CITY OF OAKLAND

AGENDA REPORT

TO:	Jestin D. Johnson City Administrator	**FROM:**	Bradley Johnson Director of Finance
SUBJECT:	Fiscal Year (FY) 2025-26 Third Quarter (Q3) Revenues and Expenditures (R&E) Report	**DATE:**	May 14, 2026

City Administrator Approval — Jestin Johnson (May 14, 2026 17:00:33 PDT) — Date: May 14, 2026

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2025-26 Third Quarter (Q3) Revenues And Expenditures (R&E) Results And Year-End Estimates For The General Purpose Fund (GPF, 1010), And Select Funds.

EXECUTIVE SUMMARY

This report provides the City of Oakland's preliminary FY 2025-26 year end revenues and expenditure projections based on the Third Quarter (Q3) activity. The City has collected $528.03 million in revenue, which represents 62.3% of the adjusted budget, while expenditures total $576.45 million, or 68% of the adopted expenditure budget.

Based on current trends, the General Purpose Fund (GPF) revenues are projected to reach $787.61 million by fiscal year end. While this reflects a projected shortfall of $59.93 million or 7.1% relative to the Adjusted Budget, expenditures are forecasted to come in $6.74 million below budget, which demonstrates continued fiscal discipline. The net effect results in an estimated year-end operating gap of $53.19 million.

The City's revenue performance is shaped by broader economic conditions, including inflationary pressures and consumer's response to the increase in fuel costs. As of January 2026, several major revenue sources, Property Tax, Sales Tax, Utility User Tax and Parking Tax, are trending below initial projections. These variances reflect local, regional, and national economic pressures.

The Adjusted Budget includes a one-time use of $55.30 million fund balance to support carryforward obligations. When excluding this one-time adjustment, projected revenues are only $4.06 million or 0.5% below ongoing budget expectations, which indicates the City's core revenue base remains stable.

These projections are preliminary and will continue to be updated. Certain revenues, such as Business Tax, are concentrated in the Q3 due to the seasonal nature of its application. As of the preparation of this report, February and March had not yet been closed for Q3 in the City's accounting system.

The purpose of the quarterly Revenue and Expenditure (R&E) report is to guide the City in managing its ongoing budget relative to the Adopted Budget as additional financial data becomes available.

Table 1: Summary of FY 2025-26 Q3 GPF Revenues & Expenditures Budget to Year-End Projections ($ in millions)

	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
FY2025-26 Revenues	791.29	847.54	528.03	787.61	**(59.93)**	**(7.1)%**
FY 2025-26 Expenditures	791.29	847.54	576.45	840.80	6.74	0.8 %
Operating (Shortfall) / Surplus	**—**	**—**	**(120.26)**	**(53.19)**	**(53.19)**	**(6.3)%**

BACKGROUND / LEGISLATIVE HISTORY

Below is a summary of the Council's actions that have occurred from the beginning of the fiscal year through **Q3** that have modified the FY 2025-26 Budget:

Pursuant to the City's Consolidated Fiscal Policy - Part G. Criteria for Project Carryforwards and Encumbrances, the FY 2025-26 Adopted Budget has also been adjusted to include $55.30 million in prior year carryforwards in the GPF which utilizes available fund balance to cover the cost.

ANALYSIS AND POLICY ALTERNATIVES

General Purpose Fund (GPF)

FY 2025-26 Q3 Revenues

General Purpose Fund (GPF) revenue is currently projected to end the fiscal year with a net shortfall of $59.93 million, or 7.1% below the FY 2025-26 Adjusted Budget of $847.54 million. The Adjusted Budget includes the planned use of $55.30 million in fund balance to cover prior-year carryforwards. Excluding this one-time use of fund balance, GPF revenues are forecasted

at $787.61 million, which is $4.06 million, or 0.5%, below the $791.67 million estimated in the Adjusted Budget.
The projected shortfall of $4.06 million, or 0.5% for GPF revenues is attributed to the underperformance of Property Tax, Sales Tax, Utility User Tax, and Parking Tax. (Details can be found in ***Attachment A***.)

The table below summarizes revenue categories with projected year-end variances compared to the FY 2025–26 Adjusted Budget.

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Table 2: FY 2025-26 Q3 GPF Revenues Budget to Actuals ($ in millions) Summary

Revenue Category	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Property Tax	322.29	322.29	190.61	312.26	(10.04)	(3.1)%
Business License Tax	129.53	129.53	115.65	132.08	2.54	2.0 %
Sales Tax	84.14	84.14	45.40	81.56	(2.59)	(3.1)%
Utility Consumption Tax	75.62	75.62	47.52	70.60	(5.02)	(6.6)%
Real Estate Transfer Tax	68.30	68.30	52.44	69.92	1.62	2.4 %
Service Charges	51.90	51.99	28.21	53.46	1.47	2.8 %
Fines & Penalties	24.57	24.57	18.10	26.59	2.02	8.2 %
Transient Occupancy Tax	15.48	15.48	12.66	16.40	0.92	5.9 %
Parking Tax	11.94	11.94	7.82	10.96	(0.98)	(8.2)%
Miscellaneous Revenue	3.10	3.10	3.77	4.27	1.17	37.8 %
Interfund Transfers	2.16	2.16	2.16	2.16	—	— %
Licenses & Permits	1.35	1.35	1.20	1.61	0.26	19.2 %
Grants & Subsidies	—	0.85	2.58	2.58	1.73	— %
Interest Income	0.34	0.34	(0.75)	2.50	2.16	635.1 %
Vehicle License Fee	—	—	0.66	0.66	0.66	N / A
Subtotal	**790.72**	**791.67**	**528.03**	**787.61**	(4.06)	(0.5)%
Project Offsets & Carryforwards	—	55.30	—		(55.30)	(100.0)%
Total Revenue	**791.29**	**847.54**	**528.03**	**787.61**	(59.93)	(7.1)%

The adopted FY 2025-26 labor agreements between the City and Miscellaneous Unions include a potential triggered salary increase if FY 2025-26 GPF unrestricted revenues as forecast in the Third Quarter Revenue & Expenditure Report, exceed the FY 2025-26 Adopted Budget. For the purposes of calculating the potential triggered salary increase, revenues from Real Property Sales, Legal Settlements, and Insurance Proceeds are excluded. If eligible revenues exceed the adopted budget, a salary increase of 0.05% for every $150,000 in excess revenues, capped at a maximum of 3%, effective May 23, 2026. A subsequent true-up based on audited actuals may result an additional increase, less any amount already granted, with the total increase not to exceed 3%.

Through the Third Quarter, excluded revenue categories total $2.48 million, consisting of $0.36 million in Real Property Sales, $2.10 million in Legal Settlements, and $.02 million in Insurance Proceeds. These amounts would be excluded from the trigger calculation.

Through Q3, total GPF unrestricted revenues, inclusive of all categories, even those excluded for trigger purposes, are projected to end the fiscal year approximately $4.06 million below the FY 2025–26 Adopted Budget. After removing the amounts to be excluded from the trigger calculation, the total included revenues are projected to end the fiscal year approximately $6.54 million below the FY 2025-26 Adopted Budget. Based on current projections, revenues are not expected to reach the threshold to activate the triggered salary increase. The formal determination will be confirmed through audited year-end actuals.

Table 3: Calculated Eligible Revenues for FY2025-56 Potential COLA Trigger

Category	FY 2025-26 Adopted Budget	FY 2025-26 Q3 Year-End Estimate	Variance
Total GPF	$791,668,450	$787,606,945	**($4,061,505)**
		Less Excluded	
Real Property Sales	-	$360,366	$360,366
Settlements	-	$2,103,322	$2,103,322
Insurance Proceeds	-	$15,722	$15,722
Total Included Revenues	**$ 791,668,450**	**$785,127,535**	**($6,540,915)**

FY 2025-26 Q3 Expenditures

At the end of *Q3* for FY 2025-26, expenditures are projected to end the fiscal year at $840.80 million, or $6.74 million under the Adjusted Budget of $847.54 million. Most of the City's departments are projected to underspend by the end of FY 2025-26.

Table 4 below breaks down the FY 2025-26 Expenditures by Department.

