

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a meeting of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Wednesday, March 11, 2026, at 6:00 PM**

The Budget Advisory Commission will be held in City Hall Hearing Room 2.

Members of the Public have the following options to observe the meeting:

1. Watch the meeting on KTOP using Granicus.
2. Use the Zoom link attached to this agenda to remotely observe the meeting.

Commission Members:

Mandela Bliss, Larisa Casillas, Mike Forbes, Ben Gould, Mike Petouhoff, Karen Royce, Jane Yang, Stephisha Ycoy-Walton, Vanessa Zamora, Rana Bader Matly

City Representative(s):

Tiffany Kirk Patrick, Walter Silva, & Asti Jenkins – Finance Department

Meeting Agenda:

1. Welcome and Admin Matters - 5 min
2. Monica Davis, Deputy City Administrator - 60 min
Presentation link:
<https://oakland.legistar.com/LegislationDetail.aspx?ID=7793093&GUID=A91DA814-64F0-4257-9A5E-76F78C03AC5B&Options=&Search=>
3. Approval of Prior Meeting Minutes - 5 min
4. Staff Updates and Commissioner's Protocol - 10 min
5. FMC Updates - 15 min
6. BAC 2026 Ad Hoc Updates - 15 min
 1. Community Engagement
 2. Comparative City Analysis
 3. Oakland Police Department Overtime
 4. Public Safety and Economic Development Nexus
 5. Transitional Age Youth Funding
7. Open Forum - 10 min
8. Adjournment

Attachments:

- BAC 2026-1-14 New Minutes
- March 3 OBAC Report
- OYC Engagement TAY Baseline Report
- Oakland GO Bond Report Presentation

Links:

- <https://oakland.legistar.com/LegislationDetail.aspx?ID=7793093&GUID=A91DA814-64F0-4257-9A5E-76F78C03AC5B&Options=&Search=>
- <https://www.oaklandreport.org/p/20260222-parcel-tax-union-payout>

Hello and welcome,

You are invited to a Zoom webinar.

When: March 11, 2026, 6:00 PM Pacific Time (US and Canada)

Topic: Meeting of the City of Oakland Budget Advisory Commission (BAC)

Please click the link below to join the webinar: <https://us06web.zoom.us/j/82745108829> .

Or One tap mobile :

+16694449171,,81584763954# US

+16699006833,,81584763954# US (San Jose)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 360 209 5623 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 931 3860 US

+1 689 278 1000 US

Webinar ID: 827 4510 8829

International numbers available: <https://us06web.zoom.us/j/kc4erTBb6i>

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Meeting of the City of Oakland Budget Advisory Commission (BAC) held **Wednesday, January 14th, at 6:00 PM.**

The Budget Advisory Commission was held in Hearing Room 2 in City Hall.

Commission Members:

Mandela Bliss, Larisa Casillas, Mike Forbes, Ben Gould, Mike Petouhoff, Jane Yang, Stephisha Ycoy-Walton, Karen Roye, Vanessa Zamora, Rana Bader

City's Representative(s):

Tiffany Kirk Patrick, Walter Silva, and Asti Jenkins – *Finance Department*

Meeting Minutes:

1. Welcome and Administrative Items / Roll Call (5 minutes)

- The meeting was called to order.

2. Roll Call (5 minutes)

- Present: Jane Yang, Ben Gould, Mike Petouhoff, Karen Roye, Larisa Casillas, Stephisha Ycoy-Walton, Mandela Bliss, Vanessa Zamora, Rana Bader
- Absent: Mike Forbes
- Quorum: Established with 9 of 10 commissioners present

3. Approval of Prior Meeting Minutes (5 minutes)

- Eight votes in favor, one abstention, no opposition

4. Staff Updates (5 minutes)

- Finance Department:
 - Tiffany provided an update regarding BAC submittals to Council.
 - Scheduled for February 24 Council agenda:
 - Recommendations on the Consolidated Fiscal Policy
 - Feedback on public engagement
 - BAC's report on the Parcel Tax

5. Commissioner Protocol (5 minutes)

- Overview of application process.
- Chair Jane Yang clarified that communications with other commissions must be routed through the BAC Chair or designated representative.
- Requests to contact City staff must be routed through City liaison Tiffany.

