



AGENDA REPORT

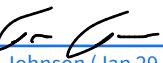
TO: Jestin D. Johnson
City Administrator

FROM: Bradley Johnson
Director of Finance

SUBJECT: Fiscal Year 2024-25 Fourth Quarter
Revenue and Expenditures (R&E)
Report

DATE: January 27, 2026

City Administrator Approval


Jestin Johnson (Jan 29, 2026 18:38:26 PST)

Date: 01/29/2026

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2024-25 Fourth Quarter (Q4) Audited Results For The General Purpose Fund (GPF, 1010), And Select Funds.

EXECUTIVE SUMMARY

This report outlines the City of Oakland's FY 2024-25 year-end revenues and expenditures based on Fourth Quarter (Q4) actuals. In FY 2024-25, the city collected 103.4% of the adjusted revenue budget, while the expenditures reflect 94% of the adopted expenditure budget. While the City ended the year with a positive operating performance relative to the adjusted budget, the net available year-end position is lower once several obligations are factored in, including year-end encumbrances, carryforward appropriations, and fund balance commitments.

Total FY 2024-25 revenue collections amounted to \$815.90 million, which surpassed the Adjusted Budget of \$789.33 million by \$26.56 million, or a net gain of 3.4%. The positive budget variance was primarily driven by the aggressive balancing measures that included interfund transfers from eligible funds into the GPF, a large one-time Real Estate Transfer Tax (RETT) transaction, and enhanced revenue recovery efforts to collect past due business taxes.

Excluding one-time adjustments such as interfund transfers and use of fund balances, the City's ongoing revenues outperformed budget expectations by 6.1%, as detailed in **Table 1** below. Shortfalls in Sales Tax, Transient Occupancy Tax, and Parking Tax collections can be attributed to the broader economic conditions in the local economy. Continued aggressive effort to recover outstanding Business Tax delinquencies remains a key focus for the upcoming fiscal year.

Overall, the City ended the Fiscal Year 2024-25 with a positive budget variance of \$73.60 million relative to the Adjusted Budget, driven primarily by expenditure reductions and controls implemented during the midyear budget balancing measures. However, after accounting for year-end obligations, including \$45.22 million in recommended carryforward appropriations,

\$12.7 million in encumbrances rolling into FY 2025-26, and other required set-asides and restrictions, the City's available year-end GPF fund balance is \$16.87 million, as shown in **Table 5** of this report.

Table 1: Summary of FY 2024-25 Q4 GPF Revenues & Expenditures Budget to Year-End Actuals (\$ in millions)

	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget ¹	FY 2024-25 Q4 Year-End Audited Actuals	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
FY2024-25 Revenues	744.09	747.62	792.96	45.34	6.1 %
Coliseum Sale	63.10	0.00	0.00	0.00	N/A
Use of Fund Balance for Carry Forwards	0.00	41.71	0.00	(41.71)	N/A
Balancing Actions: Interfund Transfers	0.00	0.00	22.94	22.94	N/A
Adjusted Revenues	807.19	789.33	815.90	26.56	3.4 %
FY 2024-25 Expenditures	807.19	789.33	742.30	47.03	6.0 %
Operating (Shortfall) / Surplus	0.00	0.00	73.60	73.60	N/A

The year-end results indicate a positive budget variance, supported by the balancing measures approved under [Resolution No. 90585 C.M.S.](#) on December 17, 2024, which were implemented to address the projected shortfall at that time.

BACKGROUND / LEGISLATIVE HISTORY

Below is a summary of the Council's actions that have occurred from the beginning of the fiscal year through Q4 that have modified the FY 2024-25 Budget:

Pursuant to the City's Consolidated Fiscal Policy - Part G. Criteria for Project Carryforwards and Encumbrances, the FY 2024-25 Adopted Budget has also been adjusted to include \$41.31 million in prior year carryforwards in the GPF which utilizes available fund balance to cover the cost.

In October 2024, administrative action was taken to initiate the implementation of the

¹ The Adjusted Budget includes \$41.31 million in fund balance for FY 2023-24 carryforward expenditures, an additional \$0.40 million for budgeted expenditures, incorporates grants and State subventions received during the fiscal year, and reflects the adopted contingency plan excluding \$63.10 million in Coliseum land sale proceeds assumed in the Adopted Budget.

contingency budget, as authorized by [Resolution 90326 C.M.S.](#)

On December 17, 2024, the City Council approved a series of balancing measures to address the projected GPF deficit, as authorized by [Resolution 90585 C.M.S.](#) These measures have been implemented and have had a significant impact on the estimated year-end financial position of the City.

