



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2018 APR 13 AM 9:29

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Finance Director

SUBJECT: Ordinance Amending The City of
Oakland Consolidated Fiscal Policy

DATE: April 12, 2018

City Administrator Approval

Date:

4/13/18

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance Amending The City Of Oakland Consolidated Fiscal Policy.

EXECUTIVE SUMMARY

The Consolidated Fiscal Policy ("CFP") was adopted by the City Council through Ordinance No. 13279 C.M.S. on December 9, 2014. This ordinance combined the City of Oakland's ("City") previous fiscal policies into a single volume to enhance transparency.

This is the first proposed amendment to the CFP since its adoption in 2014. However, in the past, the City amended its financial policies to facilitate various goals and objectives, including enhanced public participation, adoption of best practices, and to provide budgetary flexibility.

Approval of this ordinance would amend the City's CFP as follows:

- Increase the threshold for categorizing excess Real Estate Transfer Tax ("RETT") revenue from 14 percent to 15 percent of General Purpose Fund ("GPF") Tax Revenue (Section 1, Part C) consistent with long-term average RETT collections.
- Require majority vote of City Council concerning the use of Excess RETT (Section 1, Part C), use of Vital Services Stabilization Fund (Section 2, Part B) and the use of one-time revenues (Section 1, Part D) to increase flexibility for use of funds on an as-needed basis.
- Require departments that are projected to overspend in the GPF to develop a corrective action plan to bring their budget into balance (Section 1, Part I) in order to improve expenditure controls for personnel and non-personnel costs, including overtime.
- Streamline and clarify the process and evaluation criteria for GPF project carryforwards and encumbrances (Section 1, Part G).

Item: _____

Finance and Management Committee
April 24, 2018

- Authorize the City Administrator to transfer funds between personnel and non-personnel accounts to meet the requirements of and maximize funding from grants approved by the City Council (Section 1, Part J).
- Clarify the basis for calculating the 7.5 percent GPF Emergency Reserve to exclude carryforwards, encumbrances, and appropriations to Fund Balance (Section 2, Part A).
- Require the City to hold at least three (3) Community Education Forums in even-numbered (Midcycle) years (Section 3, Part 8) as recommended by the Budget Advisory Commission.
- Require Council Budget Amendments be submitted to the City Administrator six (6) days prior to budget adoption, up from five (5) days, in order to allow sufficient staff time for costing and analysis of proposed amendments (Section 3, Part 11).
- Make technical and timing changes to the Budget process as recommended by the Budget Advisory Commission (Section 3, Various).

In addition to the key modifications outlined above, the amendment would make non-substantive language changes that align with existing practices, correct typographical errors and omissions, and modify ordering for a more logical sequence.

BACKGROUND / LEGISLATIVE HISTORY

The City Council adopted Ordinance No. 13279 C.M.S, known as the CFP, on December 9, 2014. This ordinance established the Vital Services Stabilization Fund ("VSSF") and combined the City's previous fiscal policies into a single volume to enhance transparency and ease of understanding. The City's Debt Policy and Investment Policy continue to be separate policies that the City Council reviews and adopts on an annual basis.

ANALYSIS AND POLICY ALTERNATIVES

Each year, staff in the Finance Department conducts a review of its financial policies in accordance with best practices. Staff is recommending updates to the CFP as contained in **Attachment A** (Exhibit 1 of the ordinance). A detailed analysis of key modifications and the rationale are outlined below. A redlined version of the CFP is attached as **Attachment B**.

1. Amending the Definition of Excess Real Estate Transfer Tax ("RETT")

Currently, the CFP restricts the use of RETT revenues that are more than 14 percent of total GPF tax revenues. This policy was adopted to help alleviate the City's reliance on a potentially volatile revenue source, while shoring up reserves and paying down liabilities. The current policy requires that the Excess RETT be used as follows:

- 25 percent is deposited into the City's VSSF, a reserve fund to help limit the affect of future financial downturns.

- 25 percent is used toward unfunded long-term obligations, such as debt retirement, negative fund balances, CalPERS unfunded liabilities, and Other Post-Employment Benefit unfunded liabilities.
- 50 percent is used to fund one-time expenditures or to augment the City's various reserve funds.

Staff is not recommending major modifications to how the Excess RETT funds may be used. However, staff is recommending that the City Council increase the definition of excess RETT from 14 percent to 15 percent of General Purpose Fund tax revenues consistent with long-term revenue trends. As shown in **Attachment C** and as summarized in Table 1 below, total real estate transfer taxes are projected to be 15.6 percent of total GPF tax revenues in FY 2017-18 based on second quarter estimates.

