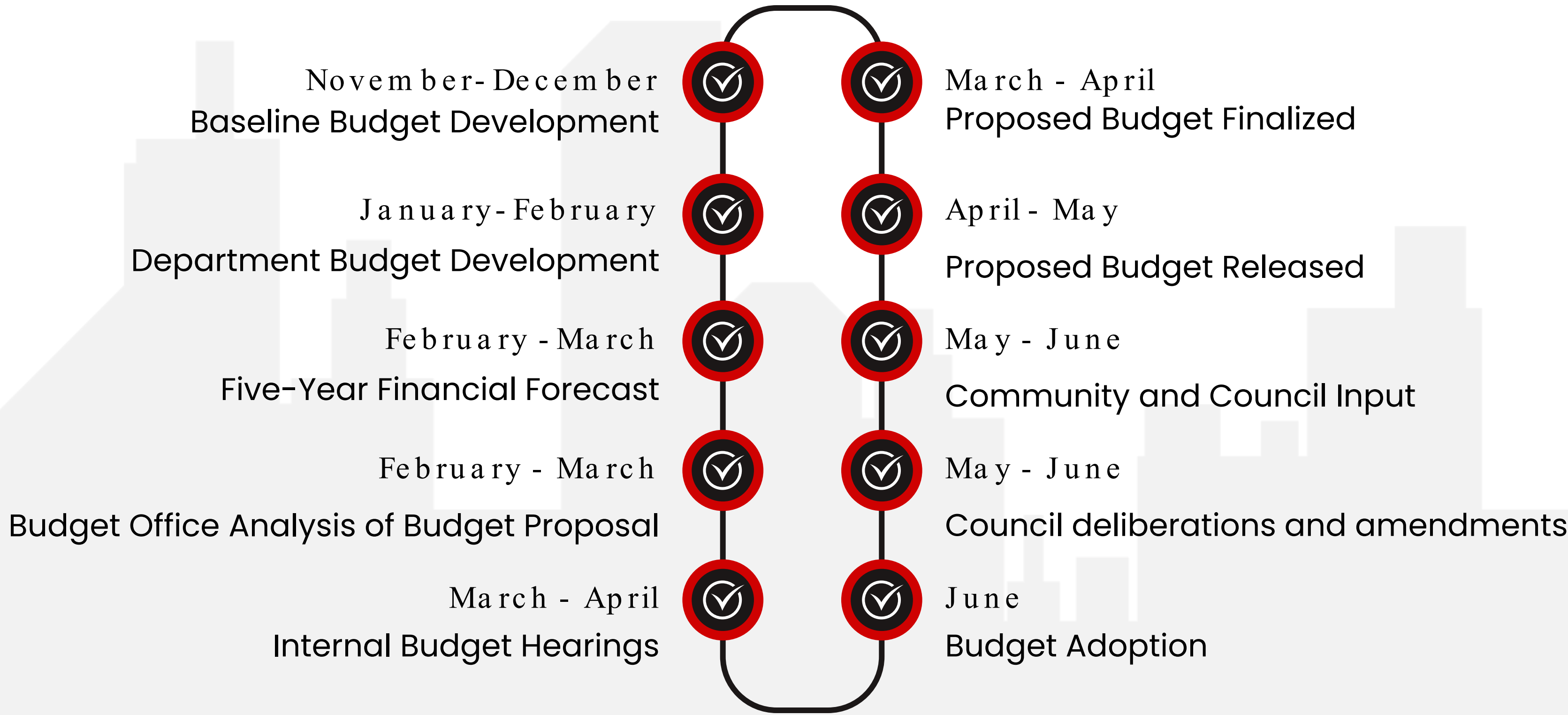
- Projected revenues and planned expenditures.
- Restricted and non-restricted revenues e.g. Measure C and D are restricted.
- Revenues and Expenditures are categorized by type.
- Revenues: taxes, fees, fines etc.
- Expenditures: personnel – salaries, benefits and non-personnel supplies, utilities, contracts etc.