ANALYSIS AND POLICY ALTERNATIVES

This report supports the Citywide priority of a **responsive, trustworthy government** by providing timely and up-to-date financial information and enhancing transparency allowing residents, stakeholders, and decision-makers to be informed of the City's fiscal health, promoting a culture of responsible financial stewardship.

General Purpose Fund (GPF)

FY 2024-25 Q4 Revenues

The GPF revenues collected in FY 2024-25 ended the year at \$815.90 million which is \$26.56 million or 3.4% over the Adjusted Budget of \$789.33 million. The Adjusted Budget reflects the adopted contingency plan, which excludes proceeds from the Coliseum land sale originally assumed in the Adopted Budget in the amount of \$63.10 million. The sale was delayed and did not close during FY 2024-25. Only an initial \$5 million down payment was received toward the future sale and is reflected as part of the year-end miscellaneous revenues. The Adjusted Budget also assumed the use of \$41.31 million in fund balance to support carryforward expenditures from FY 2023-24, as well as an additional \$0.40 million in fund balance to support budgeted expenditures. In addition, the Adjusted Budget incorporates grants and State subventions received during the fiscal year.

The year-end positive budget variance was largely supported by one-time interfund transfers totaling \$22.94 million. These transfers resulted from balancing actions taken after the City Council declared "a severe financial event and a state of extreme fiscal necessity," which temporarily lifted restrictions on certain funds and allowed transfers to the General Purpose Fund (GPF).

Most actual revenue categories met or surpassed budget expectations, with three notable exceptions. Sales Tax ended the year at \$3.73 million or 5.9% under budget as gross receipts declined across several sectors. Transient Occupancy Tax (TOT) fell \$3.35 million or 17.0% under budget, driven by reduced hotel operations. Parking Tax ended the year \$1.83 million or 14.0% under budget, largely due to lower collections from the Oakland Airport and the Coliseum.

Revenue increases relative to the Adjusted Budget were led by Real Estate Transfer Tax (RETT) collections, which reached \$93.22 million, exceeding budget by \$19.50 million or 26.5%. This increase was primarily driven by a single, exceptionally large property transfer in June that accounted for roughly 26% of total RETT received for the year. Property Tax revenues finished at \$3.15 million or 1.0% above budget, with year-over-year revenue growth of 3.5%. However, this growth was below the 4.6% increase in assessed property values recorded on the City's tax

roll, primarily due to Proposition 8 reassessments resulting from appeals during the fiscal year. Fines and Penalties surpassed budget expectations by \$4.66 million or 24.1%, reflecting recent parking citation fine rate increases and enhanced enforcement staffing. Utility Consumption Tax exceeded budget by \$2.32 million or 3.4%, driven by rate increases approved by the California Public Utilities Commission (CPUC) which were implemented in phases beginning in early 2024. Miscellaneous Revenue also outperformed, exceeding budget by \$14.76 million or 529.3%, primarily from the \$5 million Coliseum payment, and legal settlements, some of which are subject to offsetting liabilities.

The GPF revenues by category are detailed below.