Table 4: FY 2025-26 Q3 GPF Expenditures Budget to Actuals ($ in millions)

Department	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	0.32	3.07	2.92	3.07	—	— %
City Administrator	4.17	4.74	3.49	4.74	—	— %
City Attorney	22.25	25.49	17.83	25.82	**(0.34)**	**(1.3)%**
City Auditor	3.49	3.83	2.31	3.72	0.12	3.0 %
City Clerk	3.97	7.21	2.20	6.66	0.55	7.6 %
City Council	7.28	7.32	5.09	6.99	0.33	4.5 %
Department of Transportation	26.20	27.23	15.58	27.64	**(0.41)**	**(1.5)%**
Department of Violence Prevention	5.72	6.00	2.97	5.68	0.32	5.4 %
Department of Workplace and Employment Standard	1.33	1.53	0.59	1.34	0.20	12.9 %
Economic and Workforce Development Department	10.38	12.72	3.62	11.82	0.90	7.0 %
Finance Department	23.35	27.02	14.85	25.99	1.03	3.8 %
Fire Department	210.49	221.92	151.53	221.95	**(0.03)**	**— %**
Human Resources Management Department	0.44	0.57	0.25	0.59	**(0.03)**	**(4.6)%**
Human Services Department	36.36	40.10	31.36	39.52	0.59	1.5 %
Information Technology Department	6.06	7.37	3.40	7.99	**(0.62)**	**(8.5)%**

Department	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Mayor	5.70	5.87	4.07	5.45	0.42	7.1 %
Non Departmental and Port	32.35	39.27	35.54	43.34	(4.06)	(10.3)%
Oakland Animal Services	5.27	6.44	3.52	5.73	0.71	11.1 %
Oakland Parks and Recreation Department	12.69	13.12	7.53	12.22	0.90	6.9 %
Oakland Public Library Department	11.75	12.30	9.85	13.07	(0.76)	(6.2)%
Oakland Public Works Department	0.79	1.59	0.92	3.16	(1.57)	(98.9)%
Police Commission	7.13	7.71	3.37	5.81	1.89	24.6 %
Police Department	349.96	360.85	251.65	354.32	6.53	1.8 %
Public Ethics Commission	2.82	3.17	1.35	2.48	0.68	21.6 %
Race and Equity Department	1.01	1.09	0.68	1.03	0.05	5.0 %
Total	**791.29**	**847.54**	**576.45**	**840.80**	**6.74**	**0.8 %**

FY 2025-26 Fund Balance

The City's GPF Fund Balance, net obligations, is projected to end FY 2025-26 at $32.32 million. Obligations may include reserves required by City Ordinances or the City Charter (mandated emergency reserves). **Table 5** below deducts restricted set-asides for legal settlements in the amount of $1.92 million, to decrease the estimated FY 2025-26 year-end available fund balance from $34.24 million to $32.32 million. The estimated FY 2025-26 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 2025-26.

Table 5: Summary of FY 2025-26 Fiscal Situation with GPF Fund Balance ($ in millions)

GENERAL PURPOSE FUND (1010)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**87.43**
Revenue	787.61
Expenditures	840.80
Estimated Current Year Surplus/(Shortfall)	**(53.19)**
Estimated Ending Fund Balance	**34.24**
Use of Fund Balance in FY 2025-26	
Restricted Legal Settlements	**(1.92)**
Estimated Ending Fund Balance	**32.32**

FY 2025-26 **Q3** projections indicate that GPF revenues will come in below budget and GPF expenditures will come in above budget, with the combination of the two culminating in an approximately $53.19 million operating deficit. The deficit accounts for the use of fund balance in the amount of $55.30 million to support prior year carryforwards.

Conclusion

The GPF fund balance began the fiscal year in a positive position after a better than anticipated collection of revenues combined with expenditure reduction efforts in the prior fiscal year.

Despite these efforts, financial challenges remain. This does not resolve the fundamental structural issues in the City's budget. Long-term solutions, including expenditure reforms and efficiency improvements, must be explored to ensure financial stability in the upcoming FY2026-27 budget and beyond.

The City's short-term and long-term fiscal outlook will depend on decisive management in the current and coming years.

RELATED PLANNING EFFORTS: OAKLAND STRATEGIC PLAN

This agenda item supports the Strategic Priority to **Align Budget with Citywide Priorities**. Specifically, accurate and timely quarterly revenue and expenditure reporting supports this priority by providing decision-makers with current fiscal information needed to evaluate performance, apply budget evaluation criteria consistently, and adjust departmental work plans in response to emerging needs and priorities. It enables leadership to confirm that resources are being directed toward the most important citywide goals, identify and correct misalignments early, and make informed reallocations during the fiscal year rather than after year-end. Regular reporting strengthens accountability, transparency, and data-driven decision-making throughout the budget process, ensuring that financial decisions remain directly aligned with Citywide priorities.

FISCAL IMPACT

This item is for informational purposes only and does not have a direct fiscal impact or cost.

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.

RACE AND EQUITY

Staff did not complete a Racial Equity Impact Analysis on this informational report.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2025-26 Third Quarter (Q3) Revenues And Expenditures (R&E) Results And Year-End Estimates For The General Purpose Fund (GPF, 1010), And Select Funds.

For questions regarding this report, please contact Bradley Johnson, Finance Director, at (510) 238-2220.

Respectfully submitted,

Bradley Johnson (May 13, 2026 16:05:57 PDT)

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Attachments (1)

***Attachment A**: FY* 2025-26 Q3 *Detailed Report*

Attachment A: FY 2025-26* Q3 *Detailed Report

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The report has the following major sections:

1. General Purpose Fund **Q3** Revenues
2. General Purpose Fund **Q3** Expenditures
3. General Purpose Fund **Q3** Fund Balance
4. Reserves

Appendixes:
Consolidated Fiscal Policy

I. GENERAL PURPOSE FUND FY 2025-26 Q3 REVENUES

Q3 HIGHLIGHTS OF THE TOP 5 GPF REVENUE CONTRIBUTORS

Property Tax: FY 2025-26 collections of the City's largest revenue source through **Q3** are at $190.61 million or 59.1% of the Adjusted Budget of $322.29 million, and are now projected to end the year at $312.26 million, which is $10.04 million or 3.1% below the Adjusted Budget.

Property Tax is calculated as a percentage of a property's assessed value and therefore fluctuates in direct aligning with the changes in the assessed valuations. The Assessed Value growth changes for the City reported in 2025-26 reflect the events that occurred in the 2024 calendar year.

Baseline Adjustment: The 2% CPI cap under Proposition 13 remained in effect, providing modest baseline growth.

Market Activity (2024 impact on 2025–26 roll): Home sales volume increased year-over-year despite elevated interest rates, with moderate price growth that varied by region. Prices trending downward allowed for more volume.

Assessment Roll Growth: Citywide assessed value growth slowed sharply to 0.8% or approximately $739 million in FY 2025–26, down from 4.6% or approximately $3.93 billion in FY 2024–25, indicating significant deceleration in overall value expansion.

Performance Overview by Sector:

- *Residential*: 1.9%, $1.27B, primary driver of growth; 37% of gains tied to reclassification of vacant parcels to residential.
- *Industrial*: 4.3%, $160M, driven by sale prices exceeding prior enrolled values.
- *Commercial*: Negative 2.8%, negative $346M, reflecting successful appeals and devalued sales.
- *Vacant*: Declined due to parcel reclassification.
- *Institutional*: Temporary increase due to delayed exemption processing (primarily churches and hospitals).

The reduction in overall assessed value growth for the City this year is primarily due to Proposition 8 (Prop 8) reductions, concentrated in the commercial sector. Prop 8 allows temporary reductions in assessed value when a property’s market value falls below its adjusted base year value as of January 1.

Key Prop 8 Impacts for FY 2025-26 Assessed Value:

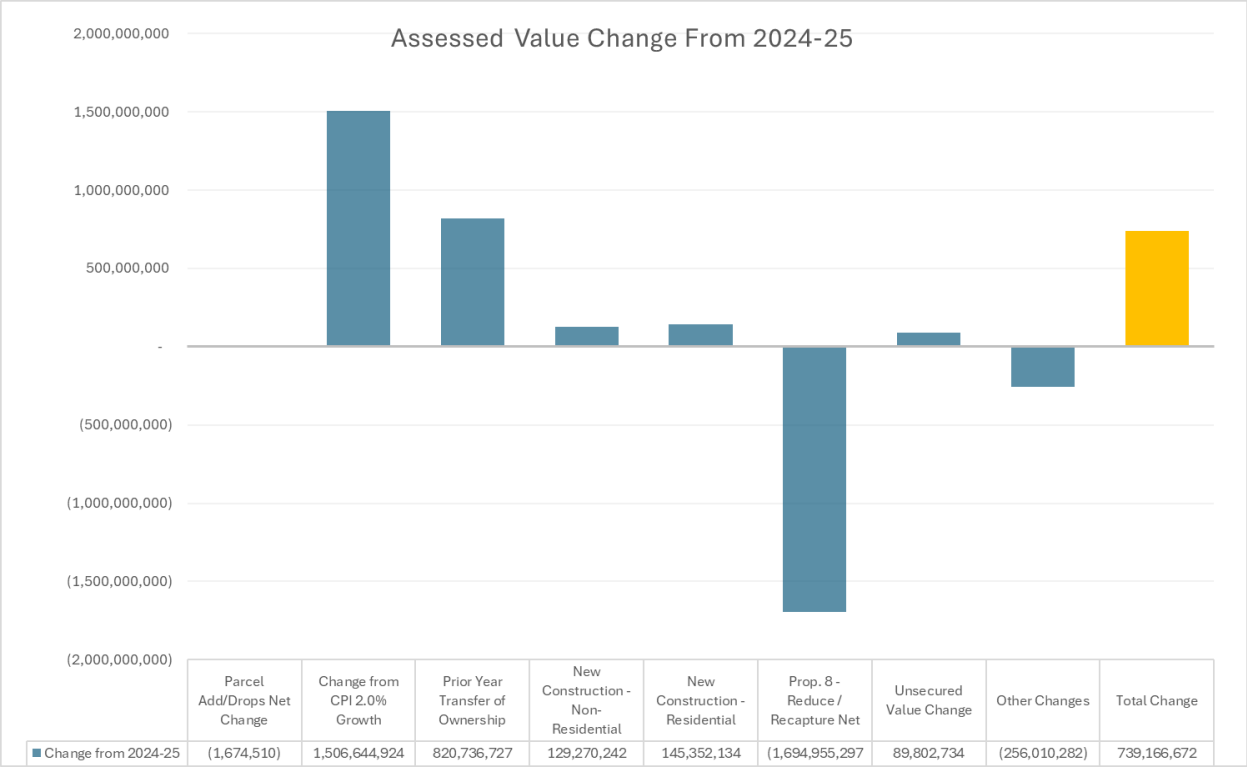
The majority of the largest secured roll declines were related to commercial properties.