Table 1. RETT as % of GPF Tax Revenues: 5, 10, and 15-Year Average

	Forecast FY17-18	5-Year Avg	10-Year Avg	15-Year Avg
RETT Percentage	15.6%	15.9%	13.0%	15.2%

Over the most recent five (5) year period for which actual data is available, real estate transfer taxes have averaged 15.9 percent of total GPF tax revenues. Over the most recent 10-year period for which audited data is available – which notably includes one of the most severe and longest recessions in U.S. history – RETT revenues have averaged just over 13.0 percent. Over a longer-term 15-year period, real estate transfer taxes have averaged 15.2 percent of GPF tax revenues. This historical trend data supports staff's recommendation to increase the definition of Excess RETT to 15 percent.

Table 2 below summarizes the key implications of increasing the Excess RETT threshold based on FY 2017-18 projections. As shown below, this policy change does not result in any new funding. Rather it is a cost neutral change that recategorizes \$4.94 million of one-time funding as ongoing. Further, it results in lower contributions toward each of the three (3) approved uses of Excess RETT, including the 25 percent VSSF set-aside.

Table 2. Comparison of Excess RETT at 14% and 15%

(\$ Millions)	Forecast FY17-18 (Current, 14%)	Forecast FY17-18 (Proposed, 15%)	Variance (\$)
GPF Tax Revenues	\$493.77	\$493.77	\$0.00
Total RETT	\$77.21	\$77.21	\$0.00
Ongoing RETT	\$69.13	\$74.07	\$4.94
Excess RETT	\$8.08	\$3.14	(\$4.94)
25% VSSF	\$2.02	\$0.79	(\$1.23)
25% Long-Term Obligations	\$2.02	\$0.79	(\$1.23)
50% One-Time	\$4.04	\$1.57	(\$2.47)
Est. VSSF Ending Balance (6/30/18)	\$14.15	\$12.92	(\$1.23)

This language is contained in Section 1, Part C, of the CFP that is attached as Exhibit 1.

2. Require majority vote of City Council concerning Excess RETT, use of VSSF, and one-time revenues outside of CFP requirements.

The CFP currently requires a supermajority vote of the City Council (6 of 8) to:

- Use Excess RETT outside of the purposes established in the policy as previously outlined in this staff report (25 percent VSSF, 25 percent long-term obligations, and 50 percent for one-time expenditures);
- Use one-time resources for ongoing expenditures; and,
- Draw down on the VSSF reserve during economic downturns to preserve vital services.

Consistent with most other City Council actions, staff recommends that the City Council lower the approval requirement to a simple majority vote. This action would provide the City with the flexibility it needs to adapt to changing financial circumstances and to more quickly meet unforeseen needs.

It is important to note that staff has not changed its viewpoint concerning these items as best practices. While we are seeking additional flexibility in the future, we continue to maintain and reinforce the policies established in the CFP.

This language is contained in Section 1, Part C (Excess RETT), Section 1, Part D (One-Time Revenues), and Section 2, Part B (VSSF).

3. Require departments that are projected to overspend in the GPF by more than 1.0% to develop a corrective action plan to bring their budget into balance (Section 1, Part I) in order to improve expenditure controls for personnel and non-personnel costs, including overtime.

The City Council has raised concerns with departments overspending their GPF budget, with a focus on public safety overtime expenditures. In an effort to bring greater control to the overspending, enhance transparency, and keep the City Council informed of the actions that departments are taking to control costs, staff is recommending a new provision be added to the CFP.

This new language would require departments that are projected to overspend in the GPF by more than 1.0% to develop corrective actions. The City Administrator will have 60 days to submit an informational report to the City Council outlining the actions that are being taken to bring expenditures into alignment with the budget.

4. Clarification, Best Practices, and Community Engagement

In addition to the major modifications detailed above, staff is recommending the following amendments to the CFP:

- Streamline and clarify the process and evaluation criteria for GPF project carryforwards and encumbrances (Section 1, Part G).
- Authorize the City Administrator to transfer funds between personnel and non-personnel accounts to meet the requirements of and maximize funding from grants approved by the City Council (Section 1, Part J).
- Clarify the basis for calculating the 7.5 percent GPF Emergency Reserve to exclude carryforwards, encumbrances, and appropriations to Fund Balance (Section 2, Part A).
- Require the City to hold at least three (3) Community Education Forums in even-numbered (Midcycle) years (Section 3, Part 8) as recommended by the Budget Advisory Commission.
- In addition to the modifications outlined above, the amendment would make non-substantive language changes that comport with existing practices, correct typographical errors and omissions, and modify ordering for a more logical sequence.