- **Property Tax:** FY 2024-25 collections of Property Tax ended the year at \$309.72 million, which is \$3.15 million or 1.0% over the Adjusted Budget of \$306.57 million. The net assessed taxable property value for the City in FY 2024-25 experienced an annual growth of 4.6%, with a net taxable value of \$89.92 billion compared to \$85.96 billion in FY 2023-24. Causes for the net increase in assessed property values include growth due to Consumer Price Index increases, which is capped at 2% per State Proposition 13, reassessments following prior year transfers of ownership, new construction in the City, unsecured value change, and the net addition of parcels. Despite the 4.6% growth in assessed value, property tax revenue increased by 3.5% in FY 2024-25 compared to the prior year. The relatively smaller revenue growth is partly due to additional Proposition 8 value reductions resulting from appeals processed during the fiscal year, reducing the assessed value that appeared on the tax roll and therefore the amount of the tax. The Central District Redevelopment Project Area, covering neighborhoods like City Center, Chinatown, Old Oakland, and Uptown, was among the areas most affected, where some declines resulted from successful assessment appeals related to vacancies. Additionally, several properties in the area experienced reduced market values, as asking prices were lowered to reflect increased vacancies and reduced demand.
- **Business Tax (BT):** FY 2024-25 collections of BT ended the year at \$129.67 million, which is \$9.61 million or 8.0% over the Adjusted Budget of \$120.06 million. The primary driver of annual revenue growth in FY 2024-25 was the City's enhanced recovery efforts targeting past-due Business Tax delinquencies. These efforts not only increased collections during the fiscal year but also resulted in a significant increase in liens recorded with Alameda County, totaling \$7.44 million in back taxes owed, which were accounted for as part of the year end actuals. When excluding tax amounts recognized as receivables, whether under active collection or recorded as liens, in either FY 2023-24 or FY 2024-25, actual revenue received in FY 2024-25 still exceeded the prior year by \$4.39 million, a 3.7% increase. Gross receipts reported rose by 2% over the same period. The largest contributor to this growth was the Residential Rental Properties category, which brought in \$4.26 million more than in FY 2023-24, representing a 16.9% increase. Two other categories showed significant year-over-year changes of more than \$1 million. The Administrative Headquarters category declined by \$1.67 million, or 38.6%, due to a 34% drop in gross receipts. In contrast, the Professional and Semi-Professional Services industry saw a \$1.92 million increase, a 6.8% gain supported by a 7% rise in gross receipts.

- **Real Estate Transfer Tax (RETT):** FY 2024-25 collections of Real Estate Transfer Tax ended the year at \$93.22 million which is \$19.50 million or 26.5% over the Adjusted Budget of \$73.72 million. RETT grew by 61.8% compared to FY 2023-24. The increase was driven largely by a major property sale in the final month of the fiscal year. In June, PG&E purchased a large building and an adjacent lot for approximately \$985.50 million, which alone accounted for 26% of total RETT revenue for the year. By contrast, FY 2023-24 did not include any single property sale exceeding \$100 million. Without this extraordinary transaction, FY 2024-25 RETT collections would have totaled \$68.58 million, or 3.4% above the year-end revenue projections from the Q2 and Q3 R&E reports. Another contributor to the year-over-year growth was a shift in federal monetary policy. During FY 2024-25, the Federal Open Market Committee (FOMC) implemented its first series of rate cuts since the post Covid-19 Pandemic increases started in March 2022, lowering the federal funds rate three times during the fiscal year: a 50-basis-point cut in September 2024, followed by two 25-basis-point cuts in November and December 2024. After the fiscal year ended, the FOMC has implemented three additional 25-basis-point cuts, bringing the federal funds rate target range to 3.50%–3.75%.
- **Utility Consumption Tax (UCT):** FY 2024-25 collections of Utility Consumption Tax ended the year at \$70.75 million which is \$2.32 million or 3.4% over the Adjusted Budget of \$68.44 million. FY 2024-25 experienced higher amounts of UCT collected compared to prior years driven by PG&E's 2023-26 General Rate Case approved by the California Public Utilities Commission (CPUC) which increased utility rates by about 12.8% in 2024, with a projected increase of approximately 1.6% in 2025. These incremental rate hikes directly impact the tax base, as utility consumption tax is a percentage of the utility bill, thus leading to higher tax revenue. Overall, FY 2024-25 collections of UUT ended 6.9% higher compared to the prior fiscal year.
- **Sales Tax:** FY 2024-25 collections of Sales Tax ended the year at \$60.00 million, which is \$3.73 million or 5.9% under the Adjusted Budget of \$63.73 million. Oakland's taxable sales declined 2.8% year-over-year compared to FY 2023-24, while Alameda County and the broader Bay Area posted modest growth of 1.3% and 0.1%, respectively. Oakland's sales tax receipts decline during the fiscal year reflects weaker consumer spending, business closures, and lower fuel prices. Most major sectors experienced significant declines of at least 5% or higher, including fuel, construction, food, and retail goods, while restaurants and transportation absorbed more modest declines of under 2% compared to the prior fiscal year. Business and industry stood out as the strongest performer, benefiting from equipment purchases and office supply spending, resulting in 10.8% annual growth. Shifts in state and county pool allocations affected Oakland and other local agencies, resulting in Oakland's share ending 4.1% lower compared to the prior year. The economic outlook remains uncertain, as sales continue to be affected by persistently high inflation and elevated federal interest rates. Additional uncertainty remains from policy changes under the new federal administration, including evolving tariffs and potential tax adjustments, which could influence consumer spending patterns.
- **Service Charges:** FY 2024-25 collections of Service Charges ended the year at \$53.18 million which is \$1.19 million or 2.3% over the Adjusted Budget of \$51.99 million. While taxes provide general revenue to fund community-wide services, service charges (or fees) are intended to recover the costs of specific City-provided services. In FY 2024-25, total service charges rose 13% from the prior year. The largest driver of this increase