Commercial assessed values declined by $346.2 million or 2.8%, representing the largest contributor to the slowdown in growth. Reductions were driven by successful Prop 8 appeals, market decline and corresponding devalued sales.

Additional Prop 8 reductions were applied to residential properties as single-family home prices flattened, with 1,252 homes added to review and $610 million in value currently subject to restoration.

Chart 1 below details the FY 2025-26 change in assessed property value by cause compared to FY 2024-25:

Chart 1: FY 2025-26 Change in Assessed Property Value by Cause



Business License Tax (BT): FY 2025–26, collections of the second largest revenue source through Q3 totaled $115.65 million, representing 89.3% of the adjusted annual budget of $129.53 million, and are projected to end the year at $132.08 million, which is $2.54 million or 2.0% above the Adjusted Budget. Business Tax is due and payable on January 1st and becomes delinquent if not paid by March 1st. As a result, the majority of Business Tax revenue is typically received in the third quarter due to the timing of the renewal cycle. Based on this year's renewal activity and the significant impact of the Special Revenue Collection Project, as detailed in the April 21, 2026, Informational Report, Business License Tax revenue is projected to reach $132.08 million, exceeding the FY 2025-26 Adjusted Budget by $2.54 million (2%). This

achievement is supported by the "initiatives undertaken to recover outstanding business tax revenue, including the identification and collection of revenue from non-filing businesses," which generated $5.58 million in property liens and 900 in new rental applications, doubling the volume of rental applications from the previous fiscal year.

Real Estate Transfer Tax (RETT): FY 2025-26 collections of the third largest revenue source for the City through **Q3** are at $52.44 million or 76.8% of the Adjusted Budget of $68.30 million, and are projected to end the year at $69.92 million, which is $1.62 million or 2.4% above the Adjusted Budget. Through **Q3**, RETT revenue is currently $4.45 million or 9.3% higher compared to the same period in FY 2024–25, primarily due to an increase in a payment totaling over $5.76 million in Unrecorded Transfers[1] received during the current fiscal year. Despite this increase, underlying market activity remains largely stable.

Sales activity has been consistent year over year, with only a 1% decline in both sales and transaction volume through the third quarter. This stability in activity suggests a broadly steady real estate market.

Overall, Real Estate Transfer Tax (RETT) performance is tracking closely with FY 2024–25, and current indicators suggest FY 2025–26 will end at approximately the same level as the prior fiscal year. If significant one-time transaction recorded in the fourth quarter is excluded, FY 2024–25 RETT collections would have totaled $68.58 million.

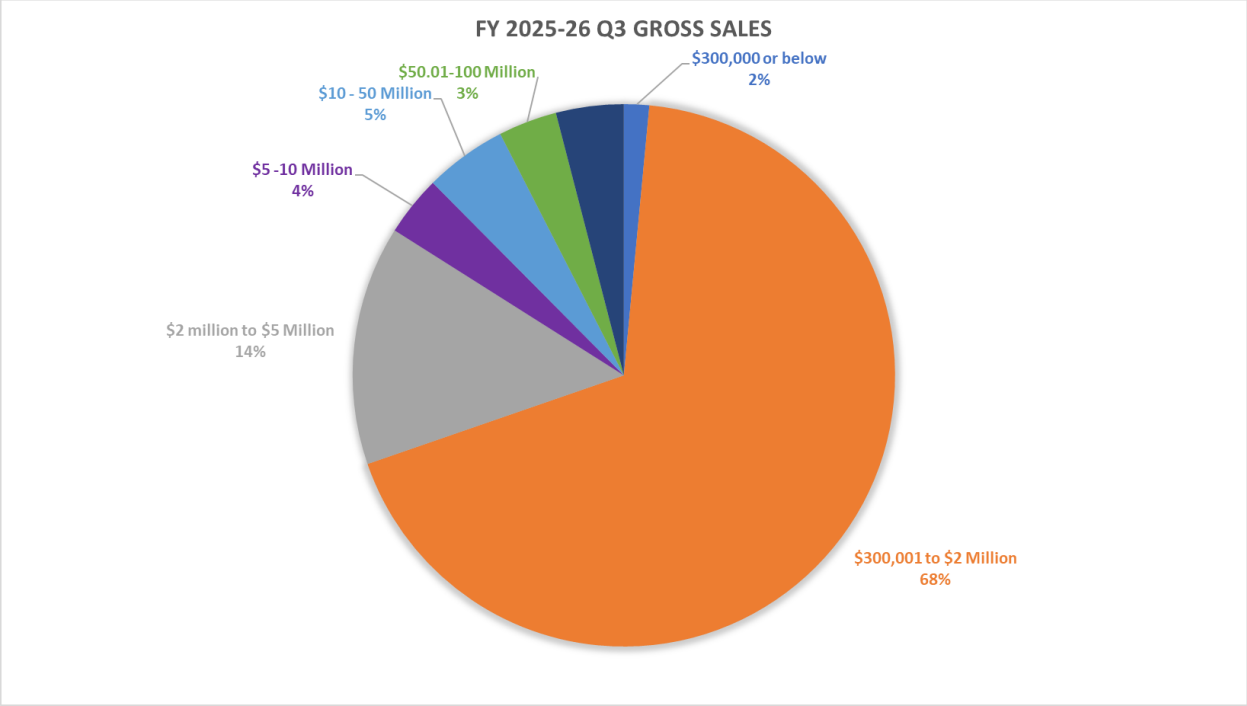
The stabilization can be attributed in part to the Federal Open Market Committee (FOMC) reducing the federal funds rate three times in FY 2024–25 and implementing three additional cuts in FY 2025–26, lowering the target range to 3.50%–3.75% after it peaked at approximately 5.50% in 2023.

Chart 2 below breaks down the RETT gross sales by tiered sales prices through **Q3** in FY 2025-26

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[1] An Unrecorded Transfer occurs when controlling interest in the entity owning property changes greater than 50% without a formal deed or instrument being filed. Pursuant to Rev & Tax Code §§ 11911 & 11925, such transfers create liability for real estate transfers taxes.

Chart 2: FY 2025-26 RETT Gross Sales by Sales Price



Sales Tax: FY 2025-26 collections of the fourth largest revenue source of the City through **Q3** are at $45.40 million or 54.0% of the Adjusted Budget of $84.14 million, and are now projected to end the year at $81.56 million, which is $2.59 million or 3.1%, below the Adjusted Budget. Data available for FY2025-26 Q2 (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 the major industry groups through FY 2025-26 Q2 were 3.5% lower on average compared to the same period in the previous fiscal year.

Q2Sales Tax Update (July–December):

Sales tax performance through the first half of FY 2025–26 is generally stable but slightly weaker in Oakland compared to regional trends.

In **Q1**, receipts rose 1.0% year over year, but this was driven by one-time payments. Excluding these, underlying sales fell 4.2%, while Alameda County and the Bay Area saw growth of 1.0% and 2.5% respectively.

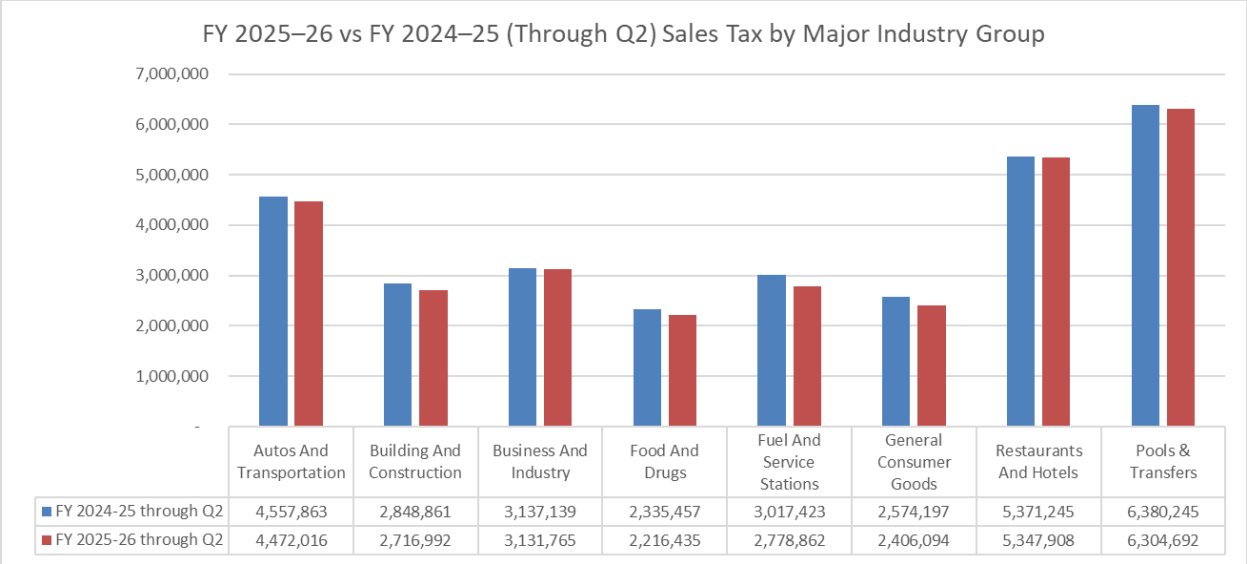
In **Q2**, receipts declined 1.6% year over year, with underlying sales down 1.4%. Weakness was led by vehicle sales with a decline of 6%, rental cars declined 10%, and fuel-related sales (fell 11%, largely due to prior demand shifts, the end of EV tax credits, and lower fuel prices. Partially offsetting these declines, casual dining grew 5% and outperformed statewide trends, while business services showed gains in medical/biotech and related sectors.