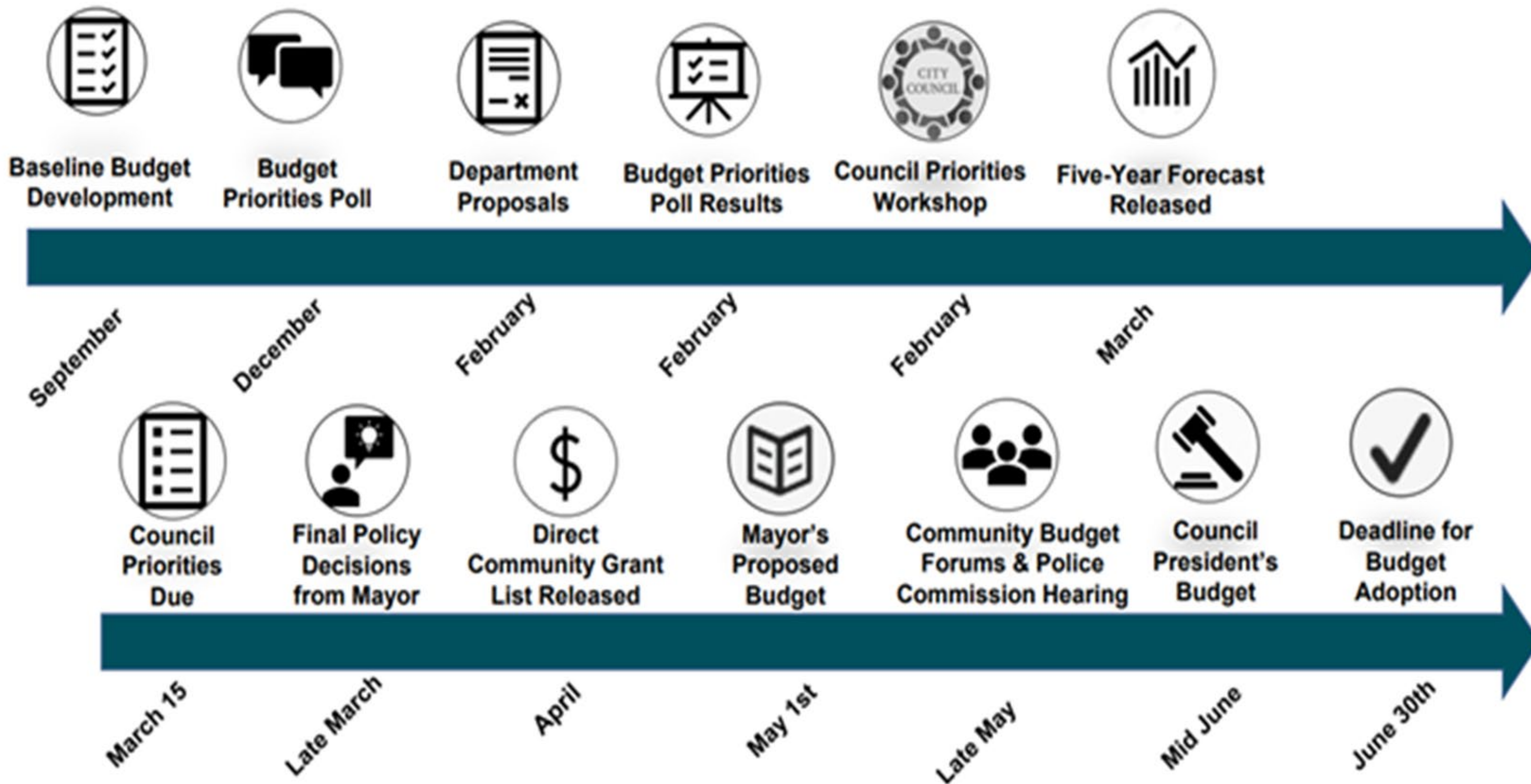
How is it Tracked

- Financial resources are in different funds. E.g. Measure C (Fund 2241) and Measure D (Fund 2243) parcel tax revenues are held in different funds.
- The largest City fund is the General Purpose Fund (Fund 1010). General Purpose Fund revenues are generally unrestricted and include most taxes.

Budget Process



The Budget Process



Capital Budget

- Proposed Capital Improvement Program (CIP).
- The CIP guides the City's long-term, strategic decisions regarding the construction, repair and replacement of the City's assets including libraries, public safety facilities, sewers, recreation & parks, and transportation and street improvements.
- The Proposed Budget and the Proposed CIP are later finalized as the Adopted Policy Budget and the Adopted Capital Improvement Program.

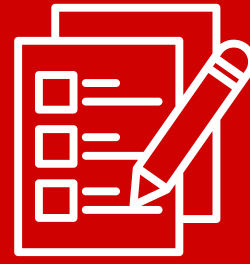


Budget Planning



5 Year Financial Forecast

- Helps make informed budgetary and operational decisions by:-
- Anticipating future revenue and expenditures
- Highlighting anticipated fiscal risks and opportunities.



Revenue Forecast

- Anticipates changes in revenues triggered by:-
- New economic development, economic growth, changes in the levels of service, changes in govt. policies at the state or federal level, and various economic & demographic changes.



