

City Council Briefing Book

Oakland, CA | January 2, 2025

Jane Yang, Budget Advisory Commission (BAC) Chair
Mike Forbes, BAC Vice Chair



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Who We Are

City of Oakland Budget Advisory Commissioners

Purpose of Budget Advisory Commission (BAC)

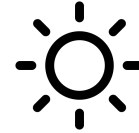


advises the City Council

on expenditures, revenues, and financial policies



encourages public participation and input into fiscal decision making



improves transparency and accountability of City fiscal information and decision making

Meetings: the BAC generally meets on the second Wednesday of the month

Our website: <https://www.oaklandca.gov/boards-commissions/budget-advisory-commission>

BAC Commissioners

| Appointer | Commissioner |
|------------------------------------|---|
| District 1 Councilmember | <u>Jane Yang, Chair</u> |
| District 2 Councilmember | Margaret Grimsley |
| District 3 Councilmember | Vacant |
| District 4 Councilmember | <u>Mike Petouhoff</u> |
| District 5 Councilmember | <u>Stephisha Ycoy-Walton</u> |
| District 6 Councilmember | Vacant |
| District 7 Councilmember | <u>Armand Bryan</u> |
| At Large Councilmember | Vacant |
| City Auditor | <u>Mike Forbes, Vice Chair</u> |
| Economic Development Committee | <u>Mandela Bliss</u> |
| Financial Management Committee (2) | Vacant (2) |
| Mayor | <u>Lupe Garcia</u> |
| Mayor | <u>Larisa Casillas, FMC Liaison</u> |
| Mayor | Vacant |

We have 6 vacant positions.
Your help is needed to fill vacancies!

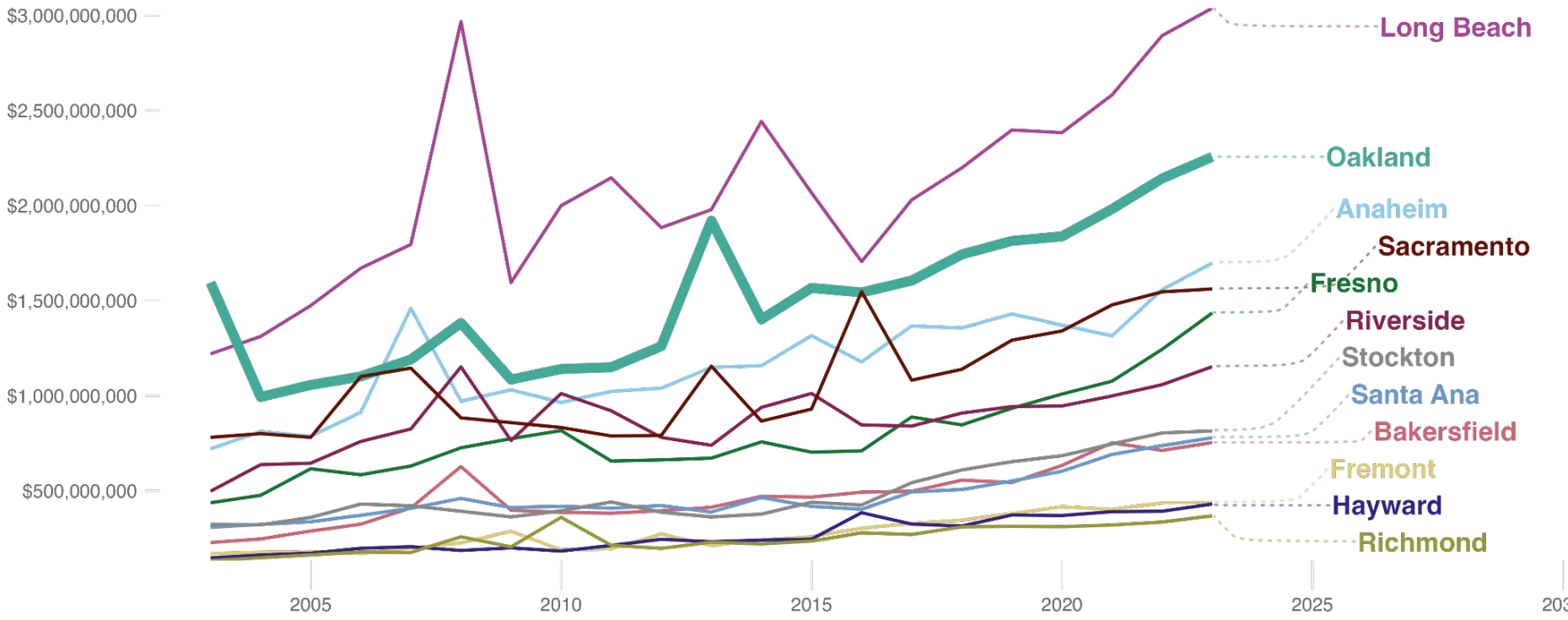
Financial Facts

A Long and Wide View

Trends in Revenue and Expenses

How have total revenues changed over time?

