

APPROVED AS TO FORM AND LEGALITY

DRAFT

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION:

1. AUTHORIZING THE USE OF ONE-TIME REVENUES TO BALANCE THE FISCAL YEARS 2025-27 BIENNIAL BUDGET PURSUANT TO SECTION 1, PART D OF THE CITY OF OAKLAND CONSOLIDATED FISCAL POLICY (ORDINANCE NO. 13487 C.M.S.)
2. DECLARING THE EXISTENCE OF A SEVERE AND UNANTICIPATED FINANCIAL EVENT THAT HAS ADVERSELY IMPACTED THE GENERAL PURPOSE FUND SUCH THAT THE CITY IS UNABLE TO BUDGET AT THE REQUIRED MINIMUM NUMBER OF 700 SWORN POLICE PERSONNEL PURSUANT TO "THE OAKLAND COMMUNITY VIOLENCE AND EMERGENCY RESPONSE ACT OF 2024" (MEASURE NN)
3. DECLARING THE EXISTENCE OF A SEVERE AND UNANTICIPATED FINANCIAL EVENT THAT HAS ADVERSELY IMPACTED THE GENERAL PURPOSE FUND SUCH THAT THE CITY IS UNABLE TO BUDGET FOR THE LIBRARY'S GENERAL PURPOSE FUND APPROPRIATION AT THE REQUIRED MINIMUM AMOUNT OF \$12,992,267 PURSUANT TO "THE 2018 OAKLAND PUBLIC LIBRARY PRESERVATION ACT" (MEASURE D)
4. DECLARING THE EXISTENCE OF A SEVERE AND UNANTICIPATED FINANCIAL EVENT THAT HAS ADVERSELY IMPACTED THE GENERAL PURPOSE FUND SUCH THAT THE CITY IS UNABLE TO BUDGET FOR THE LIBRARY'S GENERAL PURPOSE FUND APPROPRIATION AT THE REQUIRED MINIMUM AMOUNT OF \$14,500,000 PURSUANT TO THE LIBRARY SERVICES RETENTION AND ENHANCEMENT ACT OF 1994 AS REAPPROVED IN 2022 (MEASURE C)

5. DECLARING A STATE OF EXTREME FISCAL NECESSITY, TO PROVIDE FOR THE TEMPORARY SUSPENSION OF THE ‘PARK MAINTENANCE’ MAINTENANCE OF EFFORT REQUIREMENTS, PURSUANT TO SECTION 4 OF THE 2020 OAKLAND PARKS AND RECREATION PRESERVATION, LITTER REDUCTION, AND HOMELESSNESS SUPPORT ACT (MEASURE Q)
6. DECLARING A STATE OF EXTREME FISCAL NECESSITY FOR THE BIENNIAL BUDGET, ALLOWING FOR THE MINIMUM BUDGET SET-ASIDE FOR PUBLIC CAMPAIGN FINANCING TO BE SUSPENDED, PURSUANT TO THE OAKLAND FAIR ELECTIONS ACT, BALLOT MEASURE (MEASURE W)
7. DECLARING A STATE OF EXTREME FISCAL NECESSITY FOR THE BIENNIAL BUDGET, ALLOWING FOR THE CITY AUDITOR MINIMUM STAFFING BUDGET SET-ASIDE TO BE SUSPENDED, FOR A TWO-YEAR BUDGET CYCLE, PURSUANT TO THE GOVERNMENT REFORM CHARTER AMENDMENT OF 2022, (MEASURE X)
8. DECLARING A STATE OF EXTREME FISCAL NECESSITY FOR THE FY 2025-27 BIENNIAL BUDGET, AND TEMPORARILY SUSPENDING 1) THE REQUIREMENT TO CONSIDER ADVISORY BOARD RECOMMENDATIONS PRIOR TO APPROPRIATING FUNDS, AND (2) RESTRICTIONS ON THE USE OF SUGAR-SWEETENED BEVERAGE TAX REVENUE PURSUANT TO RESOLUTION NO. 90586 C.M.S.
9. DECLARING A STATE OF EXTREME FISCAL NECESSITY FOR THE BIENNIAL BUDGET, AUTHORIZING THE USE OF FUNDS DEPOSITED INTO THE AFFORDABLE HOUSING TRUST FUND (FUND 1870) TO BALANCE THE FISCAL YEARS 2025-27 BIENNIAL BUDGET PURSUANT TO OAKLAND MUNICIPAL CODE CHAPTER 15.62 “AFFORDABLE HOUSING TRUST FUND”
10. ESTABLISHING THE INTENTION OF THE CITY COUNCIL TO PRIORITIZE RESTORATION OF SERVICES TO MEET THE MAINTENANCE OF EFFORT (MOE) REQUIREMENTS