In April 2025, Oakland voters approved Measure A, a 0.5% (half-cent) Local Transactions & Use Tax, which was implemented in October 2025 and remains in effect through September 2035. Based on the first remittance of funds received for Measure A totaled $7.68 million, reflecting economic activity from October 2025 through December 2025. The first remittance of funds for Measure A reflects the peak holiday shopping season, which traditionally generates higher sales tax than each of the remaining two quarters the FY 2025-26 Adopted Budget totaling $21.8 million for three quarters for this fiscal year remains on track.

Key Trends by Sector:

Chart 3 below compares the Sales Tax totals received by category in FY 2025-26 through Q2 to those received in FY 2024-25 through Q2.

Chart 3: FY 2025-26 and FY 2024-25 through Q2 Sales Tax Totals Received by Category



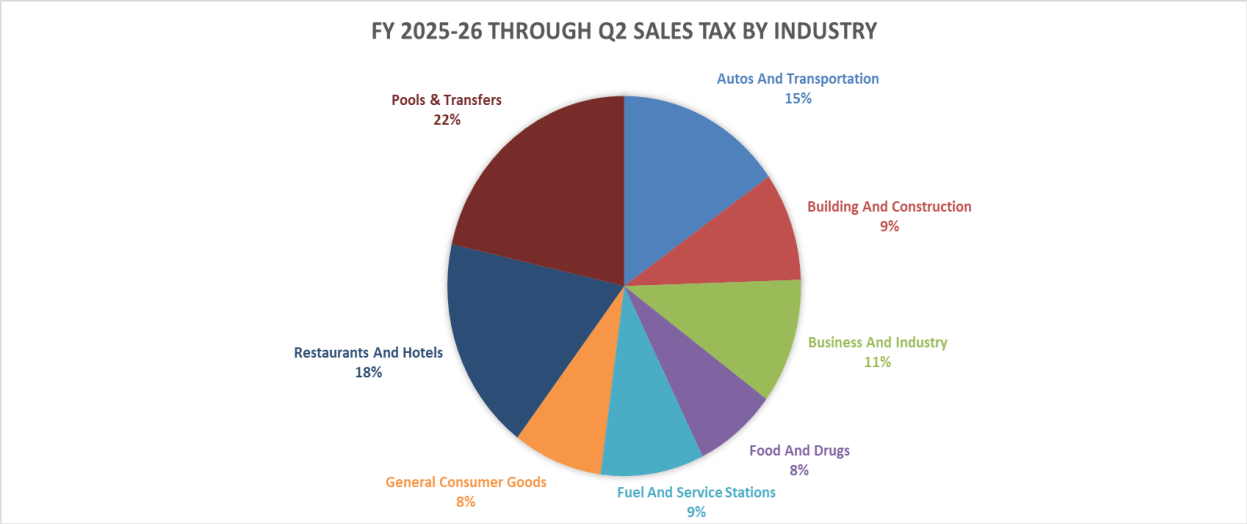
	Autos And Transportation	Building And Construction	Business And Industry	Food And Drugs	Fuel And Service Stations	General Consumer Goods	Restaurants And Hotels	Pools & Transfers
FY 2024-25 through Q2	4,557,863	2,848,861	3,137,139	2,335,457	3,017,423	2,574,197	5,371,245	6,380,245
FY 2025-26 through Q2	4,472,016	2,716,992	3,131,765	2,216,435	2,778,862	2,406,094	5,347,908	6,304,692

Overall through the Q2, the decline was concentrated in several key sectors. Fuel and service stations fell 7.9%, general consumer goods dropped 6.5%, food and drugs declined 5.1%, and building and construction decreased 4.6%.

Chart 4 below breaks down the composition of the Major Industry Groups as a percent of the overall Sales Tax total.

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Chart 4: Major Industry Groups as a Percent of the Overall Sales Tax Total as of Q2 FY2025-26.



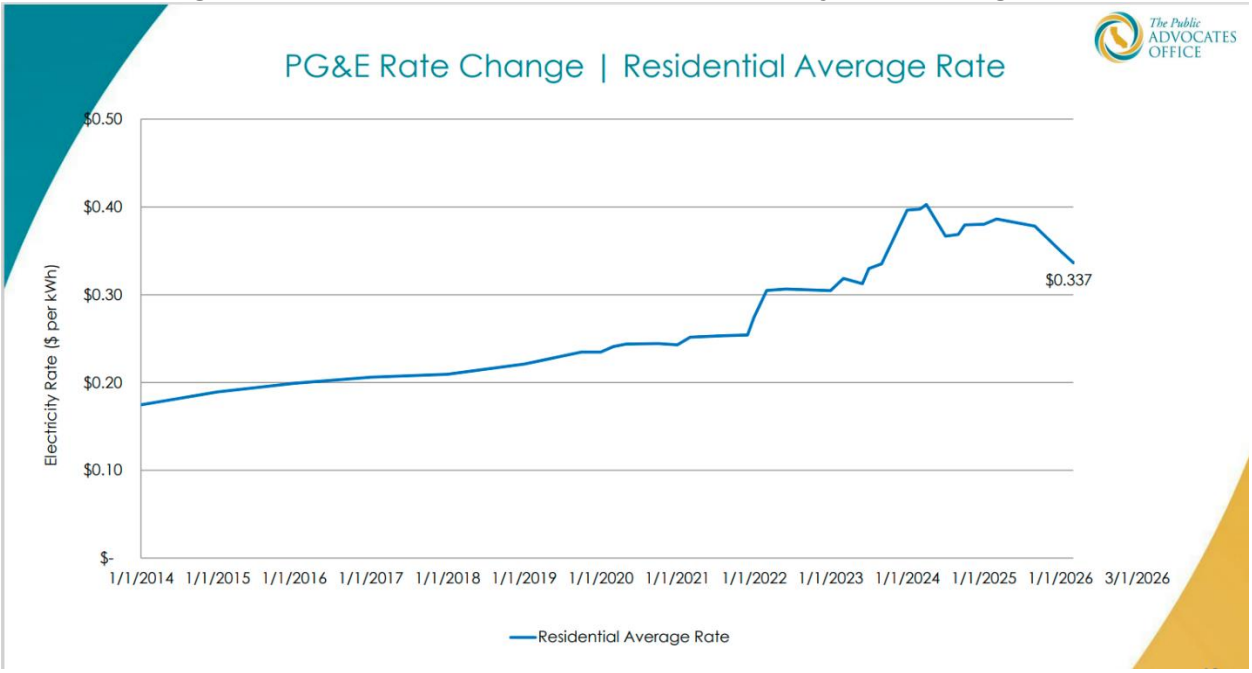
Utility Consumption Tax (UCT): FY 2025-26 collections of the fifth largest revenue category for the City through **Q3** are at $47.52 million or 62.8% of the Adjusted Budget of $75.62 million, and are now projected to end the year at $70.60 million which is $5.02 million or 6.6% under the Adjusted Budget.

Revenues have grown significantly in recent years, largely driven by substantial increases in utility rates over the past decade. More recently, PG&E has indicated that electric rates have leveled off, and current revenue trends reflect this shift. As of the end of February, through the portion of the third quarter for which data is available, revenues were essentially flat compared to the prior year, declining slightly by 0.2%. If this slight decline continues through year-end, full-year collections are expected to be comparable to last fiscal year, which totaled $70.75 million.

Chart 5 below shows the average annual electrical rates for PG&E from January 2014 through March 2026.

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Chart 5 Average Annual Electrical Rates for PG&E - January 2014 through March 2026.



Source: Public Advocates Office, Q1 2026 Electric Rates Report, 2026, p. 19.

Revenue Variances Exceeding 5% from Adjusted Budget:

Fines & Penalties: FY 2025-26 **Q3** collections came in at $18.10 million or 73.6% of the Adjusted Budget of $24.57 million, and now is projected to end the year at $26.59 million, which is 8.2% over the Adjusted Budget. Quarterly totals often appear lower than the true amount collected because parking fines are usually recorded about one month after they occur. This timing delay means third-quarter year to date numbers do not fully reflect all activity from that period.

The higher year-end projection also reflects expected growth from expanded parking enforcement that took effect April 12, 2026. This includes adding Sunday metered parking for about six hours per day, compared to the usual ten-hour enforcement on other days.

Overall, parking fine revenue has been steadily increasing in recent years, largely due to improved staffing in the enforcement unit.

Transient Occupancy Tax (TOT): FY 2025-26 **Q3** collections came in at $12.66 million or 81.8% of the Adjusted Budget of $15.48 million, and is projected to end the year at $16.40 million, which is $0.92 million or 5.9% over the Adjusted Budget. TOT revenue has declined over the past couple of years due to hotel closures and reduced travel to the area. Through February, collections were about 1.2% lower than in the same period last fiscal year. Year-end estimates include a small increase estimated for June tied to higher visitor activity from World Cup games hosted in the Bay Area.

Parking Tax (PT): FY 2025-26 **Q3** collections came in at $7.82 million or 65.5% of the Adjusted Budget of $11.94 million, and now is projected to end the year at $10.96 million which is $0.98 million or 8.2% under the Adjusted Budget. Year-to-date results reflect reduced airport traffic, which is contributing to the overall decline, partially offset in the year end projections by anticipated increases in airport parking revenue during World Cup activity.