FISCAL IMPACT

There are no significant direct costs associated with the adoption of this ordinance. However, this ordinance alters the policies and procedures that guide the City's budget development and fiscal operations, and thus will affect future budgetary decisions of the Mayor and City Council.

PUBLIC OUTREACH / INTEREST

No outreach was conducted for this ordinance beyond the standard City Council agenda noticing procedures.

COORDINATION

This report was prepared in coordination between the Finance Department and the City Administrator's Office. It was reviewed for legality by the City Attorney's Office.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental opportunities have been identified.

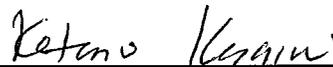
Social Equity: No direct social equity opportunities have been identified.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt An Ordinance Amending The City Of Oakland Consolidated Fiscal Policy.

For questions regarding this report, please contact Adam Benson, Budget Administrator, (510) 238-2026.

Respectfully submitted,



KATANO KASAINÉ
Finance Director, Finance Department

Prepared by:
Adam Benson, Budget Administrator
Finance Department, Budget Bureau

Attachments (3):

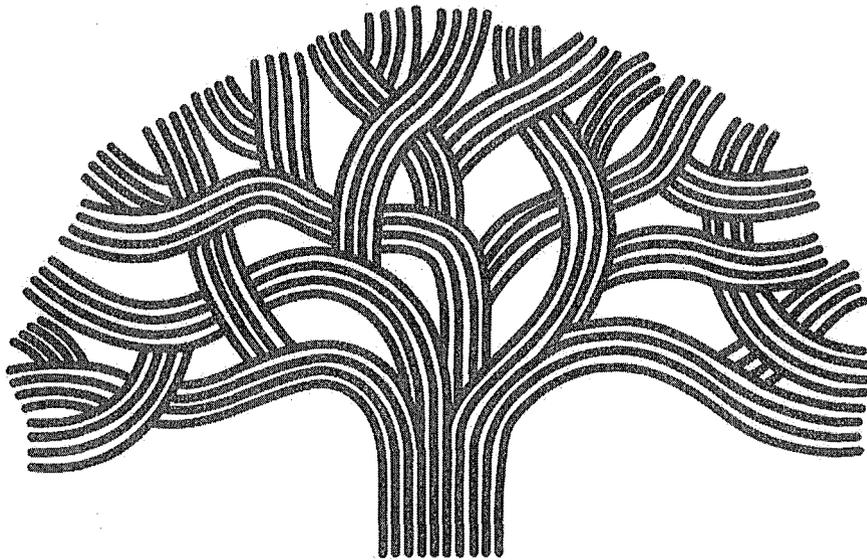
Attachment A: Consolidated Fiscal Policy

Attachment B: Consolidated Fiscal Policy (Redlined)

Attachment C: Historical RETT Revenues & Total GPF Tax Revenues

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

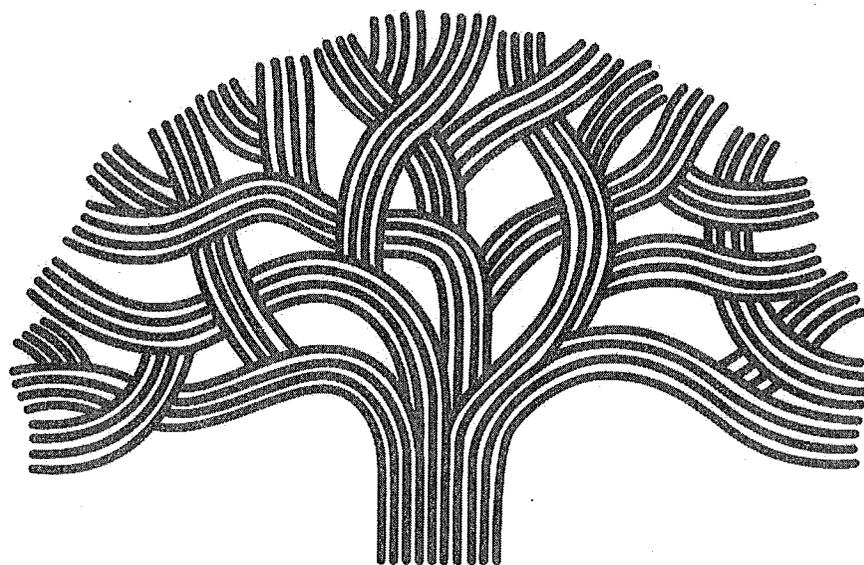
Requirements: The Budget Advisory Commission (BAC) shall be requested to submit an Informational Report to the Council's Finance and Management Committee and City Council containing their analysis of the budget adoption process including, but not limited to: 1) the informational quality of the Proposed 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.