WHEREAS, the City’s local economy and ongoing tax and fee revenues were severely and negatively impacted by the COVID-19 pandemic causing an ongoing reduction to available resources; and

WHEREAS, the current high inflation and high interest rate environment is further negatively impacting City revenues; and

WHEREAS, the City Council desires to provide to the residents the highest service level possible with existing ongoing and one-time revenues; and

WHEREAS, on May 15, 2018, the Consolidated Fiscal Policy was amended to establish and modify the financial policies and budgeting practices of the City of Oakland (Ordinance No. 13487 C.M.S.); and

WHEREAS, the Consolidated Fiscal Policy sets forth, among other things, guidelines for the use of one-time revenues; and

WHEREAS, Section 1, Part D of the Consolidated Fiscal Policy provides that the use of unrestricted one-time revenues for any purpose other than those set forth in Part D must be authorized by City Council resolution and the resolution shall explain the need for using the one-time revenues and include steps the City will take to return to using one-time revenues pursuant to the Consolidated Fiscal Policy; and

WHEREAS, it is necessary to use approximately \$6.3 million and \$2.3 million, respectively, in one-time revenues to fund ongoing expenses in the General Purpose Fund and \$276.9 million and \$265.5 million, respectively, in one-time revenues to fund ongoing expenses in the Non General Purpose Funds in order to balance the FY 2025-27 Biennial Budget; and

WHEREAS, as amended by Government Reform Charter Amendment of 2022, City Charter section 403(4) provides that “[e]ffective July 2023, the budget for the Office of the City Auditor shall be sufficient to hire at least fourteen full-time equivalent (‘FTE’) employees of relevant classifications”, and further provides that “[t]he minimum staffing budget set-aside may be suspended, for a fiscal year or two-year budget cycle, upon a finding in the budget resolution that the City is facing an extreme fiscal necessity, as defined by City Council resolution or ordinance”; and

WHEREAS, City Charter section 603(g)(2) mandates a minimum staffing budget for the Public Ethics Commission and section 603(g)(3) provides that the Council may reduce the minimum staffing budget set-aside for a fiscal year or a two-year budget cycle, upon a finding in the budget resolution that the City is facing an extreme fiscal necessity, as defined by City Council resolution; and

WHEREAS, City Charter section 604(e)(1) mandates a minimum staffing budget for the Police Commission and Community Police Review Agency and allows the Council to suspend the minimum staffing budget set-aside for one of the two Agency Attorneys for a fiscal year or two-year budget cycle, upon a finding in the budget resolution that the City is facing an extreme fiscal necessity as defined by City Council resolution; and

WHEREAS, Section 3.15.060(E) of the Oakland Fair Elections Act (codified as Oakland Municipal Code Chapter 3.15), which the voters passed in November 2022 election, mandates a

minimum budget set aside for the Oakland Democracy Dollars Fund (“Fund”) and for non-staff costs for the Public Ethics Commission to administer the Fund, and allows the Council to suspend the aforesaid minimum budget set-asides for a fiscal year or two-year budget cycle, upon a finding in the budget resolution that the City is facing an extreme fiscal necessity as defined by City Council resolution, provided that the suspension is part of general reduction in expenditures across multiple departments; and