was Parking Meter Fee revenue, which accounts for 33% of the GPF total service charges. Parking Meter Fee collections grew by \$3.08 million or 30% over FY 2023–24, though this fell short of the budgeted projection, which assumed revenues would rise in line with the 50% increase in hourly parking rates, from \$2 to \$3, implemented at the start of FY 2024–25. Another major contributor to the overall annual increase was a \$2.18 million, or 39%, rise in personnel service recoveries from special operations conducted by the Police Department compared to the previous fiscal year.

- **Fines & Penalties:** FY 2024-25 collections of Fines and Penalties ended the year at \$24.00 million, which is \$4.66 million or 24.1% over the Adjusted Budget. Parking citations account for over 90% of Fines and Penalties revenue. Increased revenue collections have been led by a 5% increase in parking fines that took effect in FY 2023-24 and an additional 5% for FY 2024-25 to adjust for retroactive inflation. Enhanced enforcement efforts, supported by recent hires in the Parking Enforcement Unit, have further strengthened collections in FY 2024-25. Consequently, parking fine revenue rose 25.1% compared to FY 2023-24.
- **Interfund Transfers:** FY 2024-25 collections of Interfund Transfers ended the year at \$22.94 million, which is \$19.86 million or 645.2% over the Adjusted Budget of \$3.08 million. The FY 2024–25 budget had anticipated a single \$3.08 million transfer from the Multi-Purpose Reserve Fund, which is typically a recurring interfund transfer made annually at the discretion of the City Council. This fund includes revenues from off-street parking facilities, restricted for parking-related uses, and other discretionary revenues that the Council has historically allocated to support the General Purpose Fund (GPF). However, due to the absence of an available fund balance in the Multi-Purpose Reserve Fund this fiscal year, the anticipated transfer was not executed. Instead, only transfers associated with budget-balancing actions were carried out. These interfund transfers were made during the fiscal year following the City Council's declaration of a severe financial event and a state of extreme fiscal necessity. This declaration temporarily suspended restrictions on several funds, enabling transfers into the GPF from the General Purpose Fund Emergency Reserve Fund, the Measure HH Sugar-Sweetened Beverage Distribution Tax (SSBDT) Fund, the Vital Services Stabilization Fund, and the Radio Telecommunications Internal Service Fund.
- **Miscellaneous Revenue:** FY 2024-25 collections of Miscellaneous Revenues ended the year at \$17.55 million, which is \$14.76 million or 529.3% over the Adjusted Budget of \$2.79 million. A sum of \$5 million was received as an initial payment for the sale of the Coliseum site. This amount was not anticipated in the Adjusted Budget due to the delay in the completion of the sale. The FY 2024-25 Adopted Budget initially included \$63.10 million from the sale of the Coliseum land, classified under Miscellaneous Revenues. However, due to delays in the transaction, the expected \$63.10 million was removed from the budget and a contingency budget was adopted as it was stipulated as part of the FY 2024-25 Midcycle Budget adoption. In addition, legal settlements have significantly contributed to the actual miscellaneous revenues realized as well. Approximately \$7.52 million of the Miscellaneous category is attributable to legal settlements, however, \$3.24 million of revenue resulting from these legal settlements is restricted to specific reimbursements bound by settlement agreements and cannot be accounted for in the overall balancing of the General Purpose Fund.

