



CITY OF OAKLAND

BUDGET MEMORANDUM

DATE: June 20, 2024
TO: City Council and Members of the Public
FROM: Council President Nikki Fortunato Bas, President Pro Tempore Dan Kalb, Councilmember Carroll Fife, Councilmember Kevin Jenkins
SUBJECT: Council President Budget Team Amendments to the Proposed FY 2024-2025 Midcycle Budget

Dear City Council Colleagues and Members of the Public,

Attached for your consideration are amendments for the Fiscal Year 2024-2025 Midcycle Budget from my Council President's Budget Team including President Pro Tempore Dan Kalb, Councilmember Carroll Fife, and Councilmember Kevin Jenkins.

This particular Midcycle Budget process is tougher than any other in recent years, due to significant revenue shortfalls. We are working to close a projected \$177 Million deficit in our General Purpose Fund (GPF) in the next fiscal year starting July 1, 2024 in order to balance Oakland's \$2.2 Billion FY 2024-2025 budget.

Just a year ago, we closed a historic \$360 Million deficit by making hard decisions and adopting a balanced FY 2023-2025 budget that reduced expenditures while avoiding layoffs, maintaining critical services, and making record investments in affordable housing with funds from Measure U.

We have appreciated hearing input from each Councilmember as well as community members and our workforce. We value the information and feedback we have received from our City department leaders. And, we are grateful for our collaboration with the Administration, particularly the Finance Department.

Our team scrutinized the proposed budget, spoke with city staff and stakeholders about priorities, and identified available fund balance, potential revenue, and expense adjustments in order to propose these amendments to better meet our city's core needs. **We also recognize that we must and will embark upon a more intensive and early biennial budget process this Fall to address our structural deficit.**

We are committed to delivering effective and equitable services, and to lay the foundation for tackling historic racial inequities and systemic problems in order to chart a path forward towards an equitable and thriving future for all Oaklanders. Our Budget Team looks forward to discussing these amendments, and ultimately, hopes that we will collaboratively approve a balanced budget.

Budget Amendments

Revenue & Expenditure Adjustments (General Purpose Fund)

1. Add \$250,000 in net parking revenue from the addition of two (2) Parking Control Technicians starting January 1, 2025 (DOT). This is a conservative revenue estimate.
2. Utilize \$1.19 million in carry forward from the City Attorney (OCA).
3. Utilize \$150,000 in Strategic Crisis Communication O&M (CAO). \$200,000 remains for this item.
4. Utilize \$100,000 in Contract for City's performance management & strategic planning efforts to create a structurally balanced budget (CAO). \$900,000 remains for this item.
5. Allocate \$200,000 (of \$500,000 total (CAO/Finance) for revenue collections improvements to the City Auditor for a Revenue Bureau Audit to assess the effectiveness of the Revenue Bureau (Auditor). The independent audit could answer the following questions: 1.) Has the City collected/Is the City collecting revenue it is due? 2.) Are systems (i.e. software, procedures, policies, etc.) sufficient to ensure the accurate and timely billing and collection of City taxes and fees? 3.) How effective is the Revenue Bureau in achieving goals and objectives. This independent audit would complement other measures to be taken by the City Administrator and \$300,000 remains for the CAO.
6. Amend one (1) Complaint Investigator I position (CPRA) to begin on July 1, 2024 and end on March 1, 2025 (cost neutral, instead of November 1, 2024 to June 30, 2025). *The current budget proposal has all three Complaint Investigator positions beginning in November 2024, and this amendment enables the CPRA to maintain a qualified Exempt Limited Duration Employee and allow them to apply for the full-time position without having to be laid off.*
7. Freeze one (1) Complaint Investigator I position (\$134,300) and reduce legal fees budget by \$270,000 in order to add one (1) CPRA attorney position (\$397,529) starting July 1, 2024 (net cost savings of \$6,771 in FY 24-25). *CPRA's current outside counsel is leaving on July 1st, and it would take at least six months to contract a replacement. Having an additional CPRA attorney would strongly and immediately bolster CPRA's ability to independently conduct timely investigations and improve the agency's infrastructure to facilitate the IAD - CPRA transition.*
8. Freeze instead of delete one (1) Human Resource Operations Supervisor and two (2) Human Resource Analysts to support timely recruitment and hiring to fill the many vacant positions, particularly revenue generating positions.
9. Freeze instead of delete 1.0 FTE Crime Analyst (\$184,720 per FTE), 2.0 FTE Police Evidence Technician (\$168,049 per FTE), and 1.0 FTE Criminalist II (\$230,655 per FTE).