WHEREAS, in light of the extreme fiscal necessity the City is facing, the Council has determined it will be necessary to suspend the mandated minimum budget set-asides for the FY 2025-2027 budget cycle for the (1) Office of the City Auditor, (2) the Public Ethics Commission, (3) the Democracy Dollars Fund and non-staff costs for the PEC to administer the Democracy Dollars Program, and (4) Agency Attorneys for the Police Commission/Community Police Review Agency; and

WHEREAS, the Oakland Community Violence and Emergency Response Act of 2024 (Measure NN) requires the declaration of a state of extreme fiscal necessity and the existence of severe and unanticipated financial event that has adversely impacted the General Purpose Fund such that the City is unable to budget at the required minimum number of 700 sworn police personnel; and

WHEREAS, the City is aggressively planning for and budgeting sworn police academies to increase the count of sworn police personnel, and is developing proposals to reduce the rate of sworn police attrition in order to meet the full staffing requirements under Measure NN; and .

WHEREAS, to realistically meet the sworn police officer count requirement of Measure NN the City plans to continue aggressive action to increase hiring and reduce attrition beyond the FY 2025-27 biennium; and

WHEREAS, the Library Services Retention and Enhancement Act (Measure C) passed by the voters in 2022 requires the declaration of the existence of a severe and unanticipated financial or other event that has adversely impacted the General Purpose Fund (“GPF”) in order to waive the GPF maintenance of effort requirement of \$14.5 million annually and the reduction to the Library Department’s GPF appropriation is no more than the reduction to the City’s net GPF budget for non-safety departments; and

WHEREAS, the 2018 Oakland Public Library Preservation Act (Measure D) passed by the voters in 2018 requires the declaration of the existence of a severe and unanticipated financial event that has adversely impacted the GPF in order to waive the GPF maintenance of effort requirement of \$12,992,267 annually and the reduction to the Library Department’s GPF appropriation shall be no more than the same proportion of reduction that is imposed on the City’s net GPF budget for non-safety departments; and

WHEREAS, the City has taken efforts to preserve Library funding by avoiding deeper cuts to the department’s budget despite reductions to other City service areas, and by maintaining existing library service levels with no impact to public access or programming; and

WHEREAS, City Administration will develop a comprehensive roadmap to restore compliance with MOE requirements across all voter-approved measures, including Measures C and D, as part of a fiscal recovery plan; and

WHEREAS, the 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Measure Q) passed by the voters in 2020 requires the declaration of a state of extreme fiscal necessity, to provide for the temporary suspension of the ‘Park Maintenance’ maintenance of effort requirements, pursuant to Section 4; and

WHEREAS, Resolution No. 90586 C.M.S. provides that upon a declaration of extreme fiscal necessity by the City Council, the City Council may suspend the requirement to consider the Sugar-Sweetened Beverage Distribution Tax Community Advisory Board’s recommendation prior to appropriating Sugar-Sweetened Beverage Distribution Tax general tax revenue; and

WHEREAS, Oakland Municipal Code section 15.62.040.E provides that upon a declaration of extreme fiscal necessity by the City Council, the Council may appropriate certain funds deposited into the Affordable Housing Trust Fund from the set-aside of funds distributed to the City as a taxing entity under the laws dissolving redevelopment agencies for any lawful purpose, and in any given fiscal year the amount the Council may appropriate for any purpose shall not exceed fifty percent of the estimated revenue budgeted from said fund; now therefore be it

RESOLVED: That the City Council finds and determines that the foregoing recitals are true and correct; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the use of one-time revenue in the amount of \$6.3 million and \$2.3 million for fiscal years 2025-26 and 2026-2027, respectively, to fund ongoing expenses in the General Purpose Fund and \$276.9 million and \$265.5 million for fiscal years 2025-26 and 2026-27, respectively, in one-time revenues to fund ongoing expenses in the Non General Purpose Funds in order to balance the FY 2025-27 Biennial Budget; and be it