6. BAC 2026 Ad-hoc Confirmations and Updates (20 minutes)

• Active Ad-hoc Committees:

- **Community Engagement Ad-hoc** (education, outreach, budget survey)
 - Update provided by Commissioner Mandela
 - Members: Commissioners Ycoy-Walton, Casillas, Bliss
- **Community Education Ad-hoc**
 - Chaired by Commissioner Casillas
 - Update provided by Commissioner Casillas
- **Transitional Age Youth (TAY) Ad-hoc**
 - Chaired by Commissioner Karen Roye
 - Members: Commissioner Ycoy-Walton
 - Focus: Ages 18–24; housing, workforce, public safety; TAY funding and existing investments
- **Public Safety and Economic Development Ad-hoc**
 - Chaired by Commissioner Petouhoff
 - Focus includes economic stability, COVID-19 impacts
 - Long-term ad-hoc; recruiting additional members
- **Oakland Police Department Overtime Ad-hoc**
 - Short-term ad-hoc
 - Focus: Addressing the largest variance area in the OPD budget
 - Recruiting additional members
- **Comparative City Analysis Ad-hoc**
 - Chaired by Commissioner Gould; Co-chaired by Commissioner Yang
 - Focus: Comparative data and compensation analysis
 - Two member vacancies

• Upcoming Ad-hoc Topics:

- Analysis of restricted funds
- Pension security
- Procurement policy review and centralized purchasing

• Future Projects:

- Budget review
- Violence prevention initiatives

7. Finance and Management Committee Update (5 minutes)

- No new updates reported.
- Measure AA – Maintenance of Effort requirement has been met.

8. Finance Director Bradley Johnson – Presentation and Discussion

• Roadmap to Fiscal Health

- City has established a multi-year plan.
- CAO, Deputy CAO, Finance Director, and former Assistant CAO met with Mayor Lee to discuss the plan.
- Focus areas: Structurally balanced budget, MOE compliance, long-term pension planning, risk of losing government grants, bond funding, and strengthening revenues.

• Parcel Tax Ballot Measure

- City has provided City Council with data on the proposed Parcel Tax.
- Discussion of an alternative initiative-based measure.

• Annual Comprehensive Financial Reports (ACFR)

- Director Johnson recommended that the Commission review the latest ACFR.

• OPD Overtime

- Overtime is primarily driven by service-level demands.

• Commissioner Questions (summary)

- **Commissioner Bliss** asked how the Commission can best support the initiatives outlined in the Roadmap to Fiscal Health.
- **Commissioner Roye** inquired whether the City's ongoing budget accounts for retiree health care costs.
 - Director Johnson explained that these costs are incorporated through fringe rates across bargaining units.
- **Commissioner Roye** asked whether OPD's Special Events overtime is included in the budget.
 - Director Johnson noted that while some special event costs are recovered, OPD still exceeds its overall overtime budget.
- **Commissioner Ycoy-Walton** asked about ongoing revenue streams that the Commission could help communicate to the public, as well as information on amortization schedules.

- **Commissioner Casillas** asked whether there were significant changes in the updated Consolidated Fiscal Policy.

- Director Johnson shared that the current draft does not include major changes impacting the Commission, but the City is open to discussing future operational adjustments if requested.

- **Commissioner** asked whether the City maintains an emergency reserve fund.

- Director Johnson confirmed the City is required to maintain 7.5% of the General Purpose Fund in reserves.

- **Commissioner Petouhoff** asked whether a sensitivity analysis on CalPERS and OPEB triggers would be beneficial.

- Director Johnson noted that any structural changes to CalPERS would require negotiation and a more front-loaded process; OPEB policies are aligned similarly.

- Director Johnson referenced the January 27 Finance & Management Committee meeting on bond ratings.