Miscellaneous Revenue: FY 2025-26 **Q3** collections came in at $3.77 million or 121.5% of the Adjusted Budget of $3.10 million, and now is projected to end the year at $4.27 million which is $1.17 million or 37.8% over the Adjusted Budget. A large portion of this revenue, about $2.1 million from legal settlements and claims, plus $0.29 million expected before year-end, is offset by equal liabilities. Because these funds are restricted and tied directly to corresponding expenditures, they do not provide net resources. As a result, they do not contribute to ongoing budget balancing or improving the organization's recurring financial position.

Licenses and Permits: FY 2025-26 **Q3** collections came in at $1.20 million or 89.4% of the Adjusted Budget of $1.35 million, and now is projected to end the year at $1.61 million which is $0.26 million or 19.2% over the Adjusted Budget. The largest source of this revenue is Cannabis Activity Permits, which have generated about $0.81 million through the third quarter.

Interest Income: FY 2025-26 **Q3** collections came in at negative $0.75 million or negative 219.5% of the Adjusted Budget of $0.34 million, and now is projected to end the year at $2.50 million which is $2.16 million or 635.1% over the Adjusted Budget. This projection is consistent with recent year-end trends and reflects expectations that cash balances and interest rates through year-end will remain broadly in line with recent levels. Additionally, the projection anticipates standard year-end accounting adjustments that recognize revenue not evenly recorded during the year.

Table 1 below summarizes all of the FY 2025-26 GPF revenues by category.

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Table 1: FY 2025-26 Q3 Adopted Budget to Actuals and Year End Estimate ($ in millions)

Revenue Category	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Property Tax	322.29	322.29	190.61	312.26	**(10.04)**	**(3.1)%**
Business License Tax	129.53	129.53	115.65	132.08	2.54	2.0 %
Sales Tax	84.14	84.14	45.40	81.56	**(2.59)**	**(3.1)%**
Utility Consumption Tax	75.62	75.62	47.52	70.60	**(5.02)**	**(6.6)%**
Real Estate Transfer Tax	68.30	68.30	52.44	69.92	1.62	2.4 %
Service Charges	51.90	51.99	28.21	53.46	1.47	2.8 %
Fines & Penalties	24.57	24.57	18.10	26.59	2.02	8.2 %
Transient Occupancy Tax	15.48	15.48	12.66	16.40	0.92	5.9 %
Parking Tax	11.94	11.94	7.82	10.96	**(0.98)**	**(8.2)%**
Miscellaneous Revenue	3.10	3.10	3.77	4.27	1.17	37.8 %
Interfund Transfers	2.16	2.16	2.16	2.16	—	— %
Licenses & Permits	1.35	1.35	1.20	1.61	0.26	19.2 %
Grants & Subsidies	—	0.85	2.58	2.58	1.73	— %
Interest Income	0.34	0.34	**(0.75)**	2.50	2.16	635.1 %
Vehicle License Fee	—	—	0.66	0.66	0.66	N / A
Subtotal	**790.72**	**791.67**	**528.03**	**787.61**	**(4.06)**	**(0.5)%**
Project Offsets & Carryforwards	—	55.30	—		**(55.30)**	**(100.0)%**
Total Revenue	**791.29**	**847.54**	**528.03**	**787.61**	**(59.93)**	**(7.1)%**

II. GENERAL PURPOSE FUND Q3 EXPENDITURES

GENERAL PURPOSE FUND EXPENDITURE HIGHLIGHTS

The GPF expenditures are forecasted to come in at $840.80 million, which is a projected underspend of $6.74 million, or 0.8%, in savings when compared to the Adjusted Budget of $847.54 million.

The budgeted vacancy factor assumed in the FY 2025-26 Budget is 4.00% across most City Departments. The GPF's actual vacancy rate through Q3 (net positions that are frozen as part of the FY 2025-26 Adopted Budget), is 15.0% as shown in **Table 2** below.

Several departments, including both public safety departments, are projecting to end FY 2025-26 under their Adjusted Budget, primarily due to personnel savings.

Although the Police and Fire Departments are projected to end the year under budget overall, overtime expenditures remain a concern. Both departments have consistently exceeded their overtime budgets, and this pattern is expected to continue by the end of FY 2025-26. Historical overtime expenditures for public safety are summarized in **Chart 7** below. A detailed analysis of current year overtime spending is available in the Overtime Report prepared by the public safety departments.

Table 2: FY 2025-26 Q3 GPF Filled and Vacant Positions (Percent %)

Status as of Q3 FY 2025-26	Percent (%)
Filled or Encumbered	**85.0 %**
Vacant	**15.0 %**

On April 22, 2026, labor costs were posted through the third quarter of FY 2025-26.

Table 3 below reflects the GPF expenditures forecasted to come in at $840.80 million, which is $6.74 million, or 0.8%, over the adjusted budget of $847.54 million.

Table 3: Summary of FY 2025-26 Q3 GPF Expenditures Budget to Actuals ($ in millions)

	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
FY 2025-26 Expenditures	**791.29**	**847.54**	**576.45**	**840.80**	**6.74**	**0.8 %**

Department Level Spending Trends

Table 4 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 under the Adjusted Budget by $6.74 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 4: Summary of FY 2025-26 GPF Projected Expenditure Variance ($ in millions)

Department	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	0.32	3.07	2.92	3.07	—	— %
City Administrator	4.17	4.74	3.49	4.74	—	— %
City Attorney	22.25	25.49	17.83	25.82	**(0.34)**	**(1.3)%**
City Auditor	3.49	3.83	2.31	3.72	0.12	3.0 %
City Clerk	3.97	7.21	2.20	6.66	0.55	7.6 %
City Council	7.28	7.32	5.09	6.99	0.33	4.5 %
Department of Transportation	26.20	27.23	15.58	27.64	**(0.41)**	**(1.5)%**
Department of Violence Prevention	5.72	6.00	2.97	5.68	0.32	5.4 %
Department of Workplace and Employment Standard	1.33	1.53	0.59	1.34	0.20	12.9 %
Economic and Workforce Development Department	10.38	12.72	3.62	11.82	0.90	7.0 %
Finance Department	23.35	27.02	14.85	25.99	1.03	3.8 %
Fire Department	210.49	221.92	151.53	221.95	**(0.03)**	**— %**
Human Resources	0.44	0.57	0.25	0.59	**(0.03)**	**(4.6)%**

Department	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q3 YTD Actuals	FY 2025-26 Q3 Year-End Estimate	Year-End $ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Management Department						
Human Services Department	36.36	40.10	31.36	39.52	0.59	1.5 %
Information Technology Department	6.06	7.37	3.40	7.99	**(0.62)**	**(8.5)%**
Mayor	5.70	5.87	4.07	5.45	0.42	7.1 %
Non Departmental and Port	32.35	39.27	35.54	43.34	**(4.06)**	**(10.3)%**
Oakland Animal Services	5.27	6.44	3.52	5.73	0.71	11.1 %
Oakland Parks and Recreation Department	12.69	13.12	7.53	12.22	0.90	6.9 %
Oakland Public Library Department	11.75	12.30	9.85	13.07	**(0.76)**	**(6.2)%**
Oakland Public Works Department	0.79	1.59	0.92	3.16	**(1.57)**	**(98.9)%**
Police Commission	7.13	7.71	3.37	5.81	1.89	24.6 %
Police Department	349.96	360.85	251.65	354.32	6.53	1.8 %
Public Ethics Commission	2.82	3.17	1.35	2.48	0.68	21.6 %
Race and Equity Department	1.01	1.09	0.68	1.03	0.05	5.0 %
Total	**791.29**	**847.54**	**576.45**	**840.80**	**6.74**	**0.8 %**