CITY OF OAKLAND

CONSOLIDATED FISCAL POLICY



Section 1. Budgeting Practices

Part A. General Provisions

The City's Fiscal Year shall ~~run from July 1st through June 30th~~ begin on July 1st of each year and end on June 30th of the subsequent year. ~~and the Budget shall be adopted by resolution as provided by the City charter.~~

The City shall adopt a two-year (biennial) policy budget by ~~July 1st~~ June 30th ~~of odd-numbered calendar years. The City shall amend its biennial policy budget (midcycle) by July 1st~~ 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 budgets that limits appropriations to the total of estimated revenues and unencumbered unallocated fund balances projected to be available at the close of the current fiscal year, containing appropriated revenues equal to appropriated expenditures. 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 ~~to be included in the balanced budget equation~~ must include the appropriations necessary to achieve or maintain ~~an individual fund's 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.

~~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.~~

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. ~~Fiscal produced required that prior to Council approval of such actions the following occur:~~

1. ~~Identification of a new or existing viable funding source whose time span reflects the timing of the expenditure or lasts until the approval of the next biennial budget. Amendments by the City Council~~
2. ~~The budget must be amended in such a way a shall to maintain a balanced budget where appropriated revenues are equal to appropriated expenditures.~~

Each fiscal year, ~~once prior year information has been made available,~~ the City Administrator shall report to the City Council ~~how on~~ actual year-end revenues and expenditures compared to budgeted revenues and expenditures in the General Purpose Fund and such other funds as may be 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 a:~~ Any amounts of projected RETT revenues ~~that whose value exceeds 1415%~~ that whose value exceeds 15% of corresponding General Purpose Fund Tax Revenues (inclusive of RETT).
2. The excess Real Estate Transfer Tax ~~collections,~~ 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~~ 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 ~~accelerated-debt retirement and unfunded long-term obligations; including such as negative funds balances, to fund the Police and Fire Retirement System (PFRS) unfunded liabilities, to fund other unfunded retirement and CalPERS pension unfunded pension liabilities, unfunded paid leave unfunded liabilities, to fund and~~ Other Post-Employment Benefits (OPEB) Retirement Benefits (OPEB) unfunded liabilities; and
 - c. The remainder shall be used to fund one-time expenses ~~or to augment reserves;~~ augment the General Purpose Fund Emergency Reserve, and to augment the Capital Improvements Reserve Fund, or augment the Vital Services Stabilization Fund or fund debt retirement and unfunded long-term obligations.
3. Use of the "excess" RETT revenues for purposes other than those established ~~above in this section~~ may only be allowed by a super majority vote (6 out of 8) of the City Council through a separate resolution must be authorized by City Council resolution.

- a. ~~The resolution shall explain the need shall contain~~ be supported by a statement explaining the necessity for using excess RETT revenues for purposes other than those established in this section. ~~above and;~~
- b. ~~The resolution authorizing expenditures using excess RETT revenue for proposes other than those above shall include a finding of necessity by the City Council; and~~
- e. ~~The resolution shall also include steps the City will take in order to to return to utilizing using one-time excess RETT revenues as described above pursuant to this section.~~
4. Following the completion of the annual audit, excess RETT audited revenues will be analyzed to determine whether the appropriate value was transferred transfers to the Vital Services Stabilization Fund or expenditures to and to fund accelerated debt retirement and unfunded long-term obligations were sufficient. If ~~is found that insufficient funds were transferred,~~ then a true-up payment shall be made as a part of in the next fiscal year's budget process. ~~If the transfers exceed ed the actual requirement ed amounts, then the amounts in excess may be credited against future allocations in the next fiscal year. 's budget process.~~

