



CITY OF OAKLAND

FY 2025-26 Second Quarter (Q2)
Revenue and Expenditure Report

Presenter
Bradley Johnson,
Finance Director

March 24, 2026
Finance and Management
Committee Meeting



Agenda



Introduction

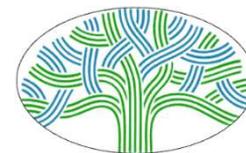
- Report Background

FY 2025-26 Q2 R&E Report

- GPF Overview
- GPF Revenues
- GPF Expenditures
- GPF Fund Balance
- Select Non-GPF Funds

Entering FY 2026-27 Midcycle

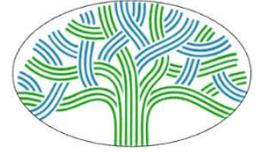
- Pressures and Opportunities
- Summary of FY 2025-26 Q2 R&E and Next Steps



Report Background

- This FY 2025-26 Q2 Report has been provided per the City's Consolidated Fiscal Policy (Ordinance No. 13487 C.M.S.).
- This report presents revenue and expenditure information only on the funds required to be reported in accordance with the City of Oakland Consolidated Fiscal Policy (Ordinance No. 13487 C.M.S.).
- The purpose of this report is to inform the public of the City's projected financial performance to use as a budget monitoring tool, improve fiscal transparency and accountability, and present data to make informed adjustments to maintain fiscal health.
- 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.

FY 2025-26 Second Quarter Results: General Purpose Fund (GPF)



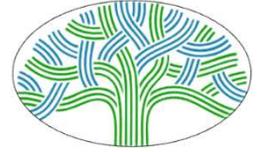
In FY 2025-26 GPF Expenditures are projected to exceed Revenues by \$64.84 million

- The Adjusted Budget of \$844.16 million assumes the following to balance expenditures:
 - 51.93 million in use of fund balance to cover FY 2024-25 carry-forwards.
 - \$0.40 million in fund balance to support budgeted expenditures.
- Revenues are projected to end the year \$59.92 million under the Adjusted Budget.
- Expenditures are projected end the year \$4.91 million over the Adjusted Budget.

FY 2025-26 General Purpose Fund Second Quarter (\$ in millions)

	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q2 YTD Actuals	FY 2025-26 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
FY 2025-26 Revenues	791.29	844.16	167.02	784.24	(59.92)	(7.1) %
FY 2025-26 Expenditures	791.29	844.16	347.26	849.07	(4.91)	(0.6) %
Operating (Shortfall) / Surplus	—	—	(180.24)	(64.84)	(64.84)	(7.7) %

FY 2025-26 Second Quarter GPF Revenues



FY 2025-26 GPF Budget to Actual Expenditures (\$ in millions)

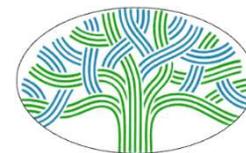
Revenue Category	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q2 YTD Actuals	FY 2025-26 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Property Tax	322.29	322.29	13.85	312.26	(10.04)	(3.11)%
Sales Tax	84.14	84.14	22.20	81.15	(3.00)	(3.56)%
Vehicle License Fee	-	-	0.66	0.66	0.66	N / A
Business License Tax	129.53	129.53	10.42	129.53	-	0.00%
Utility Consumption Tax	75.62	75.62	34.59	70.26	(5.36)	(7.09)%
Real Estate Transfer Tax	68.30	68.30	35.01	70.03	1.73	2.54%
Transient Occupancy Tax	15.48	15.48	8.67	16.97	1.49	9.65%
Parking Tax	11.94	11.94	5.48	11.06	(0.87)	(7.32)%
Local Tax	-	-	(0.01)	-	-	N / A
Licenses & Permits	1.35	1.35	0.73	1.35	-	0.00%
Fines & Penalties	24.57	24.57	12.81	26.07	1.50	6.09%

FY 2025-26 Second Quarter GPF Revenues (continued)



FY 2025-26 GPF Budget to Actual Expenditures (\$ in millions)