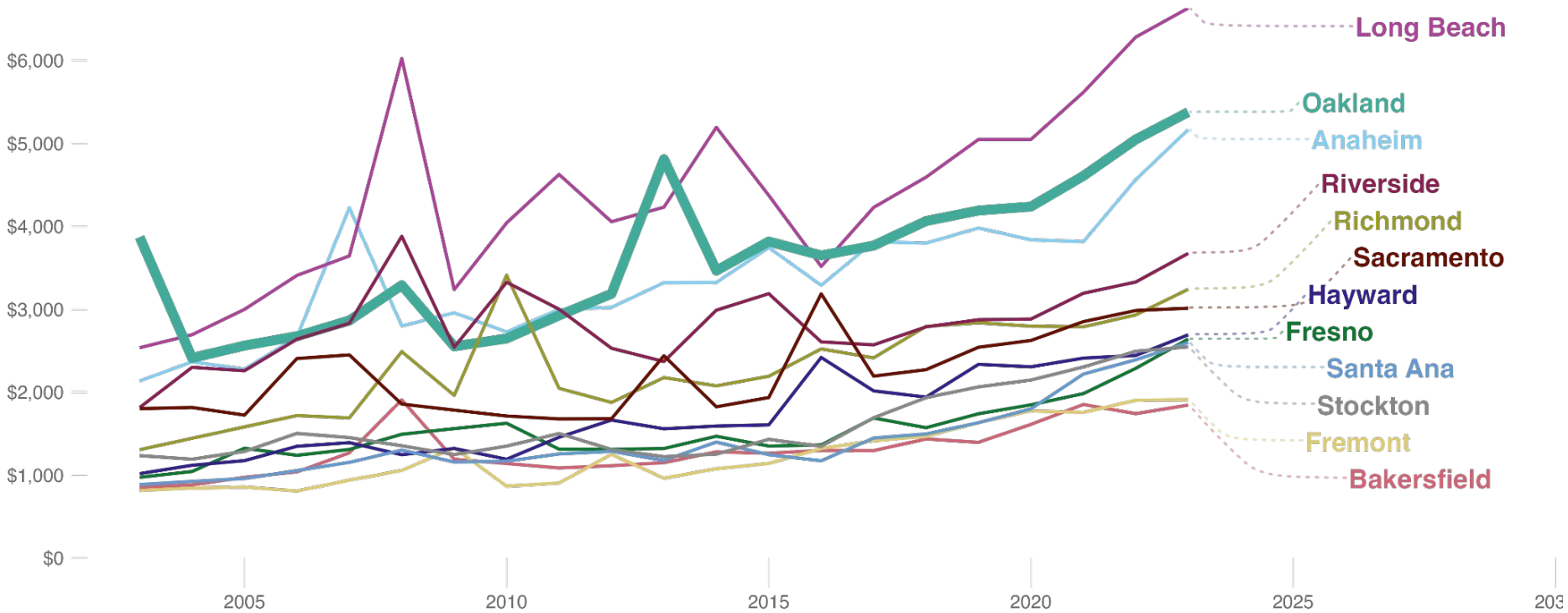
Inclusive of both general purpose and restricted funds



Data from California State Comptroller (<https://bythenumbers.sco.ca.gov/browse>) • Visualization by Commissioner Yang

How have total revenues per capita changed over time?

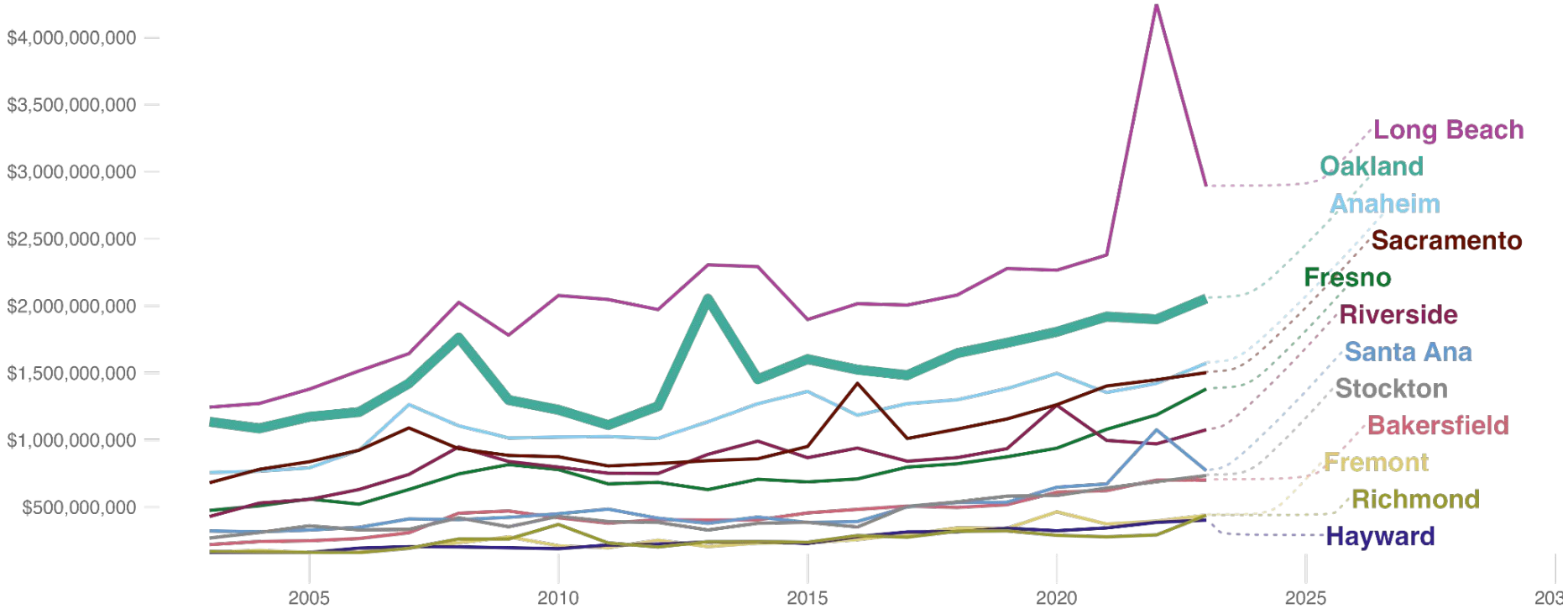
Inclusive of both general purpose and restricted funds



Data from California State Comptroller (<https://bythenumbers.sco.ca.gov/browse>) • Visualization by Commissioner Yang

How have total expenditures changed over time?