- **Commissioner Gould** requested a copy of the previous draft Consolidated Fiscal Policy.

- City staff will provide the document.

- **Commissioner Gould** asked how the Commission can better collaborate with the Finance Department.

- Director Johnson will work with City liaisons to develop a schedule of key topics for BAC engagement.

- **Commissioner Gould** asked about improved access to data to support Commission recommendations.

- Director Johnson requested that data requests be routed through City liaisons, noting that the City is working to improve its processes.

- **Commissioner Gould** asked if financial analysis has been done on zoning or planning updates.

- Director Johnson noted that hotels remain one of the most revenue-generating land uses.

- **Commissioner Gould** asked for clarification on current Local Measure Maintenance of Effort requirements.

- Director Johnson shared insights on how the Commission could provide support in Local Measure analysis and potential MOE changes.

- **Commissioner Yang** asked about IT staffing levels.

- Director Johnson shared that much of the current workload involves internal processes such as acting pay and work-from-home arrangements; recommended that technology improvements focus on process efficiency.

- **Commissioner Yang** asked about additional comparative analysis priorities.
 - Director Johnson suggested tax rate and revenue analysis, comparable city benchmarking, and an evaluation of public safety expenditures and service delivery models.

9. Open Forum (10 minutes)

- February meeting speaker will be the City Auditor; March meeting will feature the City Administrator office.
- Commissioner Petouhoff invited commissioners to an MLK event (details to be sent via email).
- Commissioner Ycoy-Walton shared an invitation to an educational policy summit and Higher Ground event.
- Commissioner Roye invited commissioners to a Library event on MLK Day.

10. Adjournment

- The meeting adjourned at 8:00 PM.



Oakland Budget Advisory Commission
Transitional Aged Youth Ad Hoc Committee

Report on Engagement with the Oakland Youth Commission

To: Jane Yang, OBAC Chair

Submitted by: Commissioner Karen Roye

Co-Presenter: Commissioner Stephisha YCoy-Walton

Date: March 2, 2026

Purpose of Report

This report provides an update on engagement with the Oakland Youth Commission (OYC) regarding the work of the Ad Hoc Committee on the Transitional-Age Youth (TAY) Budget Baseline.

Attendance at Oakland Youth Commission Meeting

On Monday, March 1, Commissioner Stephisha YCoy-Walton and I attended the Oakland Youth Commission meeting and delivered a brief presentation during public comment.

During our remarks, we:

- Introduced ourselves and our roles on the Oakland Budget Advisory Commission (OBAC).
- Provided a short overview of OBAC’s advisory role in the City’s budget process.
- Informed the Commission that OBAC approved the establishment of an Ad Hoc Subcommittee to develop a proposal to the City Council requesting the creation of a TAY budget baseline.
- Explained that the purpose of a TAY baseline is to better understand how City investments in transitional-age youth are currently structured, where funding resides, and how spending patterns can be more clearly identified for transparency and accountability.
- Emphasized the importance of youth voice and requested an opportunity to return for a longer, more substantive presentation and discussion regarding potential collaboration.

The Youth Commissioners were attentive and expressed interest in learning more about the proposed baseline work.



Oakland Budget Advisory Commission
Transitional Aged Youth Ad Hoc Committee

Follow-Up with Youth Commission Leadership

Following the meeting, I met with Sara Tiras, Director of the Oakland Youth Commission, to discuss next steps.

Director Tiras agreed to:

- Include Commissioners Roye and YCoy-Walton on the agenda for the May 4 Oakland Youth Commission meeting for a more in-depth presentation and discussion.
- Attend a future meeting of the Oakland Budget Advisory Commission to formally introduce the Youth Commission to the full OBAC membership and share OYC priorities.

This reciprocal engagement creates an opportunity for stronger alignment between OBAC's fiscal transparency work and the Youth Commission's policy and advocacy priorities.