Part D. Use of One-Time Revenues

1. ~~From time to time, t~~One-time revenues are defined as ~~he~~ City may receive "one time revenues"; resources that the City cannot reasonably expect to receive on an ongoing basis, such as defined as financial proceeds that will not likely occur on an ongoing basis, such as proceeds from asset sales and debt sales of property or proceeds from the refinancing of debt; ~~but~~ This part shall not apply to the use of excess RETT revenues pursuant to Section 1. Part C. ~~not including additional Real Estate Transfer Tax revenues discussed in Section "B" above.~~
2. Fiscal prudence and ~~conservancy~~ requires that any unrestricted one-time revenues not be used for recurring one-time expenses. Therefore, upon receipt of one-time revenues, ~~such 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 to fund accelerated debt retirement and unfunded long-term obligations: including negative funds balances, to fund the Police and Fire Retirement System (PFRS) liability, to fund other unfunded retirement and pension liabilities, unfunded paid leave liabilities, to fund Other Post-Employment Retirement Benefits (OPEB);~~ or shall remain as fund balance in the appropriate fund.
3. Use of the "one-time revenues" for purposes other than those established ~~above in in this section must be authorized by City Council resolution.~~ may only be allowed by a super majority vote (6 out of 8) of the City Council through a separate resolution

- a. ~~The resolution shall be supported by~~contain a statement explaining~~explain~~ the necessity need for using one-time revenues for purposes other than those established in this section above; and
- b. ~~The resolution authorizing expenditures utilizing one-time revenue for proposes other than those above shall include a finding of necessity by the City Council; and~~
- e. ~~The resolution shall also include steps the City will take in order to~~to return to ~~utilizing~~ using one-time revenues as described above pursuant to this section.

Part E. Use of ~~Unallocated~~ Unassigned General Purpose Fund Balance.

Any ~~unallocated~~ unassigned General Purpose Fund balance, as projected ~~based upon~~in the 3rd Quarter Revenues and Expenditures ~~forecast~~Report, and not budgeted for other purposes, shall be used in accordance with Section 1, Part D.

Part F. Analysis of Payments Funding for Debt or Unfunded Long-Term Obligations From Certain Revenues

When allocating funds to fund accelerated debt retirement and unfunded long-term obligations ~~from excess Real Estate Transfer Tax (RETT) and 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. The term Unfunded long-term obligations shall be clearly defined, as part of the budget process.

Part G. Criteria for Project Carryforwards and Encumbrances ~~in the General Purpose Fund.~~

Previously approved but unspent project appropriations ("carryforwards") and, as well as funding reserved contingent liability reserves to fund for current purchases or contracts that are entered into in the current year that, but are not paid for until the following fiscal year ("encumbrances"); draw-down funding from reserves are financial obligations against reserves. Fiscal prudence requires that such drawdowns obligations be limited, in the General Purpose Fund (GPF). Therefore:

1. ~~Funding for non-operating projects and purchases shall be restricted within the General Purpose Fund.~~
2. ~~In cases when non-capital, operating projects and purchases must be funded in the General Purpose Fund, these shall be included in an annual budget and supported with new annual revenues.~~
3. ~~Carryover of unspent project carryforwards and encumbrances in the GPF from one year into the next, with no new funding, will be allowed only on an exception basis.~~

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. D4. In the beginning of each fiscal year, before project carryforwards and encumbrances are carried over from the prior year, and no later than September 1:

~~The Budget Director shall liquidate all unspent project carryforwards and encumbrances in the GPF and advise affected City departments of said action.~~

~~The Budget Director shall provide a report of all unspent project carryforwards and encumbrances to the City Council for review and direction.~~

5. ~~Departments may request to retain some or all of the liquidated GPF carryforwards and encumbrances only if and when such balances are:~~

1. ~~dDeemed essential to the delivery of active city projects, programs and services; or~~

~~2. , and only if the liquidation of such balances would be in violation of legislative or legal requirements, could lead to health or safety issues, and/or would greatly impact essential City projects, programs and services.~~

~~6. —A departmental request to retain project some or all of the liquidated GPF carryforwards and/or encumbrances must be submitted in writing to the Finance Budget Director Department within five (5) working days of receiving an advisory from the Budget Director about said liquidations. Departments, and must shall detail provide specific reasons necessitating such afor requested each project carryforwards and encumbrance carryforwards request, including, but not limited to, but not limited to those stated in item (3) above. those reasons outlined above. Carryforward of project appropriations in funds with negative balances will only be allowed on an exception basis.~~