Chart 6: Percentage of Adjusted Budget Spent by each Department

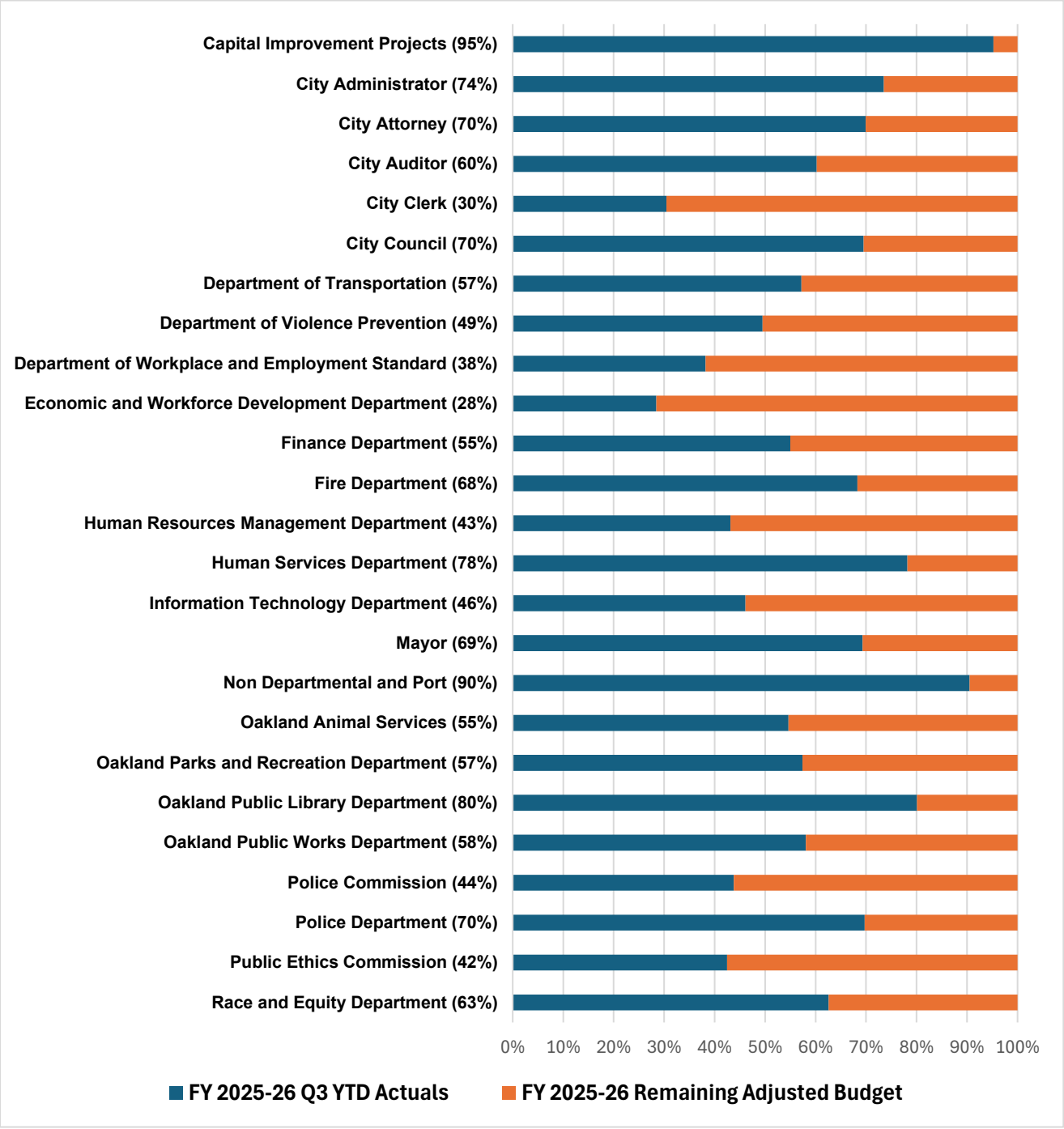
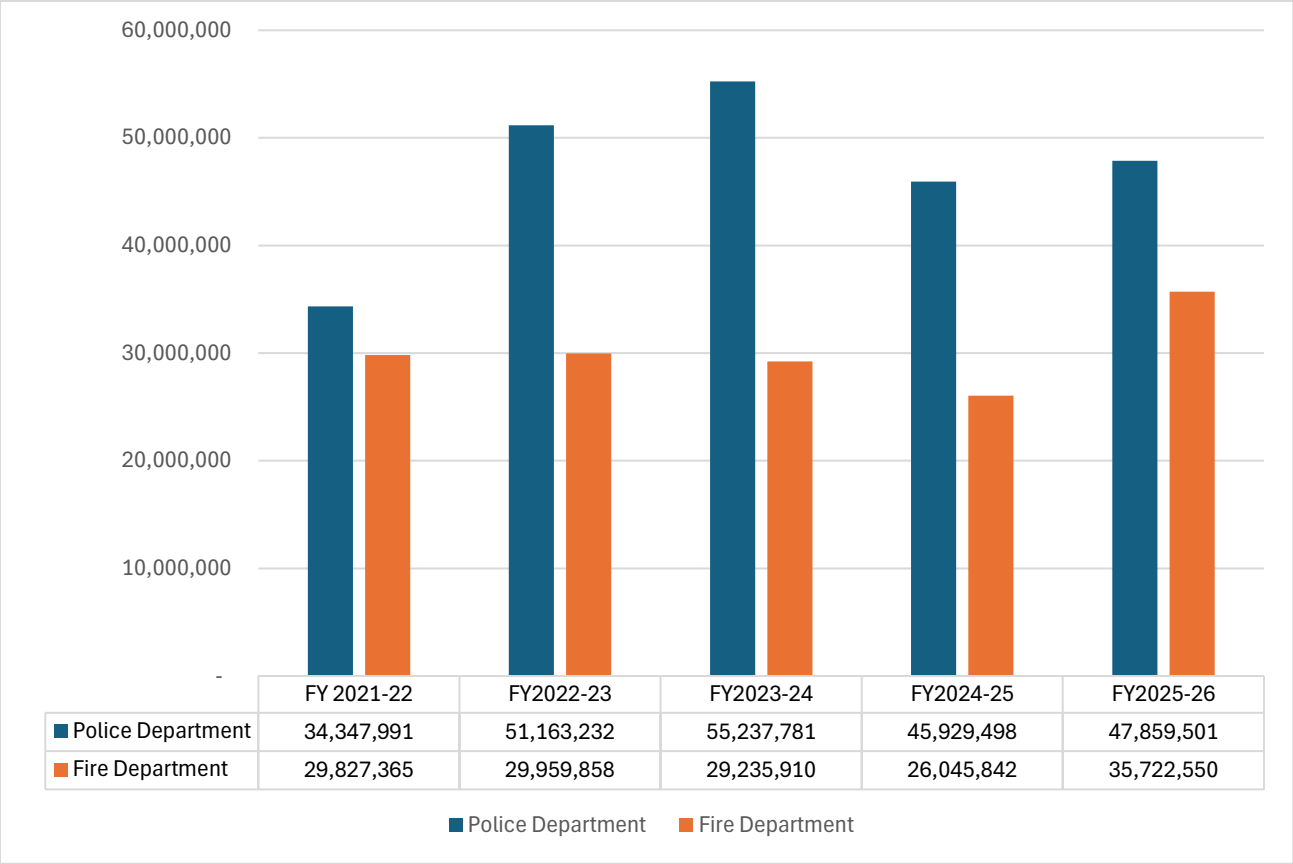


Chart 7: Historical Public Safety Overtime Spending ($ in Millions)



	FY 2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Police Department	34,347,991	51,163,232	55,237,781	45,929,498	47,859,501
Fire Department	29,827,365	29,959,858	29,235,910	26,045,842	35,722,550

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III. GENERAL PURPOSE FUND - FUND BALANCE

The City's GPF Fund Balance, net obligations, is projected to end FY 2025-26 at $32.32 million. Obligations may include reserves required by City Ordinances or the City Charter (mandated emergency reserves). **Table 5** below deducts restricted set-aside for legal settlements in the amount of $1.92 million to decrease the estimated FY 2025-26 year-end available fund balance from $34.24 million to $32.32 million. The estimated FY 2025-26 available Fund Balance is the amount of unobligated funding available to the City in the GPF.

Table 5: FY 2025-26 Year-End Available GPF Fund Balance

GENERAL PURPOSE FUND (1010)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**87.43**
Revenue	787.61
Expenditures	840.80
Estimated Current Year Surplus/(Shortfall)	**(53.19)**
Estimated Ending Fund Balance	**34.24**
Use of Fund Balance in FY 2025-26	
Restricted Legal Settlements	**(1.92)**
Estimated Ending Fund Balance	**32.32**

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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, 2025, the balance in this reserve was $63.81 million, or approximately 8.1% of the FY 2025-26 GPF Adopted Budget of $791.29 million. The reserve is approximate to one month of FY 2025-26 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 was assumed in its entirety in the FY 2023-24 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 $118.69 million, or 15% of the Adopted Budget GPF revenues.

Table 6 below shows the estimated FY 2025-26 year end reserve balances.

Table 6: FY 2025-26 Q3 Reserve Balances ($ in millions)

Description	FY 2024-25 Beginning Balances	FYE Estimated 24-25 Balance
Mandated Emergency Reserves FY 2022-23*	63.81	64.13
Vital Services Stabilization Fund	—	—
OMERS Reserves (Reso. No. 85098 C.M.S)	2.36	2.36
Total Reserves	**66.19**	**66.49**

The 7.5% GPF reserve is not a cumulative balance

V. SELECTED Q3 NON-GPF

This section of the FY 2025-26 **Q3** report contains additional analysis on selected non-GPF funds. For additional fund descriptions, please visit https://stories.opengov.com/oaklandca/published/_dhbklVRjPB.This **Q3** 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 2025-26 Adopted Budget to FY 2025-26 year-end estimates.

The fund balance tables compare the FY 2025-26 audited beginning fund balance to the FY 2025-26 projected ending fund balance for these funds.

All other funds are summarized in Table 16.

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

FY 2025-26 revenue is projected to end the year at $6.25 million. Expenditures are projected to end the year at $11.20 million. This results in a current year estimated operating shortfall of $4.95 million. Therefore, the estimated available fund balance in Measure HH (SSBT) Fund (1030) is expected to decrease from $6.73 million to $1.78 million.

Table 7: FY 2025-26 Measure HH (SSBT) Fund Year-End Available Fund Balance ($ in millions)

MEASURE HH SSBT (1030)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**$ 6.73**
Revenue	6.25
Expenditures	11.20
Estimated Current Year Surplus/(Shortfall)	**(4.95)**
Estimated Ending Fund Balance	**1.78**

Self-Insurance Liability Fund (1100)

FY 2025-26 revenue is projected to end the year at $73.87 million. Expenditures are projected to end the year at $68.20 million. This results in a current year estimated operating surplus of $5.67 million. Therefore, the estimated available fund balance in the Self-Insurance Liability Fund at year-end is expected to increase from $23.73 million to $29.40 million.