Expenditure Forecast

- Begins with the Baseline Budget (maintains current level of services and all unavoidable costs).
- Baseline modified to reflect changes to programs and services recommended by CAO and Mayor as part of the Proposed Budget.

Budget Terms and Concepts

Budget Surplus or Deficit

Surplus: Revenues exceed expenditures. Deficit: Expenditures exceed revenues. Balanced: Revenues equal expenditures.

Fund Balance

The cumulative balance of revenues less expenditures available at the end of each fiscal year.

Actuals

Are recorded revenues and expenditures that have occurred over a defined period.

Internal Service Fund

Funds that charge departments for services to allow for centralized support functions between departments. E.g., Facilities and Equipment Funds.

Revenues and Expenditures

Revenues are income sources and expenditures reflect costs associated with the provision of service or City operations.

Financial Reports

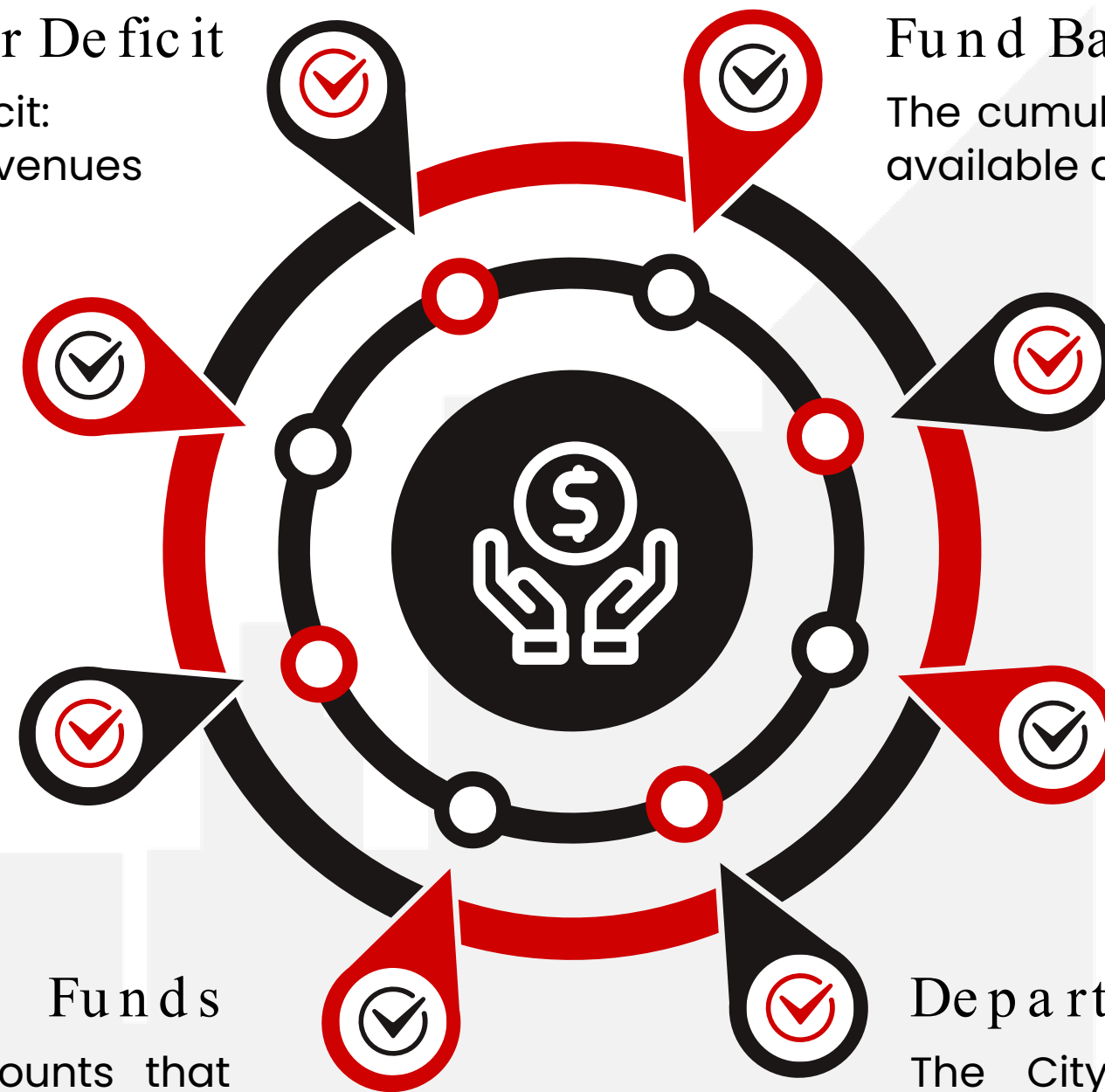
A statement of actuals and accruals. Quarterly R&E report (unaudited) and annual CAFR (audited).

