AGENDA REPORT

CITY OF OAKLAND

TO:	G. Harold Duffey Interim City Administrator	**FROM:**	Erin Roseman Director of Finance
SUBJECT:	FY 2023-25 Mayor and Council Budget Priorities	**DATE:**	February 21, 2023

City Administrator Approval _(signature)_   Date: Feb 21, 2023

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report To Begin Discussing Mayor And Council Priorities For The Fiscal Year (FY) 2023-2025 Budget Based On Preliminary Projected Increases Or Decreases In The Next Budget In Accordance With The Consolidated Fiscal Policy (Ordinance 13487 C.M.S.)

EXECUTIVE SUMMARY

Pursuant to the adoption of the Consolidated Fiscal Policy ("CFP") Ordinance No. 13487 C.M.S., the City Administrator is required to brief the City Council on estimated baseline expenditures, revenue projections and provide an overview of the City's budgeting process at its biennial workshop for discussing priorities. **Attachment A** contains the PowerPoint presentation providing this briefing.

BACKGROUND / LEGISLATIVE HISTORY

On December 14, 2014, the City Council adopted the CFP (Ordinance No 13279 C.M.S.). The CFP was amended on May 15, 2018, by the City Council (Ordinance No. 13487 C.M.S.) as part of a regular review of the City's financial policies.

Section 3.1 of the CFP requires the Council to hold a workshop with an initial Budget Briefing and Priorities Discussion.

2. Council Initial Budget Briefing and Priorities Discussion

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

ANALYSIS AND POLICY ALTERNATIVES

Attachment A contains the PowerPoint presentation providing this briefing. In summary the City is facing a very substantial budget shortfall in its General Purpose Fund (GPF). This shortfall is larger than any others since the Late in 1970s.

The forecasts and projections underlying the estimated shortfall will be refined in the City's Five-Year Financial Forecast and presented to the City Council at its March 14th Finance and Management Committee Meeting.

Preliminary Estimate	FY 2023-24	FY 2024-25	2 – Year Total
Revenue	755,550,867	771,890,867	1,527,441,734
Expenditures	943,619,943	953.030.591	1,896,650,534
Surplus / (Deficit)	(188,069,076)	(181,139,724)	(369,208,800

FISCAL IMPACT

There is no direct fiscal impact for the receipt of this report.

PUBLIC OUTREACH / INTEREST

There was no public outreach completed in the production of this report.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report. However the budget has substantial effect on the local economy.

Environmental: There are no environmental opportunities associated with this report. However the budget may have substantial effect on local environmental conditions.

Race & Equity: There are no direct racial equity opportunities associated with this report. However, the budget process includes a number of steps to assess the racial equity impacts of decision making. Additional changes to this process could improve the quality and depth of equity analysis.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report To Begin Discussing Mayor And Council Priorities For The Fiscal Year (FY) 2023-2025 Budget Based On Preliminary Projected Increases Or Decreases In The Next Budget In Accordance With The Consolidated Fiscal Policy (Ordinance 13487 C.M.S.)

For questions regarding this report, please contact Brad Johnson, Budget Administrator, at 510- 207-5730.

Respectfully submitted,

ERIN ROSEMAN
Director of Finance

Attachments (1):

   A- Budget Briefing Presentation