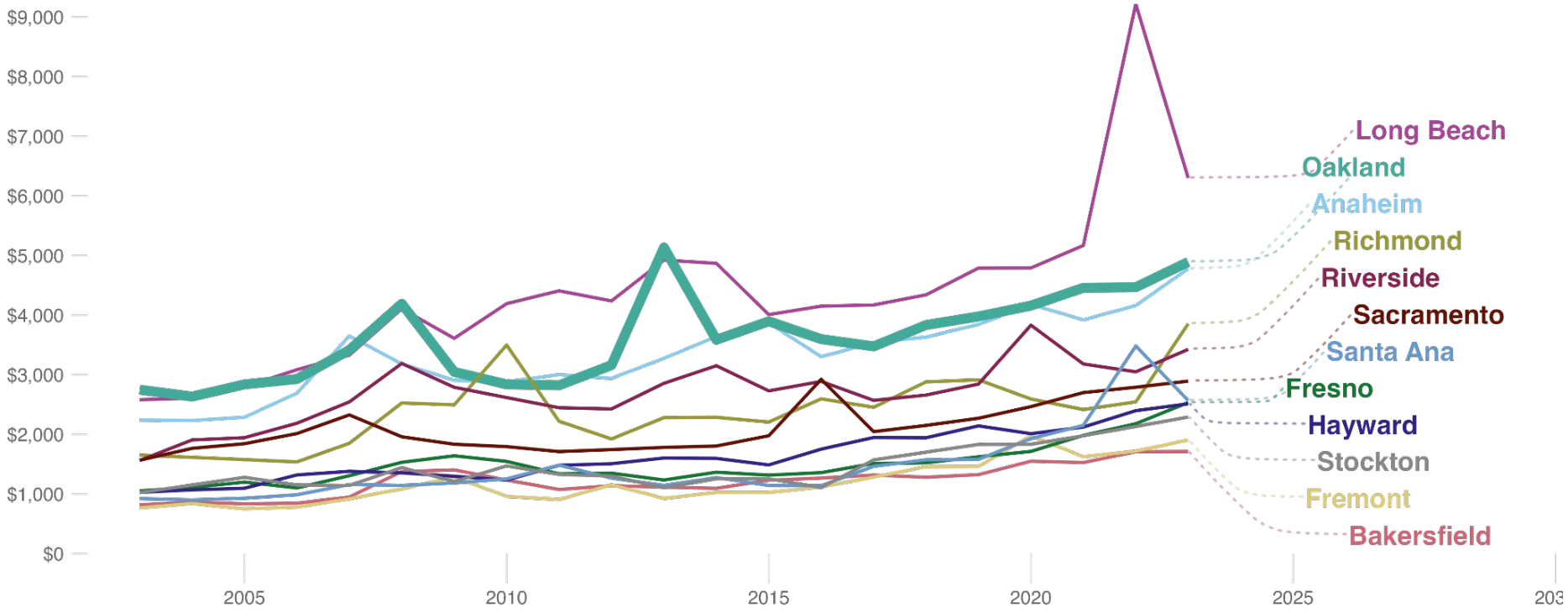
Inclusive of both general purpose and restricted funds



Data from California State Comptroller (<https://bythenumbers.sco.ca.gov/browse>) • Visualization by Commissioner Yang

How have total expenditures per capita changed over time?

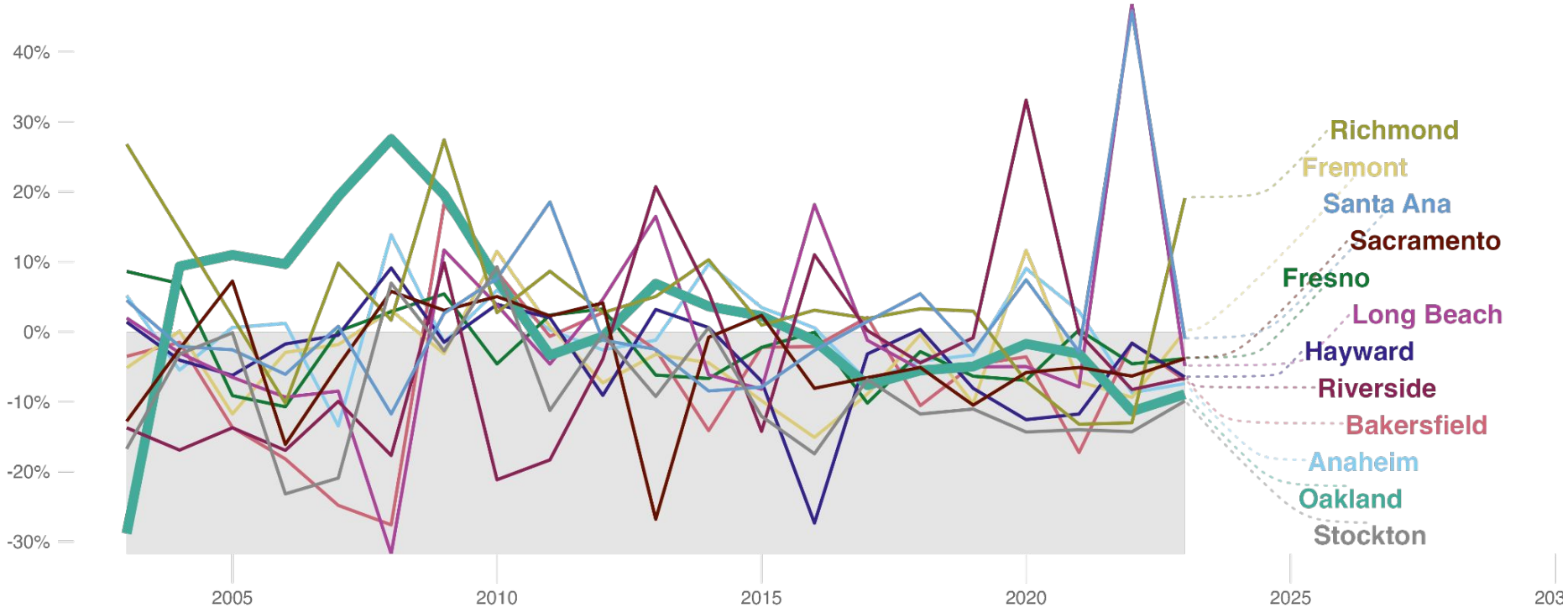
Inclusive of both general purpose and restricted funds



Data from California State Comptroller (<https://bythenumbers.sco.ca.gov/browse>) • Visualization by Commissioner Yang

How have net actuals as a percent of revenue changed over time?