~~The Finance Department 7. —The Budget Director, upon review of a department's request, shall will recommend an action to the City Administrator an action on the within five (5) working days of receiving based on the departmental's requests.~~

~~8. —The City Administrator, in consultation with the Budget Director, shall make a final determination on project carryforward and encumbrances, and will direct the Finance Department to make carryforwards available to the appropriate department. of any and all requests for exceptions by departments, by September 20, and all requesting departments should be so notified by September 30.~~

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 ~~& Grants~~, and 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 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 ~~to provide maintain~~ in each fiscal year a reserve ~~of undesignated, uncommitted fund balance 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 from 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 Tax 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 eCity ~~projects forecasts~~ that total General Purpose Fund revenues ~~for the upcoming fiscal year 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 so as to maintain existing services levels as much as possible, and to minimize associated impacts,; and the adopted budget may appropriate funds from the Vital Services Stabilization Fund to preserve city operations; however, the budget may not appropriate more than sixty percent of the reserve balance in any year.~~

~~The Mayor and City Administrator and/or their designees will meet and discuss the key features of the Mayor's proposed draft budget with the labor unions, which represent City employees as duly authorized representatives for their respective bargaining units, in accordance with applicable state labor law, provided the labor unions can respond within the timeline required.~~

~~The timeline may be restricted and may require short notice. Reasonable notice shall be provided to the labor unions. Further, information contained in the Mayor's budget prior to release is in draft form and subject to change before a final version is released to the City Council and the public. [JB1]~~

- 3.3. 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.

~~Any deviations from this policy, including the need to address unusual and temporary increases in baseline expenditures, must be made by Resolution requiring a minimum of 6 votes. The Resolution must include (1) a statement explaining the necessity for the deviation and (2) a plan for replenishing the reserve.~~

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. ~~On an annual basis, an amount equal to \$6,000,000 shall be held in the Capital Improvements Reserve Fund. 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 funds unexpected emergencies, ~~or~~ major capital maintenance, ~~or~~ repair costs to City-owned facilities and to fund capital improvement projects through the Five-Year Capital Improvement Program.
4. ~~Each year, upon completion of the City's financial audited statements, the City Administrator shall report the status of the Capital Improvements Reserve Fund. If in any fiscal year the Capital Improvements Reserve Fund threshold of \$6,000,000 is not met, the City Administrator shall present to Council a strategy to meet said threshold.~~

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.

42. Council Initial Budget Briefing and Priorities Discussion

Timeline: ~~January or February~~ 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 ~~preliminary projected increases or decreases in the next budget.~~

23. 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 ~~Committee~~ Council hearing.

Requirements: Each Budget Cycle, the City Administrator must prepare a ~~Five-Year~~ Five-Year Forecast.

The Five-Year Financial Forecast ("Forecast") is a planning tool that estimates the City's likely revenues and expenditures over a ~~future period of at least 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 ~~planning and decision making, regarding issues such as expenditures, labor negotiations, economic development policies, and revenue policies.~~ Such planning provides for greater financial stability, signals a prudent approach to financial management, and ~~brings the City into compliance with~~ is consistent with ~~current best practices of other governmental entities.~~

The Forecast shall contain the two-year baseline budget for the forthcoming ~~two-year~~ budget period, clearly reflecting projected expenditures to maintain existing service levels and obligations, plus ~~at least an additional three-year~~ 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~~ Five-Year Forecast "Fact Sheet" document, which summarizes the Forecast's key findings with simplified text and graphics ~~so as to make this~~ important budgetary information more accessible to the general public. Within two weeks after

the Forecast is accepted ~~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.

~~3. Assessment of Stakeholder Needs, Concerns and Priorities~~

~~**Timeline:** Budget Advisory Committee review prior to survey release. Survey completion by February 15th. Results publicly available within two weeks of survey's close.~~

~~**Requirements:** During the prior to Budget Adoption of a budget adoption year, ~~t~~The City Administrator should develop or secure a statistically valid survey for assessing the public's concerns, needs and priorities. 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 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.~~

~~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. A list of those dissemination channels should be publicly available along with survey results. Survey results should be publicly available within two weeks of the survey closes. 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 also create an email address, a phone number with voicemail service, and a web-based engagement platform to collect resident input prior to budget development. 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.~~