Table 8: FY 2025-26 Self-Insurance Liability Fund Year-End Available Fund Balance ($ in millions)

SELF-INSURANCE LIABILITY FUND (1100)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**$ 23.73**
Revenue	73.87
Expenditures	68.20
Estimated Current Year Surplus/(Shortfall)	5.67
Subtotal Fund Balance	**29.40**

Affordable Housing Trust Fund (1870)

Fund Balance - FY 2025-26 revenue is projected to end the year at $13.76 million. Expenditures are projected to end the year at $29.59 million. This results in a current year estimated operating shortfall of $15.83 million. Therefore, the estimated available fund balance in the Affordable Housing Trust Fund is expected to decrease from $14.97 million to negative $0.86 million in FY 2025-26.

Table 9: FY 2025-26 Affordable Housing Trust Fund Year-End Available Fund Balance ($ in millions)

AFFORDABLE HOUSING TRUST FUND (1870)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**$ 14.97**
Revenue	13.76
Expenditures	29.59
Estimated Current Year Surplus/(Shortfall)	**(15.83)**
Subtotal Fund Balance	**(0.86)**

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

Fund Balance - FY 2025-26 revenue is projected to end the year at $36.71 million. Expenditures are projected to end the year at $86.53 million. This results in a current year estimated operating shortfall of $49.82 million. Therefore, the estimated available fund balance in the Measure BB/F Funds is expected to decrease from $43.33 million to negative 6.49 million in FY 2025-26.

Table 10: FY 2025-26 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 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**$ 43.33**
Revenue	36.71
Expenditures	86.53
Estimated Current Year Surplus/(Shortfall)	**(49.82)**
Estimated Ending Fund Balance	**(6.49)**

State Transportation Gas Tax Funds (2230, 2232)

FY 2025-26 revenue is projected to end the year at $26.85 million. Expenditures are projected to end the year at $38.62 million. This results in a current year estimated operating shortfall of $11.77 million. Therefore, the estimated available fund balance in the State Transportation Gas Tax Funds is expected to decrease from $14.18 million to $2.41 million in FY 2025-26.

Table 11: FY 2025-26 State Transportation Funds Year-End Available Fund Balance ($ in millions)

State Transportation (Gas Tax) Funds (2230, 2232)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**$ 14.18**
Revenue	26.85
Expenditures	38.62
Estimated Current Year Surplus/(Shortfall)	**(11.77)**
Estimated Ending Fund Balance	**2.41**

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

FY 2025-26 revenue is projected to end the year at $34.45 million. Expenditures are projected to end the year at $41.03 million. This results in a current year estimated operating shortfall of $6.58 million. Therefore, the estimated available fund balance in Measure Q Fund (2244) is expected to decrease from $19.64 million in to $13.06 million in FY 2025-26.

Table 12: FY 2025-26 Measure Q Year-End Fund Balance ($ in millions)

MEASURE Q (2244)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**19.64**
Revenue	34.45
Expenditures	41.03
Estimated Current Year Surplus/(Shortfall)	**(6.58)**
Estimated Ending Fund Balance	**13.06**

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

FY 2025-26 revenue is projected to end the year at $19.80 million. Expenditure are projected to end the year at $18.87 million. This results in a current year estimated operating surplus of $0.93 million. As a result, the estimated available fund balance in the Landscaping and Lighting Assessment District Fund (2310) is expected to increase from $1.94 million to $2.87 million in FY 2025-26.

Table 13: FY 2025-26 Landscaping and Lighting Assessment District (LLAD) Fund Balance ($ in millions)

Landscaping & Lighting Assess. District Fund (LLAD) (2310)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**1.94**
Revenue	19.80
Expenditures	18.87
Estimated Current Year Surplus/(Shortfall)	0.93
Estimated Ending Fund Balance	**2.87**

Equipment Fund (4100)

FY 2025-26 revenue is projected to end the year at $30.17 million. Expenditures are projected to end the year at $43.07 million. This results in a current year estimated operating shortfall of $12.91 million. Therefore, the estimated available fund balance in the Equipment Fund (4100) is expected to decrease from $18.67 million to $5.76 million.

Table 14: FY 2025-26 Equipment Fund Year-End Available Fund Balance ($ in millions)

Equipment Fund (4100)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**18.67**
Revenue	30.17
Expenditures	43.07
Estimated Current Year Surplus/(Shortfall)	**(12.91)**
Subtotal Fund Balance	**5.76**

City Facilities Fund (4400)

FY 2025-26 revenue is projected to end the year at $48.69 million. Expenditures are projected to end the year at $52.60 million. This results in a current year estimated operating shortfall of $3.91 million. Therefore, the estimated available fund balance in the Facilities Fund (4400) is projected to decrease from $7.98 million to $4.07 million in FY 2025-26.

Table 15: FY 2025-26 Facilities Fund Year-End Available Fund Balance ($ in millions)

City Facilities Fund (4400)	FY 2025-26 Q3 Year-End Estimate
Beginning Fund Balance - Audited	**7.98**
Revenue	48.69
Expenditures	52.60
Estimated Current Year Surplus/(Shortfall)	**(3.91)**
Estimated Ending Fund Balance	**4.07**

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ALL OTHER FUNDS – FUND BALANCE SUMMARY

Table 16: FY 2025-26 All Other Funds Year-End Available Fund Balances ($ in millions)

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Estimated Ending Fund Balance P12-26
1150 - Worker's Compensation Insurance Claims	—	0.71	9.33	(8.63)
1200 - Pension Override Tax Revenue	392.52	94.27	94.27	392.52
1610 - Successor Redevelopment Agency Reimbursement Fund	(0.16)	1.11	0.91	0.05
1700 - Mandatory Refuse Program	1.05	2.38	1.58	1.84
1710 - Recycling Program	6.32	7.07	6.77	6.62
1720 - Comprehensive Clean-up	4.73	24.11	27.20	1.64
1750 - Multipurpose Reserve	(8.58)	7.04	6.22	(7.76)
1760 - Telecommunications Reserve	(1.50)	1.10	0.99	(1.40)
1770 - Telecommunications Land Use	2.74	1.07	0.68	3.14
1780 - Kid's First Oakland Children's Fund	27.14	23.27	45.76	4.65
1820 - OPRCA Self Sustaining Revolving Fund	2.01	6.10	6.40	1.71
1871 - Jobs Housing Impact Fee Fund	11.01	1.39	14.49	(2.10)
1872 - Affordable Housing Impact Fee Fund	10.50	3.12	17.77	(4.14)
1882 - Multi Service Center/Rent	0.10	0.11	0.22	(0.01)
2102 - Department of Agriculture	(0.08)	0.69	8.46	(7.86)
2103 - HUD-ESG/SHP/HOPWA	(8.59)	14.05	36.51	(34.90)
2108 - HUD-CDBG	(4.55)	9.54	20.12	(15.14)
2109 - HUD-Home	4.39	2.99	26.32	(18.94)

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Estimated Ending Fund Balance P12-26
2112 - Department of Justice	(2.18)	2.15	4.54	(4.56)
2120 - Federal Action Agency	(0.01)	0.38	0.96	(0.67)
2123 - US Dept of Homeland Security	(0.86)	1.08	2.23	(2.01)
2124 - Federal Emergency Management Agency (FEMA)	(8.44)	0.36	12.78	(20.86)
2128 - Department of Health and Human Services	(1.95)	18.72	29.06	(13.18)
2134 - California Parks and Recreation	(1.27)	0.08	14.26	(15.67)
2138 - California Department of Education	4.80	3.40	4.07	4.12
2139 - California Department of Conservation	(0.38)	1.85	6.82	(5.34)
2144 - California Housing and Community Development	(8.40)	21.52	87.97	(74.84)
2152 - California Board of Corrections	(0.17)	13.29	22.10	(8.98)
2154 - California Integrated Waste Management Board	(0.13)	0.83	1.06	(0.36)
2159 - State of California Other	(23.64)	49.00	158.52	(133.16)
2160 - County of Alameda: Grants	0.93	0.67	2.55	(0.96)
2172 - Alameda County: Vehicle Abatement Authority	0.09	0.50	0.65	(0.07)
2190 - Private Grants	0.29	1.38	1.25	0.16
2195 - Workforce Investment Act	1.13	3.45	7.25	(2.66)
2215 - Measure F - Vehicle Registration Fee	3.35	1.81	4.46	0.70
2241 - Measure Q-Library Services Retention & Enhancement	5.24	20.92	24.40	1.77
2243 - Measure D - Parcel Tax to Maintain, Protect & Improve Library Services	8.59	16.86	17.61	7.85

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Estimated Ending Fund Balance P12-26
2250 - Measure N: Fund	0.95	2.18	2.08	1.05
2252 - Measure Z - Violence Prevention and Public Safety Act of 2014	2.30	3.31	7.66	(2.05)
2253 - Oakland Zoo Fund	1.19	15.54	15.54	1.19
2254 - Measure MM - Wildfire Protection Zone	—	2.67	2.63	0.04
2255 - Measure NN - Community Violence & Emergency Response Act of 2024	6.73	47.37	39.24	14.85
2261 - Measure AA - Oversight	9.09	3.31	11.96	0.44
2262 - Measure AA - Early Education	24.21	30.36	49.73	4.84
2263 - Measure AA - Oakland Promise	10.08	15.18	23.05	2.21
2264 - Measure AA - First 5	(2.09)	7.26	5.55	(0.38)
2270 - Vacant Property Tax Act Fund	3.33	7.44	7.05	3.73
2330 - Werner Court Vegetation Mgmt District	0.08	—	—	0.08
2331 - Wood Street Community Facilities District	0.62	0.09	0.10	0.61
2332 - Gateway Industrial Park	2.12	1.36	2.69	0.80
2333 - Brooklyn Basin Public Services	0.75	0.50	0.37	0.88
2335 - Brooklyn Basin CFD 2023-1	0.33	0.35	0.34	0.35
2411 - False Alarm Reduction Program	(3.31)	0.97	0.79	(3.13)
2412 - Measure M - Alameda County: Emergency Dispatch Service Supplemental Assessment	1.17	2.73	2.81	1.10
2413 - Rent Adjustment Program Fund	0.12	12.33	8.27	4.18