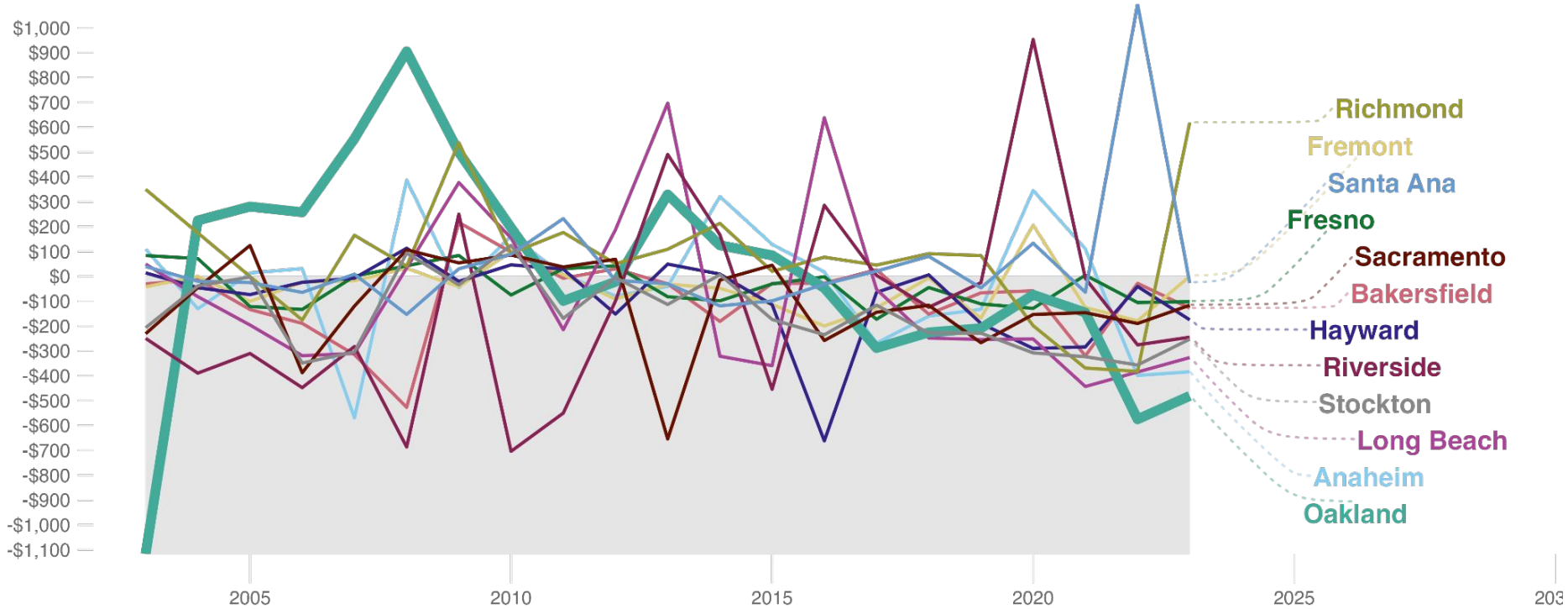
Inclusive of both general purpose and restricted funds



Data from California State Comptroller (<https://bythenumbers.sco.ca.gov/browse>) • Visualization by Commissioner Yang

How have net actuals per capita changed over time?

Inclusive of both general purpose and restricted funds; omitting 2008 and 2022 Long Beach outliers

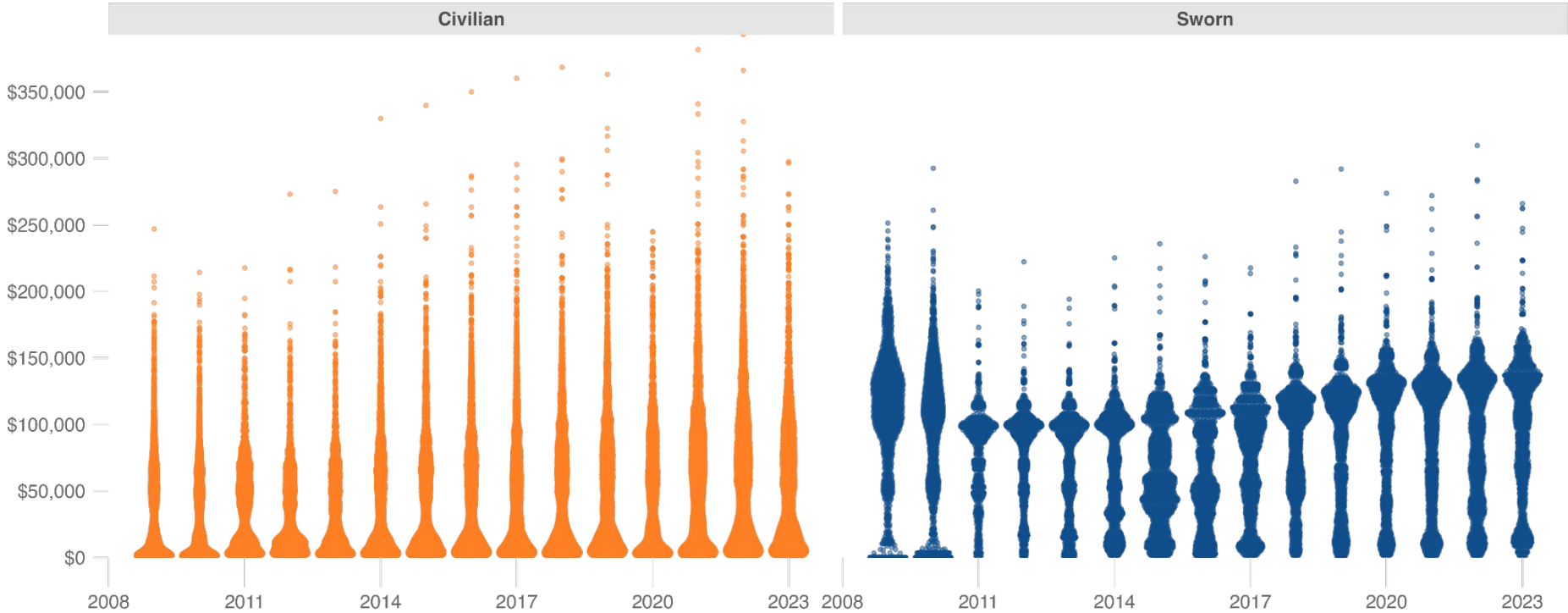


Data from California State Comptroller (<https://bythenumbers.sco.ca.gov/browse>) • Visualization by Commissioner Yang

Trends in Workforce Compensation

How much are City of Oakland employees paid?