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~~ Five-Year Forecast. Councilmember priority statements ~~may~~ must ~~either~~ 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~~ made available ~~online from the~~ from the City's website, and ~~printed~~ printed ~~copies~~ copies shall be available ~~in~~ 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 period~~ 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 ~~Between May 15th-st and June 10th~~ May and June of odd-numbered years

Requirements: The Administration and Council shall hold at least ~~three (3)~~ one (1) Community Budget Forums at ~~varied times in different neighborhoods away from City Hall~~ each council district in odd-numbered years. These ~~meetings~~ forums, organized by the City Administrator's Office in partnership with Councilmembers shall be scheduled so as to maximize residents' access. ~~These meetings~~ The forums should ~~must~~ 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 ~~meetings-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 at least one ~~the~~ Community Budget Forum in their council district. In addition, ~~m~~Members of the Budget Advisory Commission shall be requested to attend at least one Community Budget Forum. Translators will be provided by request with forty-eight hours advance notice, per Oakland's Equal Access Ordinance. 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. Meetings shall be held in ADA-accessible facilities served by public transit (BART stop, frequently running bus line, etc.). Every effort shall be made to record the meeting via video or audio.

At each forum the following information should be distributed or made available through electronic links: 1) the Five Year Forecast, 2) all PowerPoint presentation slides used at the forum, 3) the Assessment of Stakeholder Needs, Concerns and Priorities Survey, and 4) the Mayor's and Administrator's Budget Fact Sheet. Councilmembers attending their Community Budget Forum, shall present their Statement of Council Priorities.

128. 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, ~~t~~The Administration and City Council shall hold at least three (3) Community Budget Education Presentations at varied times 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.

The City Administrator shall prepare an informational memorandum following the final forum. This memorandum shall identify and note key areas of public agreement and disagreement, and commonly asked questions. This memo shall be public posted and distributed to Council

~~members. The City Administrator shall prepare an Informational Report summarizing the Community Forum process, to be heard by the City Council at its the next available budget discussion following the final Forum. The summary memo shall attempt to identify key areas of public agreement and disagreement, as well as respond to the most commonly asked questions.~~

~~At each forum, attendees shall be made aware that the following information is available via electronic means: 1. The Five Year Forecast 2. PowerPoint and other presentations used at the forum 3. The Assessment of Stakeholder priorities, needs, and concerns 4. The Proposed Budget Fact sheet 5. The Proposed Budget document and 6. The collected statements of Council District Priorities. The City Council member shall present their stated Council priorities.~~

98. 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.

109. 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. ~~A The Finance Department will provide a costing analysis request for any proposed amendments must have been submitted to the City Administrator at least five working days prior to the Special City Council Budget Hearing.~~ The City Council may schedule additional Special City Council Budget Hearings or Workshops as needed.

110. Council Budget Amendments

Timeline: No later than up to ~~three-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 at least six of Councilmembers 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. Additionally, a costing analysis for request for the any proposed budget amendments or line-items within a budget amendment must have been submitted to the City Administrator at least six (6) five working -days prior to the City Council meeting where that amendment will be considered. budget's final adoption.

121. 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.

~~12. Ongoing Public Education~~

~~Timeline:~~ During the months of May and June of even-numbered years.

~~Requirements:~~ The Administration and City Council shall hold at least three (3) Community Budget Education Presentations at varied times 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