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Estimated Ending Fund Balance P12-26
2415 - Development Service Fund	90.62	79.37	110.86	59.13
2416 - Traffic Safety Fund	(0.22)	1.48	1.12	0.13
2417 - Excess Litter Fee Fund	2.13	0.97	1.15	1.96
2419 - Measure C: Transient Occupancy Tax (TOT) Surcharge	0.82	4.22	5.32	(0.28)
2420 - Transportation Impact Fee	9.78	2.42	9.13	3.08
2421 - Capital Improvements Impact Fee Fund	4.44	1.47	6.38	(0.48)
2425 - Right of Way Repair and Maintenance Fund	—	4.22	1.39	2.84
2430 - Lead Settlement 2022	5.25	0.09	4.80	0.53
2826 - Mortgage Revenue	3.30	0.17	2.09	1.38
2830 - Low and Moderate Income Housing Asset Fund	16.90	5.99	22.89	(0.01)
2990 - Public Works Grants	(0.96)	0.28	0.39	(1.95)
2994 - Social Services Grants	1.22	1.32	1.76	0.79
2996 - Parks and Recreation Grants 2001	0.25	0.17	0.14	0.28
2999 - Miscellaneous Grants	8.24	1.90	14.38	(4.24)
3100 - Sewer Service Fund	129.93	76.64	166.65	39.92
3200 - Golf Course	(0.10)	1.74	2.90	(1.27)
4200 - Radio / Telecommunications	3.17	4.26	6.28	1.14
4210 - Telephone Equipment and Software	(0.90)	1.70	1.94	(1.14)
4300 - Reproduction	0.51	1.58	2.04	0.04
4500 - Central Stores	(0.02)	0.43	0.45	(0.04)

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Estimated Ending Fund Balance P12-26
4510 - Personnel Management	(0.22)	19.24	16.54	2.48
4550 - Purchasing	0.43	7.42	6.58	1.28
4600 - Information Technology	15.85	23.45	40.99	(1.68)
5322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for Oakland	10.51	4.49	11.96	3.04
5335 - Measure KK: Infrastructure Series 2022C-1 (Tax Exempt)	58.50	1.65	82.48	(22.33)
5338 - Measure KK Infrastructure Series 2024E GOB (Tax Exempt)	—	—	—	—
5341 - Measure U: Affordable Housing GOB Series 2023A-2 (Taxable)	30.92	0.75	25.62	6.04
5342 - Measure U: Infrastructure Series 2025B-1 GOB (Tax-Exempt)	—	94.26	95.48	(1.22)
5343 - Measure U: Affordable Housing Series 2025B-2 GOB (Taxable) (Social Bonds)	—	180.00	95.18	84.82
5505 - Municipal Capital Improvement: Public Arts	3.69	0.20	2.04	1.84
5610 - Central District Projects	19.35	2.42	5.86	15.92
5611 - Central District: TA Bonds Series 2003	12.97	0.07	2.30	10.74
5612 - Central District: TA Bonds Series 2005	2.08	0.06	1.74	0.40
5614 - Central District: TA Bonds Series 2006T	12.68	2.27	7.55	7.40
5630 - Broadway/MacArthur/San Pablo Projects	0.57	0.02	0.12	0.47
5637 - BMSP: TA Bond Series 2006C-TE	—	—	—	—
5638 - BMSP: TA Bond Series 2006C-T	0.44	0.01	0.12	0.34
5643 - Central City East TA Bonds Series 2006A-T (Taxable)	17.10	0.26	5.08	12.27

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Estimated Ending Fund Balance P12-26
5650 - Coliseum Projects	5.96	0.10	3.10	2.97
5656 - Coliseum: TA Bonds Series 2006B-T (Taxable)	24.91	0.18	6.12	18.97
5671 - OBRA: Leasing & Utility	57.76	2.12	5.12	54.75
5999 - Miscellaneous Capital Projects	3.66	0.06	11.31	(7.58)
6029 - Taxable Pension Obligation Bonds: 2012 Series-PFRS	6.94	54.86	54.87	6.92
6064 - GO Refunding Bonds, Series 2015A	3.30	5.51	5.53	3.29
6322 - Measure DD: 2017C Clean Water, Safe Parks & Open Space Trust for Oakland	0.86	1.46	1.47	0.84
6330 - Measure KK: 2017A-1 (TE) Infrastructure and Affordable Housing	1.75	2.25	2.26	1.74
6331 - Measure KK: 2017A-2 (Taxable) Infrastructure and Affordable Housing	1.71	4.14	4.16	1.70
6332 - Measure KK: 2020B-1 GOB	3.11	3.94	3.96	3.10
6333 - Measure KK: 2020B-2 GOB	1.57	4.97	4.98	1.55
6334 - 2020 GOB Refunding	2.35	5.81	5.82	2.34
6335 - Measure KK: Infrastructure Series 2022C-1 GOB (Tax Exempt)	10.18	10.44	10.46	10.16
6337 - Measure KK: Infrastructure Series 2023D GOB (Tax-Exempt)	2.36	2.82	2.83	2.35
6340 - Measure U: Infrastructure Series 2023 A-1 GOB (Tax-Exempt)	1.96	1.76	1.78	1.94
6341 - Measure U: Affordable Housing GOB Series 2023A-2 (Taxable)	3.86	3.45	3.47	3.86
6557 - Piedmont Pines P1 2018 Reassessment Refunding Bond	0.26	0.11	0.14	0.22
6613 - JPFA Lease Revenue Refunding Bonds, Series 2018	—	8.33	8.34	(0.01)

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Estimated Ending Fund Balance P12-26
6999 - Miscellaneous Debt Service	—	25.00	25.00	—
7100 - Police and Fire Retirement System	476.65	54.55	3.89	527.32
7320 - Police and Fire Retirement System Refinancing Annuity Trust	25.34	3.38	3.38	25.34
7540 - Oakland Public Library Trust	1.41	0.10	1.11	0.41
7640 - Oakland Public Museum Trust	0.41	0.01	0.32	0.09
7760 - Grant Clearing	(6.61)	—	13.47	(20.08)
7999 - Miscellaneous Trusts	3.49	0.53	2.29	1.73

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 APR 13 AM 9:29

APPROVED AS TO FORM AND LEGALITY

City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. 13487 C.M.S.

ORDINANCE AMENDING THE CITY OF OAKLAND CONSOLIDATED FISCAL POLICY

WHEREAS, the City Council adopted Ordinance No. 13279, known as the Consolidated Fiscal Policy, on December 9, 2014; and,

WHEREAS, the Government Finance Officers Association (GFOA) recommends that local governments adopt formal policies in the areas of financial management, planning, revenues, and expenditures; and

WHEREAS, the Consolidated Fiscal Policy sets forth guidelines for budget balancing, use of volatile revenues, use of one-time revenues, process for carryforward appropriations, long-term financial planning, and transparency & public participation; and

WHEREAS, the Consolidated Fiscal Policy establishes reserve funds for emergencies, insurmountable and unanticipated hardship, and for capital improvement; and

WHEREAS, the Consolidated Fiscal Policy establishes a reserve fund to stabilize the provision of vital services, and protect against service reductions, layoffs, furloughs, and similar measures in times of economic hardship; and

WHEREAS, the Consolidated Fiscal Policy provides for accelerated debt repayment and pay-down of unfunded long-term obligations; and

WHEREAS, City staff recommends the definition of excess Real Estate Transfer Tax should be modified based on historical experience; and

WHEREAS, the Consolidated Fiscal Policy will include the policies on budgeting practices, reserve funds, and budget process, fiscal planning, transparency, and public participation; now, therefore

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

Section 1. The Council does find, determine and declare the foregoing recitals to be true and correct and hereby adopts and incorporates them into this Ordinance.

Section 2. The City of Oakland Consolidated Fiscal Policy is hereby, amended, approved, and adopted in the form attached hereto as Exhibit 1.

Section 3. In conformance with best practice and sound financial management, the City shall continue to separately maintain and submit on an as needed basis to the City Council, statements of the City's Debt Policy and Investment Policy.

IN COUNCIL, OAKLAND, CALIFORNIA, MAY 15 2018

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, — 7

NOES- Ø

ABSENT- Ø

ABSTENTION- Ø

1 Excused - Reid

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

Introduction Date

MAY 01 2018

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.

AN ORDINANCE AMENDING ORDINANCE NO. 13279 C.M.S. (THE CITY OF OAKLAND CONSOLIDATED FISCAL POLICY, OR "CFP") TO ESTABLISH AND MODIFY THE FINANCIAL POLICIES OF THE CITY OF OAKLAND.

NOTICE AND DIGEST

This Ordinance authorizes an amendment to Ordinance Number 13279 C.M.S. (The Consolidated Fiscal Policy, "CFP"), to establish and modify the financial policies and budgeting practices of the City of Oakland. The first public reading of this ordinance is scheduled at a public hearing on 5/1/18 and second on 5/15/18. The location is at City Council Chambers located on the Third Floor of City Hall, One Frank H. Ogawa Plaza, Oakland, California, at 5:30pm. The CFP will be effective upon final adoption of the Ordinance and will remain in effect until further notice.