Significance

This engagement represents an important step in ensuring that the development of a Transitional-Age Youth budget baseline reflects:

- Youth perspectives and lived experience,
- Policy priorities identified by youth leaders, and
- Cross-commission collaboration within the City's advisory structure.

Building a working relationship between OBAC and OYC strengthens both bodies and supports more informed, inclusive budget analysis.

Next Steps

- Prepare a substantive presentation for the May 4 Oakland Youth Commission meeting.
- Coordinate with Director Tiras to schedule her appearance at a future OBAC meeting.
- Continue incorporating youth input into the development of the TAY budget baseline framework.

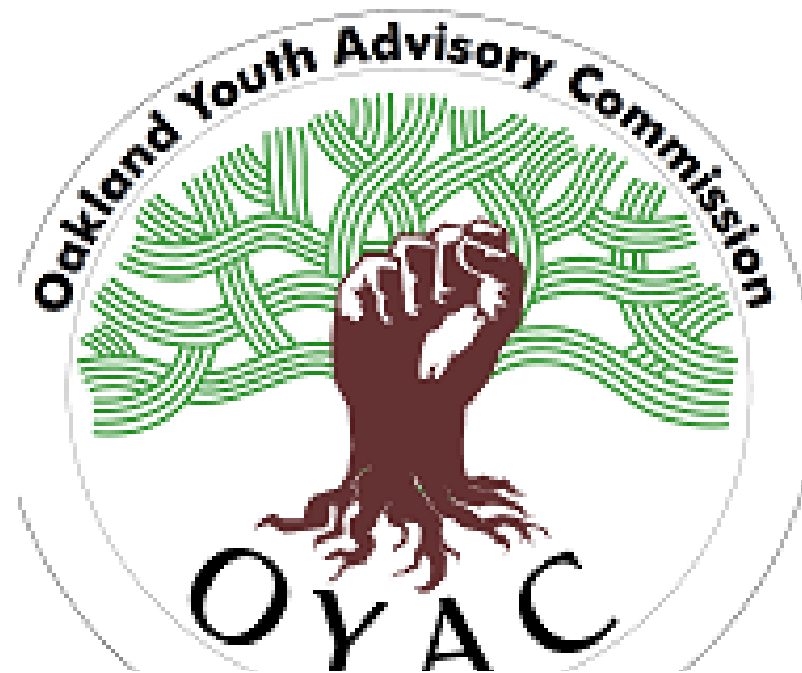


Engagement with Oakland Youth Commission

TAY Budget Baseline Ad Hoc Committee
Commissioners Karen Roye & Stephisha YCoy-Walton
March 5, 2026

Purpose of Attendance

-
- Introduce OBAC and its advisory role
-
- Share update on TAY Budget Baseline Ad Hoc Committee
-
- Request future agenda time for deeper discussion
-
- Begin collaboration with youth leadership