Expenditure Additions

Community Safety, Prevention & Healing

The Mayor/Administrator's proposed budget invests in community safety by funding/staffing the Ceasefire Program, Crime Reduction Teams, Violence Prevention, MACRO, 911 improvements, all fire

stations and medical services, as well as maintaining police foot patrols, dedicated traffic unit, and three academies.

Our team’s amendments expand our comprehensive community safety program:

1. Add \$300,000 to bolster the **Community Ambassadors Program** (EWD) to increase safety and promote workforce development through data-driven equity targeting, to be allocated based upon the professional assessments of EWD staff, informed by the safety needs of each business corridor, and building on the learning, impact and successes of the first round of ambassador grants in communities such as the Laurel/Diamond neighborhoods. This supplements \$300,000 that we understand will be allocated by the Administration to continue the current program, which includes Jack London Improvement District (Jack London Square, Downtown, Uptown, Chinatown), Unity Council and Black Cultural Zone. *See Program description and background in Attachment B.*
2. Add \$100,000 for **sideshow prevention in District 6 (East Oakland)** (DOT, Fund 2218 Measure BB Transportation). District 6 (East Oakland) is impacted by sideshow activity that poses risks to human, vehicular and environmental safety. Sideshow prevention installation materials for key intersections include, but are not limited to, construction metal sheets, bottle dots and other barriers. Also adds another **\$100,000 for citywide sideshow prevention.**
3. Add/restore three (3) **OPD civilian investigative staff** – 1 FTE Police Evidence Technician and 2 FTE Criminalist II, starting January 1, 2025. Evidence Techs assist at crime scenes. Criminalists work at crime labs, and without sufficient staff, OPD must utilize the DOJ crime lab in Richmond, which adds costs and time delays. These additions will help ensure more timely and effective investigations to solve crimes. Also, freeze instead of Delete 1.0 FTE Crime Analyst, 2.0 FTE Police Evidence Technician, 1.0 FTE Criminalist II.
4. Add one (1) **CPRA (Community Police Review Agency) Attorney** position starting July 1, 2024. This would be covered by freezing one (1) Complaint Investigator I position and reducing the legal fees budget. Having an additional CPRA attorney, instead of contract/outside counsel, would strongly and immediately bolster CPRA's ability to independently conduct timely investigations and improve the agency's infrastructure to facilitate the IAD - CPRA transition.
5. Add/restore one (1) **Fire Captain in Administration** (OFD). Among other things, this role adds critical administrative capacity in supporting our division managers with new grant applications as well as existing grant management and reporting.

Housing Security and Homelessness Solutions

The Mayor/Administrator’s proposed budget makes historical investments in creating affordable housing and homelessness solutions through dedicated funds from Measure U, state and federal grants and city dedicated funds.

Our team’s amendments add capacity in this area:

6. Add \$3,600 to support and offset costs for two (2) **porta potties in District 1 (North Oakland)** parks currently completely funded by community groups and neighbors (HSD).
7. Add/restore one (1) **Program Analyst II to the Community Homelessness Services Division** (HSD, Fund 2103 Federal Grants). This position provides programmatic and administrative support to ensure contracts are executed, providers are paid, expenses are allowable, and services are rendered according to contract terms, as well as direct support and coordination to the Encampment Management Team, supporting connections to shelter; partner and liaison to the County's Healthcare for the Homeless Department strengthening outreach and street health coordination; oversight of the work of the case managers; and working closely with the community at large.

Good Jobs & Vibrant Economy

The Mayor/Administrator's proposed budget invests in a new Film Incentive Program, cultural arts grants, the downtown Convention Center, construction workforce training, and improving equity in city contracting.

Our team's amendments further support jobs and the economy:

1. Add \$300,000 to bolster the **Community Ambassadors Program** (EWD), also included under Community Safety above.
2. Add/restore **two (2) Parking Control Technicians**, starting January 1, 2025 (DOT). This helps to ensure adequate parking availability across the city and in business corridors as well as generating revenue for city services.
3. Freeze instead of delete **nine (9) Fire Inspectors** (OFD), pending evaluation of service needs and fee study (Fund 2415 Development Services Fund).

Clean, Healthy, Sustainable Neighborhoods

The Mayor/Administrator's proposed budget maintains programs at libraries, senior centers, recreation centers and parks; supports Keep Oakland Clean & Beautiful, and funds the Oakland Fresh Pilot Program, which provides coordinated enhanced services, including illegal dumping removal, abandoned auto removal, fixing street signs, and repainting curbs and crosswalks in priority neighborhoods.