- **Transient Occupancy Tax ("TOT"):** FY 2024-25 collections of TOT in the GPF ended the year at \$16.39 million, which is \$3.35 million or 17.0% under the Adjusted Budget of \$19.74 million. This year's performance continues the downward trend observed over the past two fiscal years. TOT revenues in FY 2024–25 closed 13.4% below FY 2023–24, which itself had declined 6.3% from FY 2022–23. The primary cause of the decline in TOT collections has been the closure of major hotels, including the Hilton and the Waterfront Hotel at Jack London Square, which together in recent years generated over \$2 million annually in TOT revenue. Reduced passenger traffic at Oakland International Airport, down 11.7% at the end of FY 2024-25 in rolling 12-month totals compared to FY 2023–24, likely also contributed to lower hotel activity, reflecting the general relationship between air travel trends and lodging demand.
- **Parking Tax ("PT"):** FY 2024-25 collections of Parking Tax ended the year at \$11.24 million, which is \$1.83 million or 14.0% under the Adjusted Budget of \$13.07 million. Parking tax revenues declined by 5.3% year over year, led by declines in parking tax revenue observed particularly in the airport and Coliseum area, both located in Council District 7, which shows approximately a 10% decrease compared to the prior fiscal year. The June 2025 monthly activity report from the Oakland Airport shows a 13.9% year-to-date decline in parking lot revenue for 2025. Additionally, the fourth quarter of fiscal year 2024–25 saw no parking revenue from baseball games at the Coliseum. For the first time in decades this revenue was absent following the A's departure at the end of their 2024 season.
- **Interest Income:** FY 2024-25 Interest Income ended the year at \$2.68 million which is \$0.18 million or 7.1% over the Adjusted Budget of \$2.50 million. Because the GPF had a minimal to negative cash balance during FY 2024-25, no interest income was projected in the second and third quarter reports. The positive interest amount shown at year-end is not actual revenue the City received. Instead, it mainly reflects an accounting adjustment made at the end of the fiscal year to show the current market value of the City's investments, as required by government accounting standards. This adjustment records unrealized gains or losses caused by changes in market interest rates. It is a bookkeeping entry only and it does not affect the City's cash flow or budget.
- **Grants & Subsidies:** FY 2024-25 Grants and Subsidies in the GPF ended the year at \$2.37 million which is \$0.93 million or 64.1% over the Adjusted Budget of \$1.44 million. Grants and subsidies in the GPF consist mainly of State Subventions which consist primarily of reimbursements received from the State for staff costs and operational support provided to other jurisdictions, such as the deployment of City firefighters to assist in statewide fire suppression efforts.
- **Licenses & Permits:** FY 2024-25 Licenses and Permits in the GPF ended the year at \$1.52 million which is \$0.35 million or 30.6% over the Adjusted Budget of \$1.16 million. These primarily include special activity permits related to the cannabis industry, as well as residential parking permits issued under the City's Residential Parking Permit Program, which is designed to help ensure adequate on-street parking availability for neighborhood residents.

The FY 2024-25 Adjusted Revenue Budget assumes \$41.31 million in use of fund balance to support prior year carryforwards and \$0.40 million in use of fund balance to support

expenditures adopted in the budget. Net of these, actual revenues ended the year at \$815.90 million, compared to the Adjusted Budget of \$747.62 million, representing a positive net budget variance of \$68.28 million or 9.1%. **Table 2** below highlights revenue categories with year-end results compared to the FY 2024-25 Adjusted Budget.

Table 2: FY 2024-25 Q4 GPF Revenues Budget to Actuals (\$ in millions) Summary

Revenue Category	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget ²	FY 2024-25 Q3 Projections Plus Budget Balancing Actions	FY 2024-25 Q4 Year-End Audited Actuals	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Property Tax	306.57	306.57	312.91	309.72	3.15	1.0 %
Business License Tax	120.06	120.06	121.27	129.67	9.61	8.0 %
Real Estate Transfer Tax	73.72	73.72	66.31	93.22	19.50	26.5 %
Utility Consumption Tax	68.44	68.44	70.05	70.75	2.32	3.4 %
Sales Tax	63.73	63.73	60.37	60.00	(3.73)	(5.9)%
Service Charges	51.84	51.99	51.84	53.18	1.19	2.3 %
Fines & Penalties	19.34	19.34	23.95	24.00	4.66	24.1 %
Interfund Transfers	2.70	3.08	22.94	22.94	19.86	645.2 %
Miscellaneous Revenue	64.32	2.79	17.12	17.55	14.76	529.3 %
Transient Occupancy Tax	19.74	19.74	16.07	16.39	(3.35)	(17.0)%
Parking Tax	13.07	13.07	11.17	11.24	(1.83)	(14.0)%
Interest Income	2.50	2.50	—	2.68	0.18	7.1 %
Grants & Subsidies	—	1.44	0.92	2.37	0.93	64.1%
Licenses & Permits	1.16	1.16	1.16	1.52	0.35	30.6 %
Subtotal	807.19	747.62	776.05	815.90	68.28	9.1 %
Transfers from Fund Balance	—	0.40	—	—	(0.40)	(100.0)%
Project Offsets & Carryforwards	—	41.31	—	—	(41.31)	(100.0)%
Total Revenue	807.19	789.33	776.05	815.90	26.56	3.4 %