Key Points Shared with OYC

OBAC approved an Ad Hoc Committee focused on a TAY budget baseline

Goal: Identify where City investments in transitional-age youth reside

Goal: Improve transparency around spending patterns

Make it easier to identify gaps and areas for further clarity

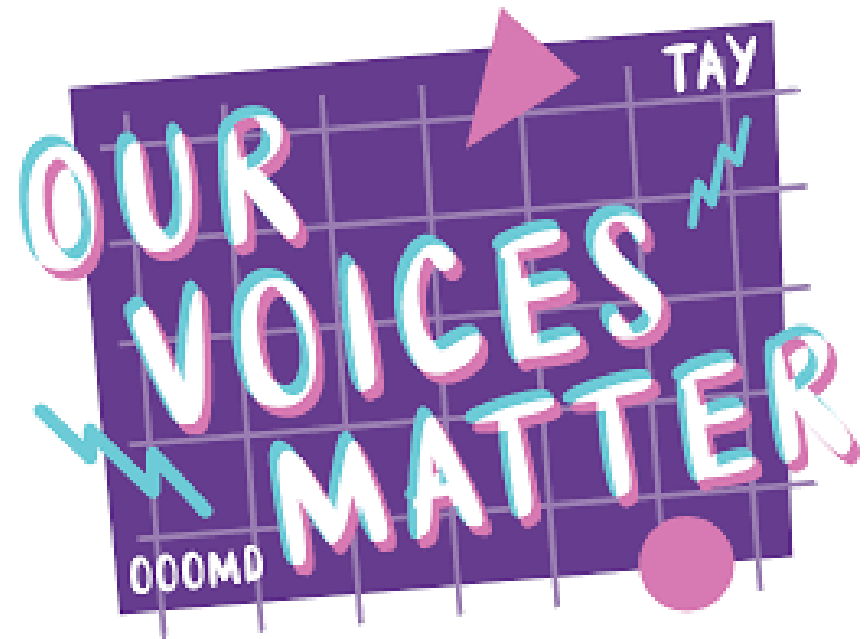


Outcome of the Meeting

Agendized for May 4 OYC meeting for full presentation

Director Sara Tiras to attend a future OBAC meeting

Opportunity to align fiscal transparency work with youth priorities



Why This Matters



- Incorporates youth voice into fiscal analysis

- Strengthens transparency and accountability

- Supports informed policy recommendations

- Advances OBAC's mandate

ATTACHMENT A



City of Oakland

General Obligation (GO) Credit Ratings

Presented By: PFM Financial Advisors, LLC
Jaime Trejo

January 27, 2026

PFM Financial Advisors LLC

100 Montgomery Street
Suite 2150
San Francisco, CA 94104

pfm.com



What is a Credit Rating?

- ◆ **What Is a Credit Rating:** An alphabetic and/or numeric symbol that indicates an issuer’s credit quality and measures the risk of default and an issuer’s ability to repay principal and interest
- ◆ **Who Determines the Credit Rating:** Independent, private rating agencies use market-accepted, objective assessments based upon published criteria
 - Agencies: Moody’s, S&P Global Ratings, Fitch Ratings
- ◆ **Who Uses the Credit Rating:**
 - Institutional and Retail Investors (buyers of a municipality’s bonds)
 - Commercial lenders (for lines of credit, bank loans, etc.)
- ◆ **Why are Credit Ratings Important:**
 - Higher ratings = broader investor base & lower interest costs
 - Market access: Issuers with non-investment grade ratings (“BBB-”) have trouble accessing the capital markets

INVESTMENT GRADE RATINGS		
MOODY’S	S&P	FITCH
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

**Highlighted ratings indicate the respective underlying general obligation ratings for the City of Oakland*



Factors That Determine a Credit Rating

- ◆ Rating agencies use market-accepted criteria and published rating methodologies to provide a rating for a specific municipality and bond issuance. Their rating factors include:
 - **Economy:** Income levels, economic output, volatility, growth prospects
 - **Financial Performance:** Operating results over time, structural balances
 - **Reserves & Liquidity:** Available reserves as % of revenue, liquidity
 - **Management:** Budgeting practices, long-term planning, policies, governance
 - **Debt & Liabilities:** Long-term liabilities ratio, fixed-costs ratio, debt service burden, net direct debt per capita, pension/OPEB liabilities
 - **Nothing Factors:** Factors that consider things like local resources, limited scale in operations, population size, and governance issues that provide some discretion on rating outcome
 - **Other Considerations:** Strengths or weaknesses that are not fully reflected in the application of the criteria; peer rating analysis

Source:

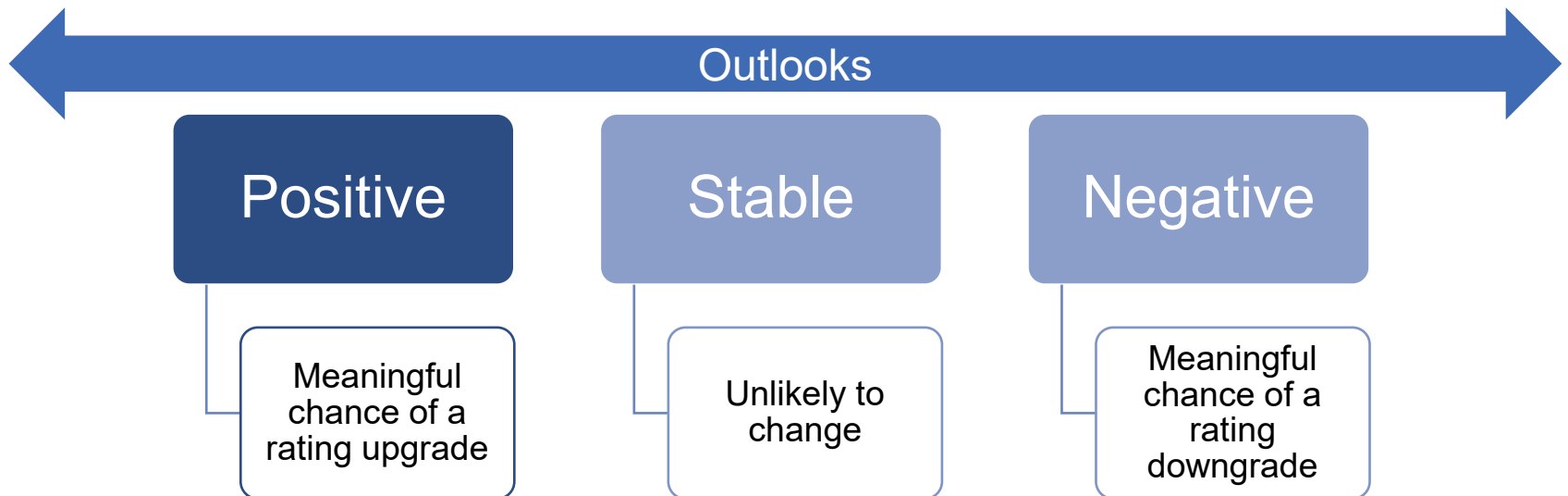
Methodology For Rating U.S. Governments, spglobal.com/ratings (September 9, 2024)

Rating Methodology, US Cities and Counties, moodys.com (July 24, 2024)



Credit Rating Outlooks

- ◆ A rating outlook is the forward-looking opinion of a credit rating agency about the potential direction of a credit rating over a defined period, typically 12–24 months
- ◆ **Why do outlooks matter?**
 - Influences Borrowing Costs: A negative outlook can increase borrowing costs because it signals higher perceived risk to investors





Oakland GO Credit Rating Movement

- ◆ Current Ratings (as November 20, 2025)
 - **Moody's Investors Service:** Aa2 (Negative Outlook)
 - **S&P Global Ratings:** AA- (Negative Outlook)
 - **Fitch Ratings:** A (Negative Outlook)

INVESTMENT GRADE RATINGS		
MOODY'S	S&P	FITCH
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-

MOODY'S RATINGS

- December 5, 2024, rating was lowered to "Aa2/Negative" from "Aa1/Stable"
- October 9, 2025, rating and outlook were affirmed "**Aa2/Negative**"

S&P Global Ratings

- November 20, 2024, rating placed on CreditWatch with negative implications
- February 19, 2025, rating lowered to "AA-/Negative" from "AA+/Watch Neg"
- October 6, 2025, rating and outlook were affirmed at "**AA-/Negative**"

FitchRatings

- November 27, 2024, rating was lowered to "A/Negative" from "AA-/Stable"
- May 30, 2025, rating and outlook were affirmed at "**A/Negative**"



Oakland's Credit Rating Strengths*

Large and Diverse Economic Base

- Central location in the San Francisco Bay Area, with strong property wealth and a diverse tax base
- Assessed value per capita is high, and the economy includes major sectors like logistics, tech, healthcare, and transportation

Voter Support for Revenue Measures

- Strong local support for supplemental revenues

Liquidity

- Maintenance of high cash and investment levels

Management Actions

- Proactively identified and enacted balancing actions in 2025 to close fiscal gap