Revenue Category	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q2 YTD Actuals	FY 2025-26 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Interest Income	0.34	0.34	(0.05)	2.50	2.16	635.14%
Service Charges	51.90	51.99	17.85	53.46	1.47	2.82%
Internal Service Funds	-	-	-	-	-	N / A
Grants & Subsidies	-	0.85	2.08	2.51	1.65	194.09%
Miscellaneous Revenue	3.10	3.10	2.72	4.27	1.17	37.76%
Interfund Transfers	2.16	2.16	-	2.16	-	0.00%
Subtotal	790.72	791.67	167.02	784.24	(7.43)	(0.94)%
Transfers from Fund Balance	0.56	0.56	-	-	(0.56)	(100.00)%
Project Offsets & Carryforwards	-	51.93	-	-	(51.93)	(100.00)%
Total Revenue	791.29	844.16	167.02	784.24	(59.92)	(7.10)%

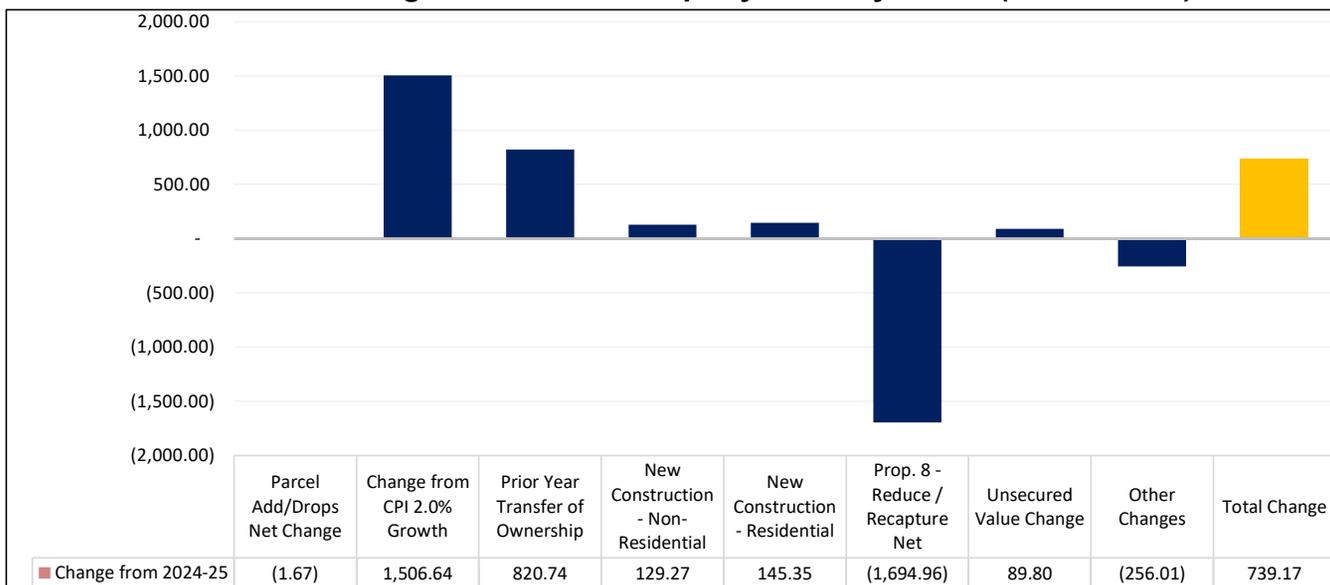


FY 2025-26 Second Quarter Property Tax

Assessed Valuation Growth Slowdown

- FY 2025-26 collections of Property Tax are projected to end the year at \$312.26 million, which is \$10.04 million or 3.1% under the Adjusted Budget of \$322.29 million.
- Assessed value growth slowed in FY 2025–26 primarily due to Proposition 8 (Prop 8) reductions, which temporarily lower assessed values when market value falls below the adjusted base-year value; Commercial properties accounted for most.

FY 2025-26 Change in Assessed Property Value by Cause (\$ in Millions)