Our team's amendments support our diverse Oakland community and environment:

1. **Support SOS Meals on Wheels** with \$300,000 in the Measure BB - Paratransit Fund (2220) for paratransit meal access and/or other eligible expenditures (HSD).
2. Partially restore funds for long standing community partnership programs that provide critical **senior services to the AAPI community** to supplement services provided by the four (4) City Senior Centers (Downtown, North Oakland, West Oakland, East Oakland) and the Unity Council in Fruitvale. Without these community partnerships, Oakland's AAPI communities in Chinatown and Little Saigon/San Antonio would not have culturally and linguistically accessible services, groceries and meals.

- Add \$79,680 for Family Bridges (HSD) to provide senior services for the Chinese American community.
 - Add \$18,360 for Vietnamese Community Development Inc. to provide senior services for the Vietnamese American community.
3. Partially restore funds from the **Lake Merritt Parking Benefits District** which should be dedicated to improvements at Lake Merritt, the city’s largest and most visited park.
- Restore \$150,000 to parks maintenance (OPW) for equipment and supplies needed to perform litter pickup, irrigation repairs, weed control, and OPRYD sponsored event support. These funds had previously been allocated to an infrastructure project at Pine Knoll Park/Lake Merritt. *Since at least 2022, Pine Knoll Park and the surrounding community was impacted by frequent (often weekly) gatherings of ATVs & motorcycles which led to hazardous conditions for park users, neighbors and wildlife. Residents often called 911 and OPD for assistance. City Administration and City Council staff held community meetings with neighbors of Pine Knoll Park to hear their concerns and strategize long-term solutions. The resulting recommendations were presented to the Parks & Recreation Advisory Commission; these recommendations included the addition of a wooden guardrail around the perimeter of the park with ADA accessible gates. This addition will contribute to a safer and welcoming space for all park users and reduce the impact of motorized vehicles in the park. Without this funding, this environmental / infrastructure solution will not be implemented, and could increase calls for service to 911 and OPD.*
 - Partially restore \$50,000 for Traffic & Safety Management (OPD) to support responding to more serious public safety issues as they arise such as the sales of alcohol and drugs by street vendors, or sideshow type activity. *As stated above, revenue from the Lake Merritt Parking Benefits District was to be dedicated to improvements and services at the Lake. This partial restoration of funds would enable two (2) officers to support city staff on weekends through October to ensure compliance with Park Stewards, Parking Control Technicians and Special Activity Permit Inspectors.*

Effective Government

The Mayor/Administrator’s proposed budget includes the following enhancements: establishing Procurement & Contracts as a new bureau within the Finance Department to centralize and refine the purchasing and contract structure; establishing Central Payroll as a new bureau within the Finance Department to centralize the citywide payroll operations; consulting focused on the City’s performance management and strategic planning efforts to create a structurally balanced budget; and a consultant study to review and recommend enhanced operations in the Revenue Bureau, staffing analysis, propose enhanced or additional collection methods, and best practices or industry standards in collections and auditing, provide recommendations for enhanced audit standards, produce workflows and updated documentation, and recommend additional programs that increase overall revenue collection and targeted delinquent collections.

Our team's amendments advance a more effective government:

8. Allocate \$200,000 for revenue collections improvements to the City Auditor for an **independent Revenue Bureau Audit** to assess the effectiveness of the Revenue Bureau. The independent audit could answer the following questions: 1.) Has the City collected/Is the City collecting revenue it is due? 2.) Are systems (i.e. software, procedures, policies, etc.) sufficient to ensure the accurate and timely billing and collection of City taxes and fees? 3.) How effective is the Revenue Bureau in achieving goals and objectives. This *independent* audit would complement other measures to be taken by the City Administrator (CAO), as described above, and \$300,000 would remain for the CAO.
9. Add \$155,000 to restore **Limited Public Financing for the 2024 election** (PEC). Without these funds there would be no public campaign financing for the first time in two decades.
10. Add \$75,000 for an **outside financial consultant to support and advise the City Council for the FY 2025-2027 biennial budget process**. In the FY 2019-2021 and 2021-2023 biennial budget cycles, the Council contracted with an outside firm. *The intent is to develop a scope of work and issue a Request for Proposals to identify a consultant early in the biennial budget process. Since adding the Council Budget & Policy Analyst in FY 2021, the position has been vacant and frozen. We propose to instead work with a consultant.*
11. Add \$14,310 for **translation & interpretation services to ensure language access for Council Budget Town Halls in the FY 2025-2027 biennial budget process**. The Council's carry forwards have been eliminated. These carry forwards have allowed the District 2 Office to conduct our budget town halls in five languages (English, Cantonese, Mandarin, Vietnamese and Spanish) to meet the linguistic needs of our district, which is the most diverse in the City. Interpretation for in-person meetings has cost nearly \$3,000 per meeting, and for Zoom meetings \$2,000 per meeting, in addition to translation of outreach materials. These funds would be available to all Council Offices.
12. Freeze instead of delete **one (1) Human Resource Operations Supervisor and two (2) Human Resource Analysts** to support timely recruitment and hiring to fill the many vacant positions, particularly revenue generating positions.