² The Adjusted Budget includes \$41.31 million in fund balance for FY 2023–24 carryforward expenditures, an additional \$0.40 million for budgeted expenditures, incorporates grants and State subventions received during the fiscal year, and reflects the adopted contingency plan excluding \$63.10 million in Coliseum land sale proceeds assumed in the Adopted Budget.

FY 2024-25 Q4 Expenditures

At the end of Q4 for FY 2024-25, expenditures ended the fiscal year at \$742.30 million, or \$47.03 million under the Adjusted Budget of \$789.33 million. Most of the City's departments underspent by the end of FY 2024-25 due to a combination of Council-approved balancing measures, aggressive vacancy and hiring controls, discretionary spending reductions, and the deferral of some costs into FY25-26. There was substantial reduced spending from the levels anticipated earlier in the year, however, public safety departments were two departments that still largely exceeded their budgets in FY 2024-25.

Departments citywide improved their expenditure outlook compared to Q1 by \$113 million. The majority of the changes resulted from reduced personnel spending driven by vacancy management and delayed hiring. Operations and Maintenance (O&M) costs were also lower than projected, as departments curtailed discretionary spending and delayed contracts. Public safety was particularly influential in this shift, ending the year above their respective budgets but well below their initial Q1 projection, resulting in reduced spending overall.

Year-end results are further improved by approximately \$39.2 million of unspent appropriations that are recommended for carryforward in the current fiscal year and an additional \$12.7 million in encumbrances shifted into FY25-26. After adjusting for carryforwards, the City achieved approximately \$18.3 million in net savings, largely from personnel costs. While these net savings provided year-end relief, they do not signal a structural or ongoing reduction in baseline departmental spending.

Table 3 below breaks down the FY 2024-25 Expenditures by Department.

Table 3: FY 2024-25 Q4 GPF Expenditures Budget to Actuals (\$ in millions)

Department	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q3 Projections Plus Budget Balancing Actions	FY 2024-25 Q4 Year-End Audited Actuals	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Capital Improvement Projects	0.56	1.58	1.60	0.52	1.06	66.9 %
City Administrator	5.99	5.93	6.50	6.21	(0.29)	(4.8)%
City Attorney	21.71	26.18	23.63	21.20	4.98	19.0 %
City Auditor	3.73	4.01	2.91	2.60	1.41	35.1 %
City Clerk	8.00	9.92	9.90	6.57	3.35	33.8 %
City Council	7.87	7.91	6.95	6.68	1.23	15.6 %
Department of	21.72	22.08	21.47	20.76	1.32	6.0 %
Department of Violence Prevention	7.49	8.10	5.87	5.97	2.13	26.3 %

Department	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q3 Projections Plus Budget Balancing Actions	FY 2024-25 Q4 Year-End Audited Actuals	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Department of Workplace and Employment	2.39	2.15	1.38	1.57	0.58	26.8 %
Economic and Workforce	15.24	14.94	11.93	12.70	2.23	15.0 %
Finance Department	29.13	29.03	27.81	23.19	5.83	20.1 %
Fire Department	180.45	167.27	186.32	181.43	(14.17)	(8.5)%
Human Resources Management Department	0.33	0.53	0.43	0.64	(0.11)	(20.7)%
Human Services Department	43.08	47.04	43.99	35.04	12.00	25.5 %
Information Technology Department	6.55	6.95	6.47	6.90	0.06	0.8 %
Mayor	5.59	5.60	4.07	3.94	1.66	29.6 %
Non Departmental and Port	53.80	59.00	46.96	36.06	22.94	38.9 %
Oakland Animal Services	6.84	6.57	5.94	5.45	1.12	17.1 %
Oakland Parks and Recreation Department	11.80	12.13	13.76	11.88	0.25	2.1 %
Oakland Public Library Department	12.40	11.40	5.93	8.10	3.30	29.0 %
Oakland Public Works Department	2.73	4.54	3.23	1.54	3.00	66.1 %
Police Commission	8.78	9.57	7.49	6.43	3.13	32.8 %
Police Department	347.21	322.77	323.93	333.65	(10.88)	(3.4)%
Public Ethics Commission	2.52	2.78	2.43	2.24	0.55	19.6 %
Race and Equity Department	1.27	1.35	1.27	1.13	0.22	16.0 %
Subtotal	807.19	789.33	772.15	742.30	47.03	6.0 %
Citywide			31.73			