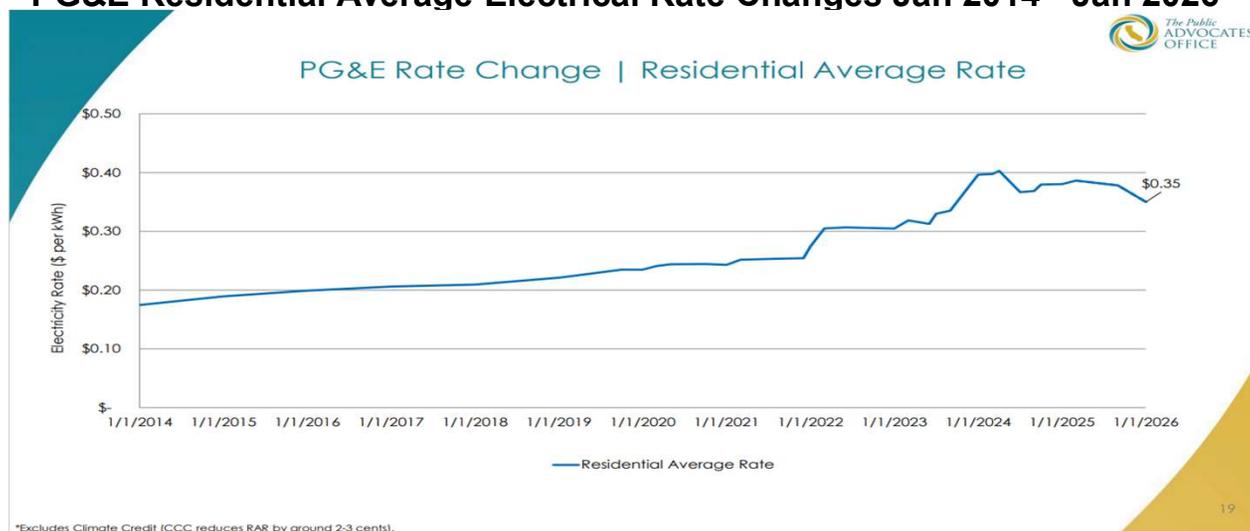


FY 2025-26 Second Quarter Utility Consumption Tax

Utility Rates Flattening

- Utility Consumption Tax (UCT): FY 2025-26 collections of UCT are projected to end the year at \$70.26 million which is \$5.36 million or 7.1% under the Adjusted Budget.
- UCT revenues have grown significantly over the past decade, largely driven by substantial utility rate increases
- Electric rates appear to have leveled off this year, according to PG&E, following prior years of sharp increases.
- Year-to-date UCT revenue trends are consistent with this stabilization in rates, revenue collected through Q2 is under by slightly less than 1% of revenue collected through Q2 in FY 2024-25.

PG&E Residential Average Electrical Rate Changes Jan 2014 - Jan 2026



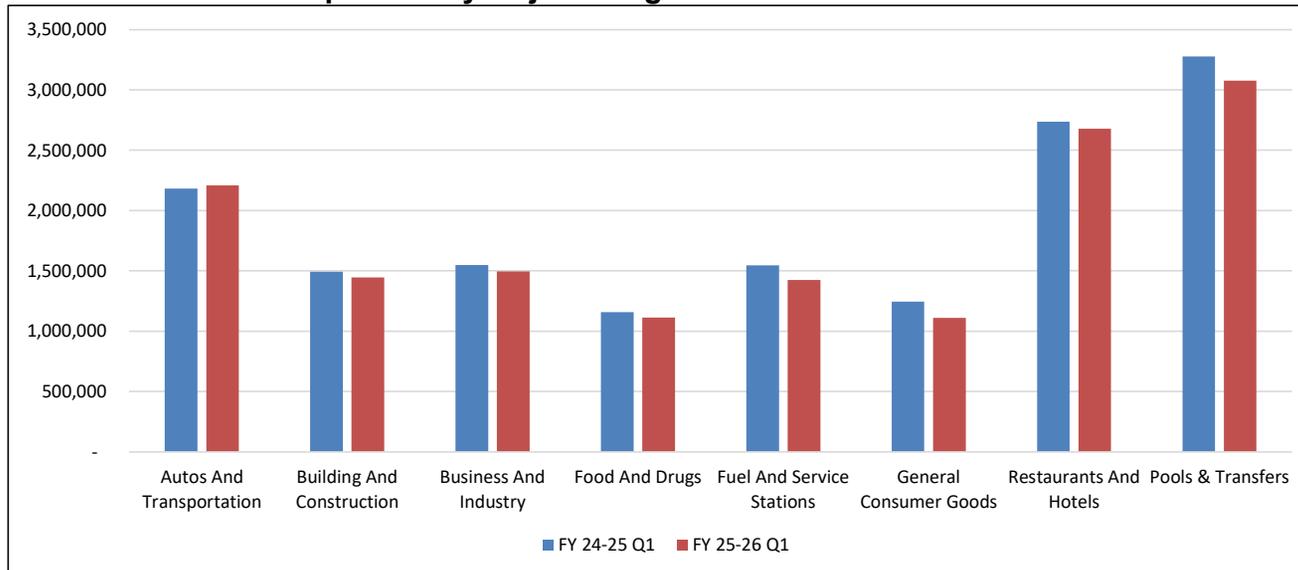
FY 2025-26 Second Quarter Sales Tax



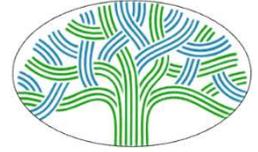
Sales Tax Comparison by Major Categories FY2024-25 Q1 and FY 2025-26 Q1