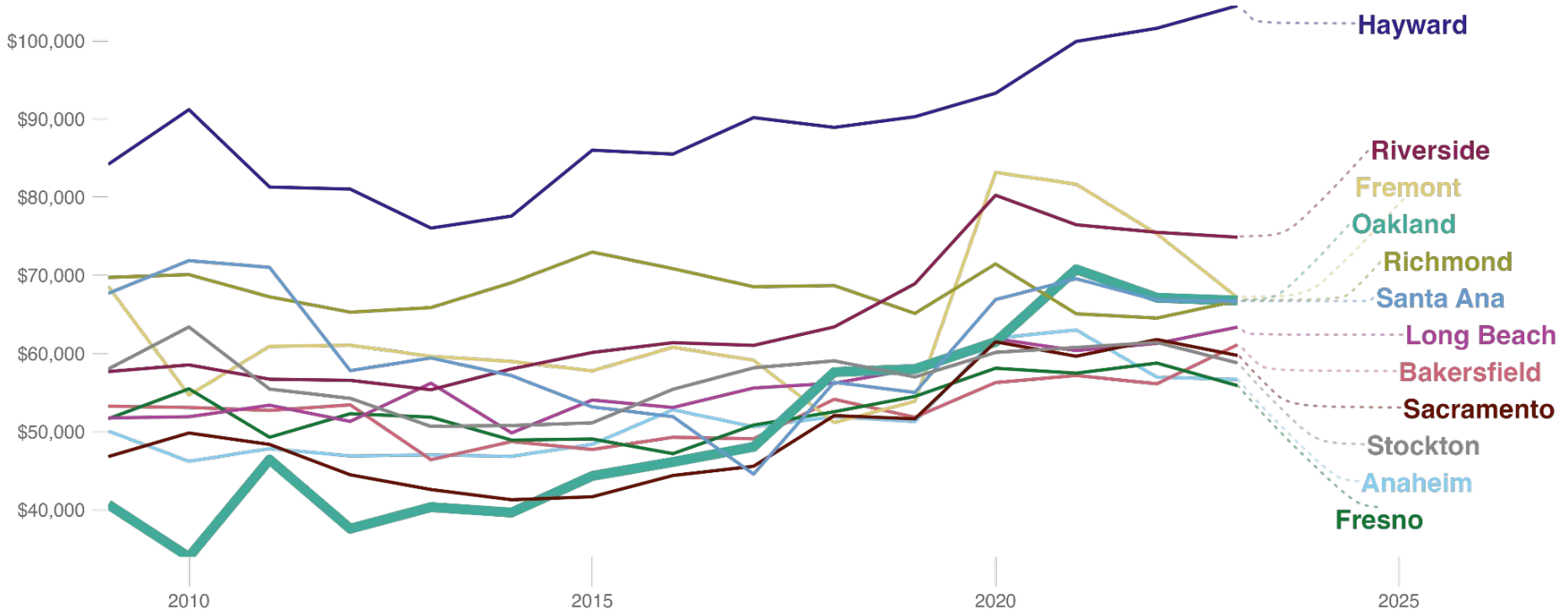
Each dot represents a city employee; excludes those with <\$0 reported regular pay



Data from California State Comptroller (<https://publicpay.ca.gov/>) • Sworn status estimated by having 'Fire', 'Police', or 'Battalion' in job title • Visualization by Commissioner Yang

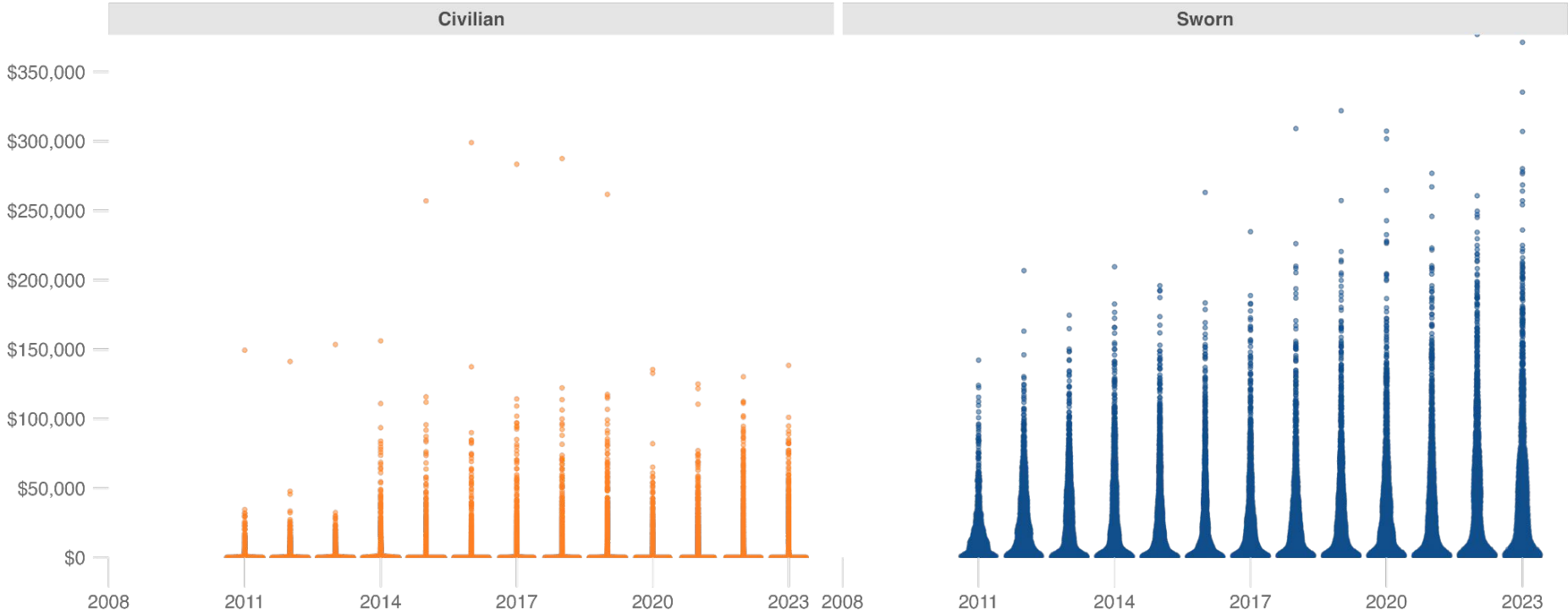
How has the median city employee's regular pay changed over time?