FURTHER RESOLVED: That the City plans to return to using one-time revenues for the purposes set forth in Section 1, Part D of the Consolidated Fiscal Policy once the City’s revenues have recovered and the City undertakes a concerted fiscal planning process to address long term sustainability of services; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal, and for the Fiscal Years 2025-2027 Biennial budget cycle, the Council hereby suspends the Charter-mandated minimum budget set aside for the Office of the City Auditor, the Public Ethics Commission, and the Agency Attorneys for the Community Police Review Agency; and further suspends the minimum budget set aside for Democracy Dollars Fund and non-staff costs related to the Public Ethics Commission’s administration of the Oakland Fair Elections Act’s Democracy Dollars Program; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Years 2025-2027 Biennial budget cycle, the Council hereby suspends the requirement to budget at the required minimum number of 700 sworn police personnel pursuant to Part 1 Section 6 (C)(2) of The Oakland Community Violence and Emergency Response Act of 2024 (Measure NN); and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Years 2025-2027 Biennial budget cycle, the Council hereby suspends the required minimum amount of \$12,992,267 for the Library's General Purpose Fund appropriation pursuant to "The 2018 Oakland Public Library Preservation Act (Measure D) and that the City's reduction of nine percent (9%) per year to the Library Department's General Fund appropriation is no more than the same proportion of reduction of thirty-two percent (32%) in Fiscal Year 2025-26 and twenty-one percent (21%) in FY 2026-27, that is imposed on the City's net General Fund budget for non-safety departments in the Biennial budget cycle; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity and for the Fiscal Years 2025-2027, Biennial budget cycle, the Council hereby suspends the required minimum amount of \$14,500,000 for the Library's General Purpose Fund appropriation pursuant to The Library Services Retention and Enhancement Act of 1994 as reapproved in 2022 (Measure C) and that the City's reduction of \$1.2 million per year to the Library Department's General Purpose Fund appropriation is no more than the reduction of \$102.2 million in FY 2025-26 and \$68.0 million in FY 2026-27, of the City's net General Purpose Fund budget for non-safety departments; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Years 2025-2027, Biennial budget cycle, the Council hereby suspends the 'Park Maintenance' maintenance of effort requirements, pursuant to Section 4 of "The 2020 Oakland Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act (Measure Q); and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2025-2027, Biennial budget cycle, the Council hereby suspends the minimum budget set-aside for Public Campaign Financing, pursuant to the Oakland Fair Elections Act (Measure W); and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2025-2027, Biennial budget cycle, the Council hereby suspends all restrictions on the appropriation of Sugar-Sweetened Beverage Tax revenue in the Sub-Fund to allow the Council to appropriate said funds for any lawful purpose; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2025-2027, Biennial budget cycle, the Council hereby suspends the required restrictions on the use of certain funds in the Affordable Housing Trust Fund (1870); and be it

FURTHER RESOLVED: That the Council hereby declares that it is the priority of the City of Oakland to restore funding and services to meet the Maintenance Of Effort (MOE) Requirements of the various measures that are waived by this resolution; and be it

FURTHER RESOLVED: That the Council directs that any new ongoing resources which become available in the course of the biennium be appropriated by future Council action to the restoration of services and funding for the waived maintenance of effort requirements in the above-referenced ballot measures unless: the funding is needed to resolve a projected deficit, preserve the planned level of service and staffing contained in the adopted budget, or the resources are restricted such that they cannot be used, or using such as source to meet an MOE requirement would violate a law, ordinance, bargaining agreement; and be it

FURTHER RESOLVED: That the Council directs that any new one-time resources which become available in the course of the biennium be appropriated by future Council action to support the services and function that were impacted by the waived maintenance of effort requirements in the above-referenced ballot measures unless: the funding is needed to resolve a projected deficit, preserve the planned level of service and staffing contained in the adopted budget, or the resources are restricted such that it cannot be used, or using such as source to meet an MOE requirement would violate a law, ordinance, bargaining agreement; and be it

FURTHER RESOLVED: That this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND
PRESIDENT JENKINS

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of
the City of Oakland, California

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