City Council Budget

We recognize how difficult this budget is for all our departments. We are summarizing our Council reductions of \$1.24M below, which will help achieve a balanced budget in the current and next fiscal years:

- Elimination of FY 24-25 community grants \$750,000
- Elimination of Council Mural Fund \$170,680
- Elimination of Council Administrative Carry Forward \$94,436
- Elimination of Council Offices Carry Forward \$221,792

Budget Resources

- Proposed Midcycle Budget (oaklandca.gov/budget) with links to the [online budget portal](#) and [Q&As](#) with answers to many (but not yet all) of our budget team's questions.
- Council President's Budget Webinar recording: click on the Zoom recording link (bit.ly/D2OakBudgetWebinar2024) and enter the passcode: 5h!A8eF+
 - Interpretation in Cantonese, Mandarin, Vietnamese, and Spanish are also included in the video recording.

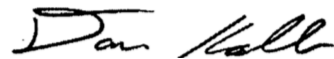
We look forward to discussing our proposed amendments, hearing public comments, and working toward achieving a balanced budget. Thank you to the Administration's Finance Staff and other Department Staff for supporting our budget deliberations.

For questions regarding this memo, please contact Cinthya Muñoz Ramos, Chief of Staff, Office of Council President Nikki Fortunato Bas, at cmunozramos@oaklandca.gov.

Respectfully Submitted,



Nikki Fortunato Bas
Council President, District 2



Dan Kalb
President Pro Tempore, District 1



Carroll Fife
Councilmember, District 3



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Councilmember, District 6

Attachments:

- A. Policy Directives
- B. Background / Description of Community Ambassadors Program
- C. Spreadsheet of Budget Amendments

Attachment A. Budget Policy Directives

Below are important outstanding Policy Directives from prior years:

1. **Community Safety/OPD Staffing Study:** The OPD staffing study being overseen by the Office of the Inspector General is critical to having a resource analysis of the Oakland Police Department (OPD) and recommendations for diverting non-criminal, non-violent calls for services to other departments/agencies or de-prioritizing them. Past calls for service analysis shows that about 60% of calls for service are non-criminal, non-violent. Diverting these calls would allow police to focus on responding to serious and violent crimes, as recommended by the Reimagining Public Safety Task Force.
2. **Community Safety/Civilianizing Police Internal Affairs:** It is critical to follow through on moving responsibilities of the OPD Internal Affairs Division to the Community Police Review Agency (CPRA) as recommended by the Reimagining Public Safety Task Force.
3. **Revenue Generation:** An important strategy to addressing our structural deficit is the development of a plan for increased revenue generation, that includes but is not limited to an economic development strategy to grow our tax base.

These are new proposed Policy Directives for the FY 2024-2025 Budget from CP Bas and CM Jenkins:

1. Direct the City Administrator to conduct a **10-year Capital Plan and Asset Inventory** – a centralized, comprehensive report of fixed assets, including buildings and facilities, and evaluation of costs associated with maintaining, repairing, or replacing each facility. This asset inventory should incorporate equity principles, align with the city’s financial bonding capacity, and promote efficient delivery of capital improvement projects. (CP Bas)
2. Direct the City Administrator to consider equitable senior services to the AAPI and Latinx communities as the City conducts its strategic planning. Evaluate grant outcomes and incorporate ongoing systems and collaborations to ensure **culturally and linguistically accessible senior services** for recent immigrant and refugee AAPI and Latinx communities, building on over 20-years of partnership with established institutions and providers with a proven track record of dedicated programming and services. Over the past two decades, these partnerships have supplemented the services of the City’s four Senior Centers. (CP Bas)
3. Direct the City Administrator to **explore a quarter and half-cent sales tax increase** for either a special election or the 2026 general election, including the potential dollar amount such a tax could raise. The results of these findings should be presented at a Finance and Management Committee meeting no later than March 2025. (CM Jenkins)
4. Direct the City Administrator to develop alternatives for the City Council to achieve full implementation of a fully funded **Democracy Dollars program** by 2028. The plan should include recommendations for a sustainable funding mechanism to ensure the program's ongoing success. If the analysis fails to identify a suitable funding formula, the City Administrator should present options to either scale back the Democracy Dollars program or propose an alternative program. (CM Jenkins)