Pay has increased faster for Oakland city employees compared to most peer cities in California



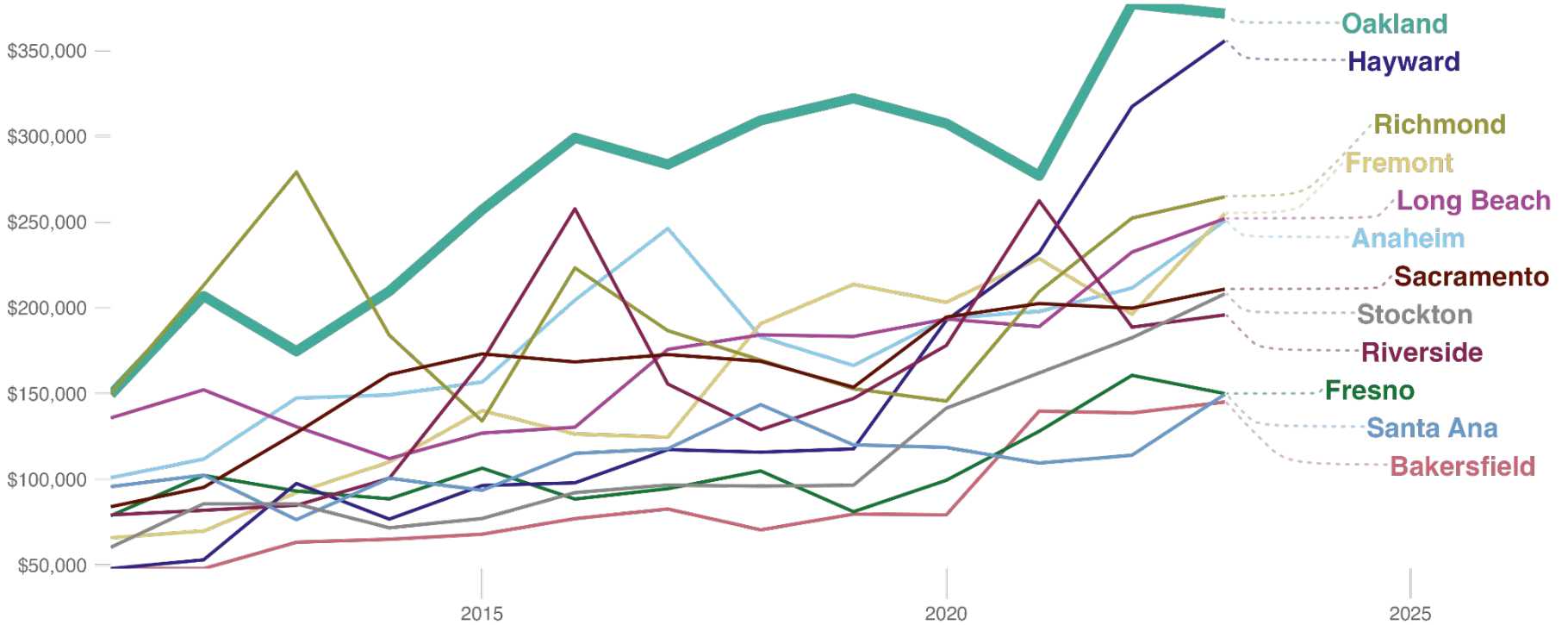
How much overtime do City of Oakland employees get?

Each dot represents a city employee; excludes those with <\$0 reported overtime pay



What is the most overtime pay an employee has received?

Since 2014, an Oakland employee has received the most overtime pay amongst peer cities in California



