

CITY OF OAKLAND



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Date: March 11, 2021
To: Members of City Council and Members of the Public
From: Vice Mayor Kaplan
Re: **Budget Discussion: Clarifying The Process For Expending Newly Obtained Funds, Appropriating Federal Funding To Fill The General Purpose Fund Gap, and Allocating \$10 Million Obtained From The Coliseum Authority To Fund Public Services Including In The Fire Department And More.**

Dear Colleagues on the City Council and Members of the Public,

Many in our community are facing major impacts on their lives, including violence and risks to their health. We need a healthy recovery for our community – and our budget choices are part of how we make that happen. In the midst of a devastating pandemic, many were then further impacted by sudden cuts to public services, including the brown-outs of our fire stations and reduction in care for our public infrastructure, that put community safety and health at risk. In December it was disclosed that the Administration had significantly over-spent the approved budget, and that also some revenue sources had experienced reductions, and the Administrator had waived some revenues. At that time, the Administrator announced a set of cuts to public services, without bringing those items to the Council, without a public meeting, without submitting them for legal review, and without a vote (Memo: https://cao-94612.s3.amazonaws.com/documents/Info-Memo-re-Budget-Shortfall_2020-12-21-234958_1.pdf).

It appears the Administration may also have spent money out of the emergency Reserve (known as the GPF Reserve) without Council authorization. Thus, now we are faced with the need to take actions to provide for a just and healthy recovery for our community, including restoring vital public needs such as fully restoring fire department services (who also handle medical response, and delay can cost lives), violence prevention, and the work aimed at stopping gun violence, and reducing trash and dumping. It is essential that we use funding effectively to remedy the cuts that hurt and endanger our communities, especially during this pandemic. By authorizing the use of specified revenues to balance the budget and maintain services, and provide for vital public needs, we can provide needed public resources and protect public health and safety in the City of Oakland. We must protect our financial integrity as well, and thus we also propose to ensure a public process, and validation and maintenance of proper reserves.

The City of Oakland now has access to funds through two new sources obtained since the last budget adoption. Thus, we can both fill the identified gap as well as fund vital community programs and services.

The first new source of funds, is from the Oakland Alameda County Coliseum Authority Board, who, at their January 15 meeting, confirmed that there is \$10 million available to be transferred to the City of Oakland, due to the victory in significant litigation making those funds no longer needed by the Authority. I worked at the Authority Board, to have those vitally needed funds approved to be distributed. The funds were authorized by the Board to the city at their February meeting, so Oakland now has this new \$10 million to utilize to help our

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community safety and recovery. (<https://oaklandside.org/2021/01/20/10-million-to-return-to-oaklands-budget-after-warriors-lose-lawsuit/>)

Second, the City of Oakland will obtain funds from the Federal COVID relief package, which was passed by Congress on March 10. These funds will be more than sufficient to close the identified \$44 million General Purpose Fund gap, and will also provide significant additional funds that should be planned for our upcoming budget for the next two years.

We also propose that we need to ensure the Federal funds, and the Reserves are handled properly. The correct amounts needed to go into the Reserves should be validated, and, for funds placed into the GPF Reserve, we should require that they be held in a separate fund, and that they cannot be spent administratively without Council approval. In order to ensure that we are being thoughtful about the coming two year budget, which we will be adopting in the coming months, we should reserve action on the rest of the Federal Relief funds until we undertake the full budget process, and should for now only appropriate the amounts for the current action. If any additional funds are obtained, the City Council should determine how they will be allocated through a public process.

The \$54 million listed above must fund vital public services including in the fire department and more as listed in the attached spreadsheet. Specifically, I propose that a portion of the funds are allocated to: preserve fire department services and improve the ability to respond to fire and medical calls; seed funding to allow Homeless Administrator to put people up in hotels and then submit to FEMA for reimbursement(<https://missionlocal.org/2021/02/feds-clarify-yes-san-francisco-will-be-100-reimbursed-for-covid-hotels-retroactive-to-jan-2020/>).

Support safety for Lake Merritt Vendor Program; fund community Safety Ambassadors in Chinatown, Eastlake, East Oakland, West Oakland and business districts; restore walking foot patrol officers; expand Shotspotter to parts of East Oakland currently not covered; restore Ceasefire Operation; fund additional East Oakland safety initiative; re-open recreation centers; swimming pool; help close gap in funds for Violence Prevention Funding plan, including programs for youth; and, fund grants to community based organizations, for work in Oakland underserved communities to provide information and access for COVID testing and vaccination. We propose to unfreeze some essential positions, including the civilian Evidence Technicians and related positions that help solve crime and improve community safety. We propose to improve responsiveness for needs around traffic calming, such as speed bumps and other infrastructure improvements that can help reduce speeding and accidents and protect the public.

We propose to ensure we are protecting our reserve funds, by holding them in a separate fund that cannot be accessed without approval. And we propose to restore the public process for budget adoption, to take place at noticed meetings with public input and a public vote.

BACKGROUND/LEGISLATIVE HISTORY AND ANALYSIS

On March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency to exist in California as a result of the threat of COVID- 19 (Proclamation of State of Emergency, March 4, 2020). This resulted in a stay at home order in Alameda County until January 25, 2021, which greatly impacted the City's revenues and budget outlook. City Administrator announced on March 8, 2021 that the projected General Purpose Fund deficit grew from approximately \$62 million to \$72 million for the current year.

When the Oakland administration stated that to save money, they intended to close fire stations, which would significantly cut fire and emergency medical services in Oakland, as well as cutting various other public services. numerous community members and other officials joined together in denouncing the plan. The plan was not presented at a public meeting, as is normally done in a democratic budget process. This means that Oakland community members were not given an opportunity to offer their comments. Furthermore, the plan was not brought to the Council for a vote. The high risk for wildfires is no longer restricted to a few months,

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due to climate change, and fire season has become a year-round fight. Recent tragedies have only further underscored the danger to our community when fire stations are shut down, causing it to take longer to get to the scene of a fire. Any reductions in service also significantly endanger the health and safety of Oakland residents in the middle of a devastating pandemic. Thus, this action proposes to fully restore fire department services.

We also propose to support additional work for our community's safety and health and equitable and effective recovery. For example, recreation centers and jobs programs for youth. Ceasefire Operations, which has been widely recognized for its effectiveness at reducing gun violence, was part of the administrative cuts, and should be reinstated. The proposed amendments would fund community safety ambassadors in multiple areas in the city. These safety ambassadors will be a community-oriented approach to instilling safety in neighborhoods.

We also propose that we should make clear the use of one-time revenues to balance the budget and maintain existing services in light of the adverse financial conditions caused by the COVID-19 crisis and funding such public needs as may be determined by the City Council at a public meeting should be through a public process.

By authorizing the use of these newly-obtained funds to balance the budget and provide key vital services, we can improve the lives of our community, helping to protect them from gun violence, from homelessness, from the spread of disease, and other risks like speeding and accidents, and help build a just recovery that equitably supports our community. We urge that we take action to help keep our communities safe and healthy through the remainder of this pandemic and beyond.

See our attached spreadsheet for proposed budget items:

<https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:f8500243-8fcd-427e-a5fb-33aa1a889d43>

Respectfully submitted,



Vice Mayor Rebecca Kaplan
Oakland City Councilmember At Large