- FY 2025-26 Sales Tax collections are projected to end the year at \$81.15 million, which is \$3.01million or 3.6%, below the Adjusted Budget of \$84.14 million.
- Sales Tax is collected by the State reporting lags other categories. Detailed data is available through the First Quarter (Q1) of FY 2025-26. Oakland's receipts in FY 2025-26 Q1 were on average 4.5% below FY 2024-25 Q1.

Sales Tax Comparison by Major Categories FY2024-25 Q1 and FY 2025-26 Q1



FY 2025-26 Second Quarter GPF Expenditures



FY 2025-26 GPF Budget to Actual Expenditures (\$ in millions)

Department	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q2 YTD Actuals	FY 2025-26 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget	% of Adjusted Budget Spent YTD
Capital Improvement Projects	0.32	3.10	1.07	3.10	-	0.0%	35%
City Administrator	4.17	4.74	2.40	4.74	-	0.0%	51%
City Attorney	22.25	25.49	9.20	25.40	0.08	0.3%	36%
City Auditor	3.49	3.83	1.53	3.64	0.19	5.0%	40%
City Clerk	3.97	7.21	1.56	6.66	0.55	7.7%	22%
City Council	7.28	7.32	3.49	6.91	0.40	5.5%	48%
Department of Transportation	26.20	27.23	10.05	27.08	0.15	0.6%	37%
Department of Violence Prevention	5.72	6.00	2.19	5.59	0.41	6.9%	36%
Department of Workplace and Employment Standard	1.33	1.49	0.43	1.37	0.13	8.6%	29%
Economic and Workforce Development Department	10.38	12.72	2.65	11.81	0.91	7.2%	21%
Finance Department	23.35	27.02	9.38	25.77	1.25	4.6%	35%
Fire Department	210.49	221.85	99.87	220.81	1.04	0.5%	45%
Human Resources Management Department	0.44	0.57	0.19	0.64	(0.08)	(13.3)%	33%

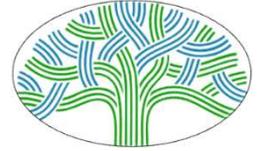
FY 2025-26 Second Quarter GPF Expenditures (continued)



Department	FY 2025-26 Adopted Budget	FY 2025-26 Adjusted Budget	FY 2025-26 Q2 YTD Actuals	FY 2025-26 Q2 Year-End Estimate	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget	% of Adjusted Budget Spent YTD
Human Services Department	36.36	38.84	4.63	43.29	(4.45)	(11.5)%	12%
Information Technology Department	6.06	7.31	2.45	7.85	(0.54)	(7.4)%	34%
Mayor	5.70	5.87	2.79	5.34	0.53	9.1%	48%
Non Departmental and Port	32.35	39.34	7.77	50.20	(10.87)	(27.6)%	20%
Oakland Animal Services	5.27	5.45	2.39	5.01	0.44	8.1%	44%
Oakland Parks and Recreation Department	12.69	12.98	5.23	12.11	0.88	6.8%	40%
Oakland Public Library Department	11.75	12.24	7.58	12.91	(0.67)	(5.5)%	62%
Oakland Public Works Department	0.79	1.55	0.76	3.60	(2.04)	(131.5)%	49%
Police Commission	7.13	7.71	2.17	5.70	2.01	26.1%	28%
Police Department	349.96	360.04	166.17	355.40	4.64	1.3%	46%
Public Ethics Commission	2.82	3.17	0.89	2.51	0.65	20.7%	28%
Race and Equity Department	1.01	1.09	0.43	0.99	0.10	9.1%	40%
Total	791.29	844.16	347.26	849.07	(4.91)	(0.6)%	41%

*Departments projected to overspend were manually adjusted to include one-time bonuses and additional carryforwards. Without these adjustments, these departments would have been projected to come in under budget.