Oakland's Credit Rating Challenges*

Structural Budget Imbalance

- **Expenditure growth outpacing** revenue growth, driven largely by public safety overspending
- Projected out year **deficits**
- Reliance on optimistic assumptions in budgets (Proposed 2026 revenue tax measure)

Declining Financial Flexibility

- **Reserves below** policy targets in fiscal 2024; although improving, flexibility remains limited

High Fixed Costs and Liabilities

- Elevated **pension and OPEB liabilities** (over \$3 billion combined) and annual fixed costs
- Long-term liabilities ratio remains very high compared to national medians



Upside and Downside Scenarios

◆ Negative Outlook:

- Reflects near-term financial headwinds and anticipated structural deficits driven by **expenditure growth** (especially public safety costs) outpacing revenue growth
- Future budget reductions will be needed to restore long-term sustainability

◆ Moody's Outlook:

- Upside: Rating could be upgraded if there is a meaningful increase in financial flexibility with general purpose reserves exceeding 30%; and significant decline in **long-term liabilities** ratio to below 200%
- Downside: Rating could be downgraded if structural budget adjustments are not implemented and sustained decline in the available fund balance ratio to below 20% of operating revenues

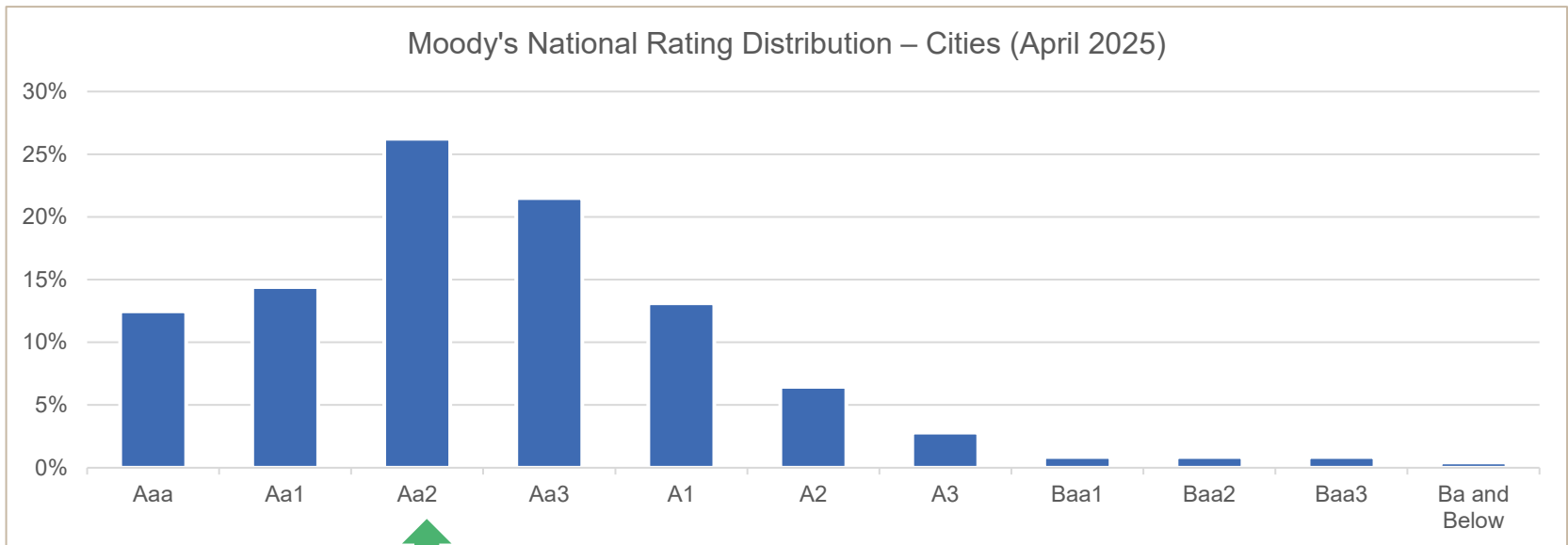
◆ S&P Outlook:

- Upside: Outlook could return to stable if the City **sustainably eliminates deficit spending, achieves positive operating performance**, and maintains economic growth in line with national trends
- Downside: Rating could be lowered if structural budget challenges persist, and reserves are a level below the rating level



Moody's – Macro Credit Factors US Cities

- ◆ Positive Trends: Strong property values, revenue growth, and stable reserves support credit quality
- ◆ Risks: Slower economic growth and reliance on one-time federal aid may pressure future budgets
- ◆ Structural Improvement: Declining pension liabilities and manageable fixed costs enhance long-term sustainability



Oakland's Credit Rating



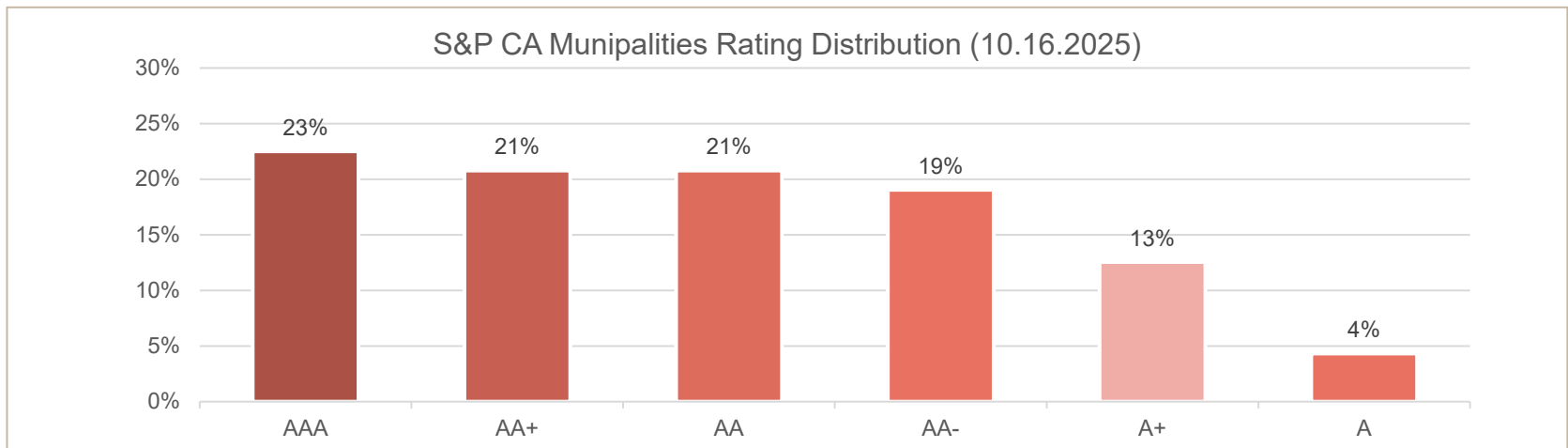
S&P Macro Credit Factors – California Local Governments

◆ Economic & Revenue Environment

- Slower economic growth; property value growth moderating; sales tax collections slowing
- Expiration of federal stimulus

◆ Budgetary Pressures

- Many municipalities forecast general fund deficits
- Operating costs (labor, benefits, goods) rising faster than revenues



↑
Oakland's Credit
Rating



City of Oakland – 2025 General Obligation Bond Sale Summary

● **Successful Bond Sale – December 4, 2025**

- Sold \$334.3 million in General Obligation Bonds (negotiated sale)
- Strong investor demand allowed the City to secure lower-than-estimated interest rates

● **Strong Investor Interest**

- \$638 million in total investor orders for \$334 million offered
- 26 institutional investment firms participated

● **Effective Interest Rates**

- Tax-Exempt Bonds: 3.99%
- Taxable Bonds: 5.55%

● **Taxpayer Savings**

- \$4.7 million in present-value savings from refunding bonds
- Reduced long-term debt service obligations

Thank You



pfm