Historical GPF Tax Revenues
Excess RETT Trend

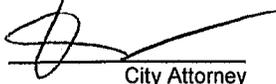
GPF Tax Revenues	Actual FY02-03	Actual FY03-04	Actual FY04-05	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Actual FY10-11	Actual FY11-12	Actual FY12-13	Actual FY13-14	Actual FY14-15	Actual FY15-16	Actual FY16-17	Forecast FY17-18
Property Tax	\$67.30	\$70.08	\$90.75	\$105.35	\$116.47	\$131.74	\$134.47	\$131.78	\$126.68	\$138.80	\$154.14	\$142.82	\$159.36	\$158.69	\$171.48	\$183.53
Sales Tax	\$38.16	\$36.46	\$41.65	\$44.87	\$46.69	\$53.09	\$46.12	\$35.88	\$41.24	\$44.74	\$48.82	\$49.76	\$51.82	\$55.23	\$53.70	\$56.00
Vehicle License Fee	\$24.26	\$18.18	\$9.66	\$2.98	\$2.27	\$1.81	\$1.28	\$1.25	\$2.17	\$0.22	\$0.00	\$0.00	\$0.00	\$0.17	\$0.19	\$0.00
Gas Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	\$0.00	-	\$0.00
Business License Tax	\$42.02	\$44.22	\$43.90	\$43.79	\$50.33	\$52.54	\$54.29	\$54.14	\$53.14	\$58.71	\$60.75	\$62.91	\$66.85	\$75.57	\$75.84	\$82.01
Utility Consumption Tax	\$46.58	\$48.06	\$49.76	\$48.77	\$51.43	\$52.52	\$52.70	\$51.11	\$53.44	\$51.43	\$50.75	\$50.42	\$50.59	\$50.97	\$52.62	\$54.07
Real Estate Transfer Tax	\$42.09	\$55.66	\$77.72	\$79.48	\$61.50	\$36.21	\$34.27	\$36.97	\$31.61	\$30.65	\$47.30	\$59.06	\$62.71	\$89.64	\$80.34	\$77.21
Transient Occupancy Tax	\$10.56	\$10.74	\$10.26	\$11.26	\$11.82	\$12.20	\$10.46	\$8.47	\$9.54	\$10.74	\$12.35	\$14.32	\$16.79	\$19.81	\$22.37	\$23.93
Parking Tax	\$8.24	\$8.66	\$7.03	\$8.47	\$8.89	\$8.52	\$7.66	\$7.52	\$8.51	\$8.62	\$7.95	\$8.44	\$9.34	\$10.22	\$10.64	\$11.13
Total GPF Tax Revenues	\$279.22	\$292.06	\$330.73	\$344.98	\$349.40	\$348.64	\$341.25	\$327.12	\$326.33	\$343.91	\$382.06	\$387.73	\$417.46	\$460.30	\$467.17	\$493.77
RETT	\$42.09	\$55.66	\$77.72	\$79.48	\$61.50	\$36.21	\$34.27	\$36.97	\$31.61	\$30.65	\$47.30	\$59.06	\$62.71	\$89.64	\$80.34	\$77.21
RETT % GPF Tax Revenues	15.1%	19.1%	23.5%	23.0%	17.6%	10.4%	10.0%	11.3%	9.7%	8.9%	12.4%	15.2%	15.0%	19.5%	17.2%	15.6%

15-Year
15.2%

10-Year
13.0%

5-Year
15.9%

2010 APR 13 AM 9:29


City Attorney

OAKLAND CITY COUNCIL

ORDINANCE No. _____ 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, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN,
AND PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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

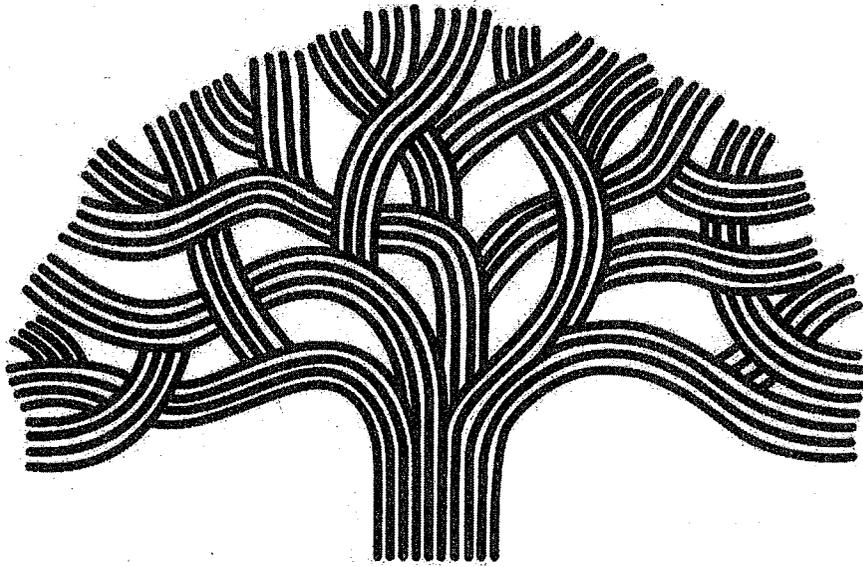
AN ORDINANCE AMENDING ORDINANCE NO. 13279 C.M.S. (THE CITY OF OAKLAND CONSOLIDATED FISCAL POLICY, OR “CFP”) TO ESTABLISH AND MODIFY THE FINANCIAL POLICIES OF THE CITY OF OAKLAND.

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.

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 develop 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.