75+

employees have received >\$100k/year average overtime pay

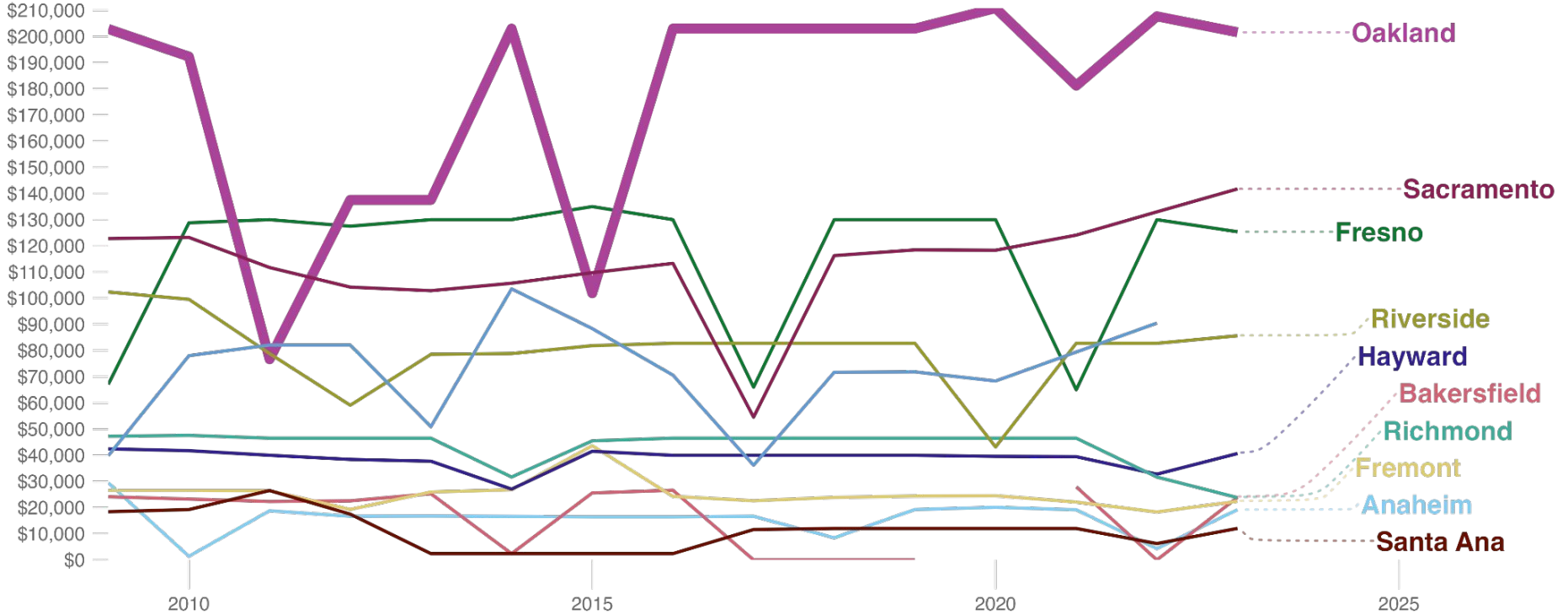
\$371,348

highest overtime pay to a single employee in 2023

| Top Overtime Pay Earners | | | | |
|--------------------------|----------------------------|--------------|--------------|------------------------------|
| Fiscal Year | Position | Regular Pay | Overtime Pay | Overtime as % of Regular Pay |
| 2011 | Engineer, Civil (Office) | \$95,335.77 | \$149,449.26 | 157% |
| 2012 | Police Officer (PERS) | \$98,850.00 | \$206,825.00 | 209% |
| 2013 | Police Officer (Pers) | \$103,756.00 | \$174,686.00 | 168% |
| 2014 | Captain of Fire Department | \$123,765.00 | \$209,624.00 | 169% |
| 2015 | Engineer, Civil (Office) | \$105,138.00 | \$257,097.00 | 245% |
| 2016 | Engineer, Civil (Office) | \$108,841.00 | \$299,102.00 | 275% |
| 2017 | Engineer, Civil (Office) | \$112,859.00 | \$283,514.00 | 251% |
| 2018 | Captain Of Fire Department | \$135,594.00 | \$309,185.00 | 228% |
| 2019 | Police Officer (Pers) | \$128,301.00 | \$322,071.00 | 251% |
| 2020 | Battalion Chief | \$185,336.00 | \$307,389.00 | 166% |
| 2021 | Sergeant of Police (PERS) | \$160,829.00 | \$276,959.00 | 172% |
| 2022 | Sergeant Of Police (Pers) | \$156,743.00 | \$376,998.00 | 241% |
| 2023 | Sergeant Of Police (Pers) | \$158,059.00 | \$371,348.00 | 235% |

How much do mayors earn?

Oakland pays its mayor significantly more than peer cities in California



Data from California State Comptroller (<https://publicpay.ca.gov/>) • Visualization by Commissioner Yang

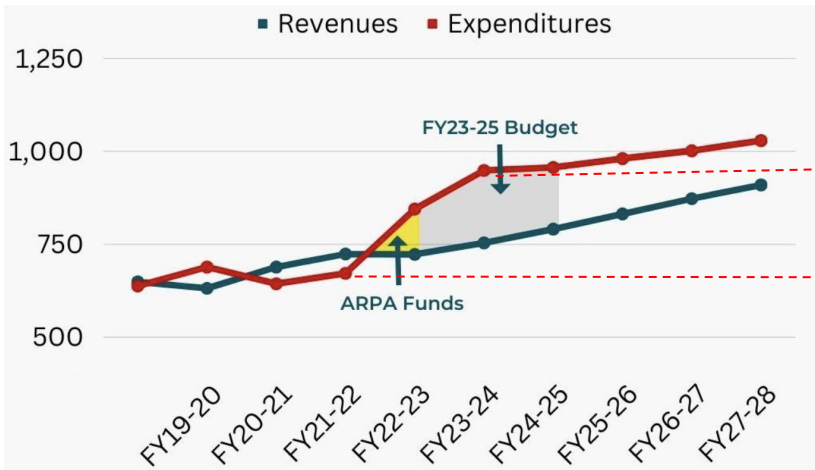
Patterns in Council's Fiscal Decisions

Oakland significantly increased ongoing expenses between FY21-22 and FY23-24, exceeding approved budgets as a result.

Combined with the revenue shortfalls, Oakland now has a structural deficit of over \$125M.

General Purpose Fund

FY 19-22 Actuals and FY 23-28 Forecast (\$)

