



City of
Oakland

Budget Advisory Commission

ATTACHMENT B

BAC Recommendations on the FY 2026-27 Proposed Midcycle Budget

June 1, 2026

Introduction & Overview

Overview of the Proposed Midcycle Budget

The proposed budget is generally healthy and largely consistent with the City's adopted fiscal policies. No major changes were identified.

Key opportunities for improvement include meeting maintenance of effort requirements and more conservative revenue assumptions.

Long-term recommendations include prioritizing the Roadmap to Fiscal Health and improving transparency and performance metrics.



Guiding Principles for BAC Recommendations

- Adherence to the Consolidated Fiscal Policy
- Focus spending on community priorities
 - Public safety, cleanliness, housing (per latest BAC Community Survey)
- Adhere to the requirements of voter-approved measures
- Follow best practices from other cities
- Keep equity considerations at the forefront of decision-making

BAC Short-Term Findings & Recommendations

Voter Approved Measures

Success: Fully funding libraries & City Auditor

Issue: Only funding 678 out of 700 required sworn officers

- Current staffing is 607 sworn officers, 520 available for active duty

Issue: No funding for Democracy Dollars

- Funding allocated to develop software for Democracy Dollars program

Issue: \$1.9 million shortfall for Measure Q (Parks) required funding

Recommendation: Review service expansions, contracts & grants, vacant positions and prioritize \$1.9M for Measure Q at minimum



BAC Short-Term Findings & Recommendations

Contracts & Grants

Issue: \$37 million in proposed contracts and grants have “Not Identified” as description for proposed use

- 108 total contracts or grants
- \$33.8M in Human Services, most with proposed recipients
- \$1.6M in Finance

Recommendation: Request additional information from staff prior to approving budget for unspecified contracts.

BAC Short-Term Findings & Recommendations

Revenue Projections

Success: Some revenue streams are conservatively budgeted:

- Property Tax (+0.2% YoY)
- Business License Tax (+1.3% YoY)
- Real Estate Transfer Tax (+3% YoY)

Issue: Some revenue streams may be overestimated:

- Sales Tax (+12% YoY)
- Utility Consumption Tax (+7% YoY)

Recommendation: Review assumptions and identify contingency plans for ~\$15-20M in case revenues do not materialize



BAC Short-Term Findings & Recommendations

Restricted & One-Time Funds

Issue: \$1M of Measure NN proposed to be used for fire equipment, not services

- Measure NN text explicitly limits to “direct services”
- Only \$725k in total contracts specified (\$650k for equipment)

Recommendation: Move 911 dispatch and firefighter positions from GPF to Measure NN; use GPF for equipment

Issue: Use of one-time funds for ongoing expenses and suspension of Vital Services Stabilization Policy

Recommendation: Request additional information from staff on use of one-time funds and plan to restore Vital Services Stabilization Policy



BAC Long-Term Findings & Recommendations

Prioritize the City's Roadmap to Fiscal Health

Recommendation: Ensure continued implementation of the Roadmap to Fiscal Health.

In FY 2026-27:

- Review and update the City's governing financial policies
- Develop long-term investment plans for the City's infrastructure, fleet, and systems
- Maximize collection of existing revenue sources
- Strengthen the City's revenue base through focused economic development efforts

In FY 2027-28, improve the structures needed for City and contractor service delivery and accountability

BAC Long-Term Findings & Recommendations

Improve long-term maintenance planning

Recommendation: Conduct a comprehensive needs assessment and prepare a maintenance and replacement plan for all City assets, including:

- Vehicles
- Non-vehicle equipment
- Facilities (buildings)
- Public works infrastructure
- Software

Existing piecemeal approach is failing to ensure the City is appropriately budgeting for necessary long-term investments.



BAC Long-Term Findings & Recommendations

Improve transparency and tracking of voter-approved measures

Recommendation: Develop a “one-stop shop”-style dashboard for voter-approved measures and other restricted funds. For each measure, include:

- Allowable uses
- Revenue received and projected
- Past & proposed expenditures by department and service area
- Performance metrics tied to services
- Maintenance of effort requirements & level of compliance

BAC Long-Term Findings & Recommendations

Improve data collection on service populations by age

Recommendation: Collect and evaluate department-level service data by age group, in addition to existing race and gender data, including for children, transitional age youth, adults, and seniors.

Better data collection and tracking can help identify gaps or opportunities to improve service delivery for vulnerable populations. The initial goal should be to establish a practical baseline showing who is currently served by age group (e.g. children, TAY, adults, and seniors), what funding supports those services, and what outcomes are being measured and delivered.

BAC Long-Term Findings & Recommendations

Improve use of performance metrics in budgeting

Recommendation: Request staff to develop updated department-level performance metrics, and improve transparency and alignment between performance targets and budget decisions. Review & provide oversight through Council policy committees.

- Existing performance metrics prioritize quantity of service over quality of service, or are lacking altogether.
- Proposals for service expansions, staffing changes, and contracts are not linked to performance metrics.
- Lack of clarity around departmental goals can contribute to poor service delivery.

Appendix Materials

Appendix A Recommendations

- 1) Improve contracting and procurement processes and oversight
 - a) Fully implement Baker Tilly report recommendations
- 2) Continue improving police overtime management
 - a) Fully implement City Auditor recommendations
- 3) Support implementation of the Oakland Fire Department's Ambulance Program and explore smart asset modernization
 - a) Consider smaller vehicles for non-fire emergency responses
- 4) Establish a citywide trenching standard and financial assurance protocol
 - a) Ensure proper collaboration between DOT and other agencies to avoid duplicative paving efforts; explore contractor bonding
- 5) Support economic development efforts with public safety improvements and vice versa
 - a) Economic insecurity can affect crime rates; high crime rates can discourage economic activity

Additional material on these recommendations will be developed later in the year.