Funds

Groups of revenue and expenditure accounts that must be balanced.

Department and Organization Structure

The City of Oakland is organized into various Departments responsible for delivering various internal and external services of the City.



FY 25 Proposed Midcycle Budget

- Amends the FY 25 Adopted Budget approved by Council in June 2023.
- Meets balancing targets based on revised Citywide revenues and expenditures.
- OPL's Proposed Budget may be amended by City Council before final adoption by the end of June.



GENERAL FUND [Fund 1010]

Item	FY 25 Budget Change	FY 25 FTE Change
Transfer various positions to Measure C Fund 2241	(\$936,130)	(4.50)
Transfer various positions to Measure D Fund 2243	(\$582,754)	(3.45)
Transfer payroll position to Finance Dept Fund 4510	(\$140,746)	(1.00)
Add O&M for anticipated rental increase at Cesar Chavez Library branch	\$485,000	

MEASURE C [Fund 2241]

Item	FY 25 Budget Change	FY 25 FTE Change
Transfer various positions to Measure C from Fund 10 10	\$936,130	4.50
Transfer various positions to Measure D Fund 2243	(\$730,833)	(3.80)
Freeze 1.0 FTE Office Manager & Unfreeze 1.0 FTE Library Assistant	(\$26,843)	-
Transfer IT position to Fund 4600	(\$212,016)	(1.00)
Use of Fund Balance	(\$1,160,528)	-

MEASURE D [Fund 2243]

Item	FY 25 Budget Change	FY 25 FTE Change
Transfer various positions to Measure D from Fund 10 10	\$582,754	3.45
Transfer various positions to Measure D from Fund 2241	\$730,833	3.80
Transfer IT position to Fund 4600	(\$254,549)	(1.00)
Use of Fund Balance	(\$497,347)	

OpenGov Online Budget Platform

- In an effort to increase transparency, the City is utilizing the OpenGov platform to present its entire budget in an online interactive website.
- Most tables and graphs on the platform allow the reader to drill-down, pivot, and even extract budget data.
- The OpenGov platform will support the public monitoring of the City's finances, including analyzing its spending and revenue-generating trends.



Improves Transparency



User Friendly



Interactive



Public Monitoring of City Finances

Questions



QUESTION: The \$2,101,995 amount below the minimum requirement of \$14,500,000 continues to increase, is there anything the LC can do about this? Who looks at and acknowledges this continuing decrease?

ANSWER: City Council approves the final budget, so they are notified by the Finance Department of the decrease. The LC can draw attention to this through public comment, meetings with Council Members and during the LC annual presentation to Life Enrichment Committee.

QUESTION: Regarding the rent for the Chavez branch library, is the \$485,000 for one year or two years? Who owns the Chavez library property location? Is it the Unity Council? When Brad and I met with CM Gallo, I remember him mentioning the Unity Council as a possible help and I often hear at Council meetings that the Unity Council receives lots of funding.

ANSWER: The \$485,000 represents a proposed increase over the current cost for rent for one year. The lease has not yet been negotiated. There is also a proposal to purchase the property outright. The property is owned by The Unity Council.

QUESTION: I believe the money from Emeryville and Piedmont goes into the General Fund, correct? How much do we get from each of these cities? Do we have current agreements with both cities? If the money goes into the General Fund is there any way to get the money to come directly to OPL instead?

ANSWER: The money goes to the General Fund and, in turn, is part of the General Fund appropriation to OPL. We get \$350,471 from City of Piedmont and \$126,000 from City of Emeryville. Yes, we have agreements with both cities. As noted earlier, the funds come indirectly to OPL through the General Fund appropriation.

QUESTION: I do not understand the ITD Transfers 1.0 FTE Information Specialist II and III out of Measures C & D Funds 2242 and 2243 respectively to Fund 4510. What is Fund 4510? What is fund 4600 that is referred to in the middle of the second page or should that be fund 4510?

ANSWER: As I understand it, these are “central service funds” newly created by the City Finance Department. The concept is to collect a rate from each department in a centralized fund that will be spent as needed across departments. An existing example is the Internal Service Fund that we pay to Public Works for our custodial, utilities and maintenance services.

QUESTION: What is the Fund Balance remaining in Measure C and D after the \$1,160,528 and \$497,347 Revenue - Use of Fund balance?

ANSWER: I think there will be an estimated balance of \$5 million left in each fund.