FY 2025-26 Second Quarter GPF Fund Balance



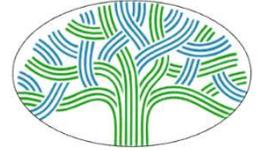
FY 2025-26 General Purpose Fund Projected Fiscal Year-End

- When obligations against fund balance are considered, the City's estimated available fund balance in the GPF at the end of FY 2025-26 is **\$20.67 million**.

FY 2025-26 General Purpose Fund Estimated Year-End Available Fund Balance (\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2025-26 Q2 Year-End Estimate
Beginning Fund Balance - Audited	87.43
Revenue	784.24
Expenditures	849.07
Estimated Current Year Surplus/(Shortfall)	(64.84)
Estimated Ending Fund Balance	22.59
Use of Fund Balance in FY 2025-26	
Restricted Legal Settlements	(1.92)
Estimated Ending Fund Balance	20.67

FY 2025-26 Second Quarter Reserve Balances



FY 2024-25 Reserve Balances

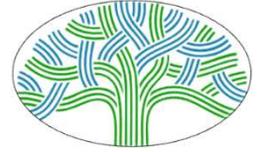
FY 2024-25 Q4 Reserve Balances (\$ in millions)

Description	FY 2024-25 Beginning Balances	FYE Estimated 24-25 Balance
Mandated Emergency Reserves FY 2022-23*	63.81	64.13
Vital Services Stabilization Fund	—	—
OMERS Reserves (Reso. No. 85098 C.M.S)	2.36	2.36
Total Reserves	66.17	66.49

*The 7.5% GPF reserve is not a cumulative balance.

The 7.5% GPF reserve requirement is met.

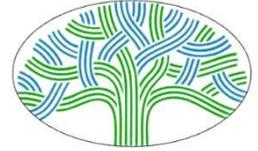
FY 2025-26 Second Quarter Select Non-GPF Funds



FY 2025-26 Fund Balance and Appropriations (\$ in millions)

Fund Description	FY25-26 Beg Audited Fund Balance	FY25-26 Year End Rev Projections	FY25-26 Year End Exp Projections	Recommended Carryforward	FY25-26 Year End Estimated Fund Balance
1030 - Measure HH (SSBDT)	6.73	6.00	11.01	0.68	1.03
1100 - Self Insurance Liability	23.73	73.79	68.20	0.00	29.33
1870 - Affordable Housing Trust Fund	14.97	14.36	34.02	0.36	(5.05)
Measure BB and Measure F Funds (2215, 2216, 2217, 2218, 2219, 2220)	83.22	38.48	87.85	0.47	33.37
State Transportation (Gas Tax) Funds (2230, 2232)	14.18	24.81	14.35	0.00	25.65
2244 - Measure Q - Parks & Recreation Preservation, Litter Reduction, and Homelessness Support Act	19.64	34.22	39.60	0.00	14.23
2310 - Lighting and Landscape Assessment District	1.94	19.80	18.57	0.00	3.18
4100 - Equipment	18.67	28.78	42.89	0.00	4.56
4400 - City Facilities	7.98	48.56	53.25	0.00	3.29

Fiscal Pressures & Opportunities

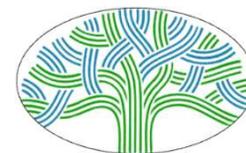


The City continues to face fiscal pressures from several areas including:

- CalPERS, Healthcare, Insurance
- Restoring Ballot Measure MOE's
- Uncertainty around Federal Funding
- Equipment & Facility Needs
- June 2026 Revenue Measure
- Negative Funds

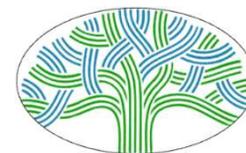
However, the City has opportunities to potentially mitigate these fiscal pressures:

- Build on Revenue Collection Performance
- Positive Beginning Position
- Maintain Discipline in Spending
- Successful Access of Bond Market



Key Takeaways of FY 2025-26 Q2 R&E & Next Steps

- While there remains a projected positive fund balance of \$20.67 million, FY 25-26 is projected to end the year with an operating deficit of \$64.84 million in the GPF.
- With the FY26-27 Midcycle Budget Process underway, the City continues to work on correcting imbalances between revenues and expenditures on an ongoing basis.
- The City must continue to exercise fiscal prudence to ensure long term fiscal sustainability.



Questions