Department	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget	FY 2024-25 Q3 Projections Plus Budget Balancing Actions	FY 2024-25 Q4 Year-End Audited Actuals	Year-End \$ Over / Under Adjusted Budget	Year-End % Over / Under Adjusted Budget
Total	807.19	789.33	740.41	742.30	47.03	6.0 %

Although vacancy management contributed significantly to lower year-end personnel costs, it is important to note that the FY25 budget assumed a 10% vacancy factor across most City departments. The GPF's vacancy rate (net positions that are frozen as part of the FY 2024-25 Adopted Budget), ultimately ended the year at 13.0% as shown in **Table 4** below. However, any vacancy-related savings generated citywide were largely offset by personnel expenditures in the public safety departments, which continued to exceed their adjusted budget despite reducing spending from earlier projections.

Table 4: FY 2024-25 Q4 GPF Filled and Vacant Positions (Percent %)

Status as of Q4 FY 2024-25	Percent (%)
Filled or Encumbered	87.0 %
Vacant	13.0 %

FY 2024-25 Fund Balance

The City's GPF Fund Balance, net obligations, for FY 2024-25 ended at \$86.91 million. However, this fund balance decreases once known existing obligations are applied. Obligations may include reserves required by City Ordinances or the City Charter (mandated emergency reserves). **Table 5** below adjusts the projected ending fund balance, and deducts \$12.77 million of encumbrances and \$45.22 million recommended to carry forward into FY 2025-26, restricted set-asides for legal settlements in the amount of \$1.83 million, and accounts for the use of fund balance as authorized in a Resolution combining to adjust the estimated FY 2024-25 year-end available fund balance from \$86.91 million to \$16.87 million. The estimated FY 2024-25 available Fund Balance is the amount of unobligated funding available to the City in the GPF.

Table 5: Summary of FY 2024-25 Fiscal Situation with GPF Fund Balance (\$ in millions)

GENERAL PURPOSE FUND (1010)	FY 2024-25 Q4 Year-End Audited Actuals
Beginning Fund Balance - Audited	13.31
Revenue	815.90
Expenditures	742.30
Estimated Current Year Surplus/(Shortfall)	73.60
Estimated Ending Fund Balance	86.91
Obligations Against Ending Fund Balance	
Encumbrances	(12.77)
Legal Settlements	(1.83)
One-Time Bonus for FY 2025-26	(10.22)
Final Carryforward on to FY 2025-26	(45.22)
FY 2024-25 Ending Available Fund Balance	16.87

In FY 2024-25 GPF revenues exceeded the adjusted budget, while expenditures came in below the budgeted amount. Together, these results produced an operating surplus of approximately \$73.60 million. The surplus includes \$22.94 million in interfund transfers associated with the balancing measures approved under [Resolution No. 90585 C.M.S.](#) on December 17, 2024, which also included expenditure controls, reductions, and cost shifts described further below. Several City departments had overspending, led by the Police and Fire Departments who exceeded their budgets by \$10.88 million and \$14.17 million, respectively, primarily due to overspending in personnel from overtime costs.

FY 2024-25 Balancing Measures

The City entered FY 2024-25 facing a projected \$130 million General Purpose Fund deficit, requiring immediate and coordinated action across the organization. Throughout the year, the City Council, City Administration, and departments worked collectively to stabilize the budget through a combination of improved revenue performance, cost controls, and one-time balancing measures. This collective effort was instrumental in preventing the City from ending the year in deficit.

The balancing actions affirmed and adopted per [Resolution 90585 C.M.S.](#) on December 17, 2024, were especially critical. These mid-year actions provided the relief needed to keep the GPF in a positive position. Departments made concerted efforts to temper spending, delay non-essential spending, manage vacancies, while revenue enhancements such as Business Tax

collections and a one-time spike in Real Estate Transfer Tax (RETT) further improved the financial outlook.