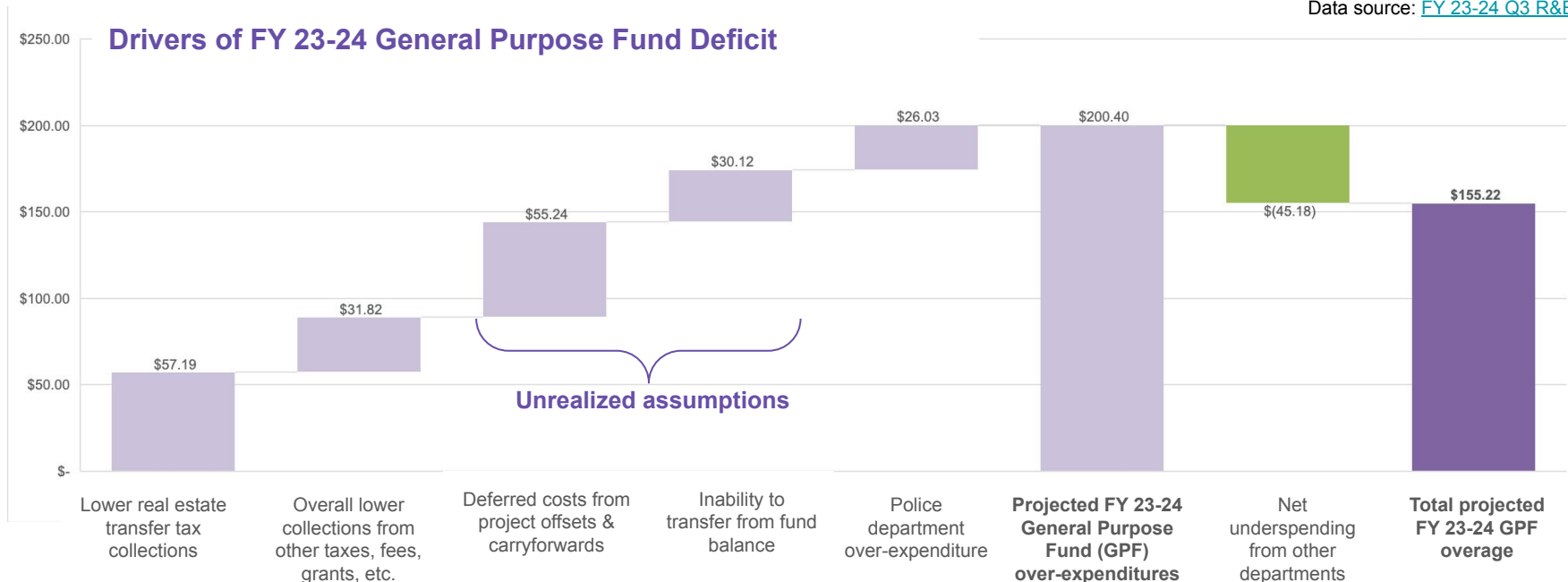


As shared in the [FY 23-25 Budget Community Forums presentations held in June 2023](#), ongoing General Purpose Fund expenses jumped in FY 22-23 and again in FY 23-24. A big driver is [city leadership's choice to open the Oakland Police Officers contract](#) well before expiration, granting wage increases to the police.

Graph source: [FY 23-25 Budget Community Forums PPT](#)

Since FY21-22, Oakland has also depended on meaningful amounts of assumed fund transfers and carryforwards to balance the budget.

These unrealized assumptions accounted for \$85M in FY 23-24, which was 55% of the FY 23-24 General Purpose Fund (GPF) shortfall.



Data source: [R&E reports](#)

Since FY19-20, Oakland has overridden [Consolidated Fiscal Policy \(CFP\)](#) limits on use of one-time revenue or excess RETT for ongoing expenses.

The City has used excess Real Estate Transfer Tax (RETT), Coronavirus Aid, Relief, and Economic Security Act (CARES), and American Rescue Plan Act (ARPA) one-time funds to maintain services post-COVID. CARES funds ended in 2020 and ARPA funds ran out Dec 31, 2024.

post-COVID

| Adopted Budget | Adhered to Section 1, Part C? <i>Excess RETT should be used for reserves, retiring debt, and funding unfunded long-term obligations</i> | Adhered to Section 1, Part D? <i>Unrestricted one-time revenues should be used for one-time expenses</i> |
|--------------------------|--|---|
| FY 17-18 | ✔ Replenished reserves, paid down liabilities | ✔ Funded one-time expenses, paid down liabilities |
| FY 18-19 | ✔ Replenished reserves, paid down liabilities | ✔ Funded one-time expenses, paid down liabilities |
| FY 19-20 | ✔ Replenished reserves, paid down liabilities | ✘ Waived for parks and paramedics |
| FY 20-21 | ● N/A - no excess RETT | ✘ Waived for parks and paramedics |
| FY 21-22 | ✘ Used for ongoing expenses | ✘ Waived for libraries, parks, fire, youth, other funds |
| FY 22-23 | ✘ Used for ongoing expenses | ✘ Waived for libraries, parks, fire, youth, other funds |
| FY 23-24 | ● N/A - no excess RETT | ✘ Waived for libraries, parks, fire, youth, other funds |
| FY 24-25 | ● N/A - no excess RETT | ✘ Waived |

If Oakland continues to consistently spend more than it earns, **all residents will pay the price**

This remains true even if budget choices are done with the best of intentions to provide useful services. Irresponsible fiscal decisions cause harm to Oakland's residents, employees, and businesses, and community organizations.

What We've Done and What We're Doing

Past Recommendations and Future Collaborations

BAC FY24-25 Midcycle Budget Recommendations

Presented to City Council June 2024 | [Read the full recommendation](#)

1. The City and Council should spend the next year identifying evidence base adjustments to structurally balance the budget by 1) examining both revenue AND expenses and 2) learning from the experiences of other similar cities in California
2. Structural budget adjustments should come with clear communication of estimated effect on public priorities: reducing homelessness and improving public safety
3. Oakland should break its habit of waving limits in the Consolidated Fiscal Policy, establish more discipline in replenishing emergency funds, and be more transparent on the budget's effect on the City's fiscal health

BAC Budget Rebalancing Recommendations

Presented to City Council December 2024 | [Read the full recommendation](#)

1. Design taxes to raise revenue from those who can afford it
2. Allocate potential revenue from the one-off Coliseum sale to pay down liabilities and shoring up reserves
3. Prioritize essential service delivery, performance measures, and equity in discussions with the City's workforce
4. Work closely with the Police Department to identify more realistic budget adjustments, especially focusing on reducing overtime spending and re-examining compensation

The BAC seeks a partnership with the City Council

We implore the City Council to recognize that to achieve the fiscal resiliency that a healthy city needs, we must significantly change from the status quo approach to more responsible budgeting and management of expenditures based on actual certified revenue.

BAC will be focusing on delivering evidence based, thoroughly analyzed recommendations to solve our fiscal crisis. Key activities and timeline:

- **January:** field resident survey to get input on city priorities for budget ([please share the survey!](#))
 - **Objectives:** understand resident satisfaction with city services, priorities, and willingness to accept specific budget cut options
 - **Implementation:** the City’s survey vendor budget was cut but BAC will field and analyze using free tools
 - **Accessibility:** attempting to translate into Spanish and Chinese (not yet available); will attempt to augment with live listening sessions
- **February:** resident survey results
- **March / April:** review of council member spending priority statements
- **March through May:** concrete expense reduction and revenue increase proposals

Other Helpful Resources

- [BAC memo on FY23-25 budget process](#)
- [City Auditor report on City of Oakland's Financial Condition between FY 2012-13 and 2021-2022](#)

Note: this report uses Oakland's annual audited financial reports as the data source. The data sources for this briefing book are from the State of California's Comptroller, who has compiled data reported by cities. There are differences in the absolute numbers between the two sources but relative trends are consistent.
- [Reimagining Public Safety Task Force recommendations and final report](#)