Attachment B. Community Ambassadors

Community Ambassadors are an important strategy of a comprehensive, holistic approach to community safety which includes wellness, mental health, de-escalation, and security. By building relationships with residents and neighbors, merchants, workers, and visitors, ambassadors provide a people-centered approach to foster safety and connection.

Community Ambassadors were recommended by Oakland's [Reimagining Public Safety Task Force](#) in 2021. See Recommendation #60 — *Create a civilian Community Ambassadors program to respond to nonviolent, non-mental health incidents* — in the [Final Report with Recommendations](#), page 157.

Community Ambassadors were subsequently funded in an [April 2021 budget resolution](#). CP Bas initially proposed grants of \$75,000 each to Chinatown and Eastlake/Little Saigon to help address anti-Asian hate and violent incidents, and Council ended up funding \$700,000 to also include East Oakland, West Oakland, Fruitvale and North Oakland. The Department of Violence Prevention convened these programs to provide opportunities for learning across the models of each organization.

In the FY 2023-2025 biennial budget, the Council President's Budget Team proposed and the City Council allocated \$1M to the Economic and Workforce Development Department (EWD) for Community Ambassadors/Safety Improvements for Business Corridors, to be allocated based upon the professional assessments of staff and informed by the safety needs of each business corridor. In December of 2023, the City Council approved corridor safety grants to three organizations based on high priority commercial corridors with the highest levels of crime, employment, and tax revenue, and to ensure equity given to how BIPOC communities and businesses are disproportionately impacted by current crime trends. The Council resolution included the intention to develop in year 2 a long-term holistic Corridor Safety Program citywide, based on revitalizing neighborhoods without displacement, engagement of multiple stakeholders, and coordination amongst our merchant community and residents.

As we propose these midcycle amendments, we are committed to advancing the mission and utilizing the equity and data-driven expertise of EWD to ensure a just and equitable economy for all Oaklanders. EWD staff would build on the learning, impact, and successes of the first round of ambassador grants, as well as promising and innovative practices of community based organizations such as Family Bridges, Trybe, and Black Cultural Zone, whose ambassador programs are grounded in community, sustainable and scalable, and have successfully leveraged other funding sources.

As part of EWD's clean and safe neighborhoods programming, the Business Development team is currently convening a community of practice with Oakland's ambassador program providers that take a holistic approach to community and economic development, and include community ambassadors as part of culturally responsive, trauma informed, and trust-building infrastructure within our neighborhoods and commercial corridors.

As they continue to build this community of practice, they will invite and coordinate with Business Improvement Districts with ambassador programs to facilitate and deepen connections with City services (ex. MACRO, 311, Public Works) as part of a holistic approach to cleanliness and safety in our neighborhood business districts.

EWD would deploy an equity approach supported by data to select grantees including but not limited to need, impact, and capacity to implement and leverage additional investment.

- NEED
 - Located in highest or high priority neighborhood as defined by our equity toolkit
 - Crime data and coordination with Council Members, OPD, and business/resident associations
 - Labor force participation data; we wish to target communities with lower rates of labor participation/high levels of unemployment disproportionate to the percentage of the population

- PROVEN IMPACT
 - Demonstrated successful implementation of corridor ambassador program and/or workforce development programs that create multiple employment pathways. The varied experience Ambassadors receive on the job opens up employment opportunities in security, healthcare, environmental construction and maintenance and public management and other pathways to build assets and wealth for Oaklanders.
 - Community building and social cohesion as demonstrated by building and deepening trust and relationships between residents employed as ambassadors, and the business community they serve.

- CAPACITY
 - Established community-based organization, merchants association or BID with the capacity to train and support ambassadors
 - Participation in the community of practice we are convening which provides direct links and training with key City services to support our business corridors such as MACRO, 311, OPW, and OPD as part of their ambassador activities
 - Able to coordinate and collaborate with EWD and the City to leverage additional investment through excellent tracking and reporting of their impact.

The ambassador program in this design is a partnership that expands the City's reach and deepens our community's linkages with City services through our corridor ambassadors as a community and workforce development tool.