However, most of the measures used to close the gap were temporary in nature and did not alter the City's underlying cost structure. These tools were necessary to address the FY 2024-25 shortfall but will not prevent structural deficits without recurring changes to both revenues and expenditures.

Key one-time measures included:

- \$30 million of Public Safety reduction measures, which significantly lowered projected spending but do not represent ongoing savings
- \$19 million reallocation and the return of excess fund balances in the Internal Service Funds (ISFs)
- Removing Self Insurance Fund restrictions to use \$9 million towards the GPF deficit
- Temporary transfers of personnel to other funds in the amount of \$6 million
- Interfund transfers totaling \$22.94 million - Occurred due to temporary lifting of fund restrictions after the City Council declared a severe financial event and a state of extreme fiscal necessity
- Single exceptionally large property transfer driving Real Estate Transfer Tax (\$24.6M in RETT) - One transaction in June accounted for ~26% of total RETT for the year
- \$5 million Coliseum payment - One-time payment included within Miscellaneous Revenue
- Restricted legal settlements totaling \$3.24 million- Revenue resulting from these legal settlements under Miscellaneous Revenue is restricted to specific reimbursements bound by settlement agreements
- Back-tax liens recorded with Alameda County totaling \$7.44 million - Result of enhanced recovery efforts on past-due Business Tax delinquencies.

Long-Term Budget Outlook

While the balancing measures for FY 2024-25 provided necessary short-term relief, the City continues to face significant long-term financial challenges. Many of the drivers of the structural deficit such as rising personnel costs, limited ongoing revenue growth, and deferred obligations remain in place.

Personnel-related costs will continue to grow, including CalPERS pension and Other Post-Employment Benefits (OPEB) obligations. The City's OPEB exceeds \$500 million as of the latest actuarial valuation, and annual retiree and active medical costs are rising faster than the City's revenue base. The 2025 medical annual premium for active employees was over \$92 million; it grows by roughly five percent, for a projected amount of \$96 million for 2026. The City's total PERS medical payments, which include active employees and retirees, have increased by over \$5 million on average per year in the last 5 years and is expected to be over \$110 million in total for FY 2025-26.

In addition, external uncertainties such as federal and state funding variability and the need to meet voter-mandated MOE and service level requirements will add to long-term risk. As the City prepares for the FY 2026-27 Midcycle budget, it will be necessary to realign ongoing expenditures with recurring revenues and evaluate sustainable strategies to maintain service levels. Recognizing these challenges, the City Administrator has proposed a [fiscal roadmap](#), which is a set of strategic initiatives to address the City's financial constraints and restore long-term fiscal health. These initiatives seek to address mid- and long-term cost pressures driven by pension, fleet, capital, and other obligations; improve revenues through improved collection practices, economic development strategies, and a 2026 voter-approved tax proposal; and enhancing City services by meeting voter-mandated service levels and strengthening performance management practices.

Conclusion

The GPF fund balance began the fiscal year in a negative position, a situation further aggravated by delays in receiving anticipated revenues from the Coliseum sale. The absence of these funds necessitated the activation of the Contingency Budget, resulting in reductions across multiple City departments and services.

While the balancing actions materially strengthened the City's year-end financial position, they did not resolve the fundamental structural issues in the City's budget. Many of the underlying operational and staffing needs that were constrained or deferred in FY 2024-25 will re-emerge in the upcoming (and future) fiscal year and require ongoing funding solutions. Absent recurring solutions, the City will continue to face budget gaps in subsequent fiscal cycles. The results of FY 2024-25 represent a step in the right direction, demonstrating the City's ability to confront fiscal challenges through collective effort and disciplined management, however, sustained work is required to achieve long-term fiscal sustainability and maintain the services most important to Oakland residents.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

COORDINATION

This report was prepared in coordination between the Finance Department, the City Administrator's Office and various departments.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No direct environmental impacts have been identified.

Race & Equity: No direct Race & Equity opportunities have been identified in this informational report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report On Fiscal Year (FY) 2024-25 Fourth Quarter (Q4) Audited Results For The General Purpose Fund (GPF 1010), And Select Funds.

For questions regarding this report, please contact Bradley Johnson, Finance Director, at (510) 238-6119.

Respectfully submitted,


Bradley Johnson (Jan 28, 2026 12:55:22 PST)

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A: FY 2024-25 Q4 Detailed Report