

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION:

- 1. ADOPTING THE MIDCYCLE BUDGET FOR FISCAL YEARS 2026-27 AND APPROPRIATING FUNDS AND REVENUES TO COVER EXPENDITURES APPROVED BY SAID BUDGET; AND**
- 2. AUTHORIZING THE CITY ADMINISTRATOR TO TRANSFER FUNDS BETWEEN DEPARTMENTS, PROGRAMS AND FUNDS AS NECESSARY TO SUPPORT OPERATIONS AS SET FORTH IN THE ADOPTED POLICY BUDGET FOR FISCAL YEAR 2026-27; AND**
- 3. AUTHORIZING ALL ACTIONS NECESSARY TO APPLY FOR ACCEPT AND APPROPRIATE ADDITIONAL FUNDS REQUIRED TO ADVANCE AND COMPLETE THE PROJECTS IDENTIFIED IN THE CAPITAL IMPROVEMENT PROGRAM PROVIDED THAT SUCH ACCEPTANCE IS CONSISTENT WITH AND DOES NOT OTHERWISE NEGATIVELY IMPACT THE CITY'S CAPITAL IMPROVEMENT PROGRAM; AND**
- 4. AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT AND APPROPRIATE FUTURE SETTLEMENT PROCEEDS RECEIVED BY THE CITY ; AND**
- 5. AUTHORIZING THE CITY ADMINISTRATOR TO ACCEPT AND APPROPRIATE FUTURE INSURANCE RECOVERIES PROCEEDS RECEIVED BY THE CITY FOR THE REPAIR OR REPLACEMENT OF DAMAGED CITY ASSETS; AND**
- 6. AUTHORIZING THE CITY ADMINISTRATOR TO APPROPRIATE FUNDS AS NECESSARY TO SATISFY LEGALLY REQUIRED PAYMENTS OR PAYMENTS RELATED TO UNFUNDED LIABILITY; AND**

7. **DECLARING A STATE OF EXTREME FISCAL NECESSITY AND THE EXISTENCE OF A SEVERE AND UNANTICIPATED FINANCIAL EVENT; AND**
8. **SUSPENDING FOR FISCAL YEARS 2026-2027 THE CHARTER MANDATED MINIMUM STAFFING BUDGET SET ASIDES FOR THE PUBLIC ETHIC COMMISSION; AND**
9. **SUSPENDING THE MINIMUM BUDGET SET ASIDES FOR THE DEMOCRACY DOLLARS FUND AND FOR NON-STAFF COSTS RELATED TO THE PUBLIC ETHICS COMMISSION'S ADMINISTRATION OF THE OAKLAND FAIR ELECTIONS ACT'S DEMOCRACY DOLLARS PROGRAM**

WHEREAS, Section 801 of the Charter of the City of Oakland requires that the Oakland City Council adopt by resolution a budget of proposed expenditures and appropriations necessary for the ensuing year; and

WHEREAS, the City Council has a longstanding policy of adopting a two-year budget; and

WHEREAS, on June 11, 2025 the City Council passed Resolution No. 90827 C.M.S., adopting a two-year budget for Fiscal Year 2025 through Fiscal Year 2027, commencing on July 1, 2025 and ending on June 30, 2027; and

WHEREAS, consistent with the Council's Consolidated Fiscal Policy (Ordinance No. 13487 C.M.S.), the City Council has a longstanding policy of adopting a mid-cycle budget for the second year of the biennial budget; and

WHEREAS, Section 806 of the City Charter provides that all monies received by the City shall be deposited in the City Treasury, and no monies shall be disbursed from the treasury without the approval of the City Administrator or of another officer duly authorized by him/her and that no expenditure of City funds shall be made except for the purposes and in the manner specified by an appropriation of the Council; and

WHEREAS, the City Council has reviewed departmental and non-departmental budgets in light of revenue estimates for Fiscal Years 2026-27 and has conducted multiple public budget hearings; and

WHEREAS, the City intends to apply for additional funds necessary to complete and offset costs of funded projects in the Capital Improvement Program (CIP), and leverage existing City fund sources to secure additional sources of funding for development of CIP projects that are approved but not funded; and

WHEREAS, the City was experiencing General Purpose Fund shortfalls prior to the balancing actions contained in this budget; and

WHEREAS, the reductions in revenues available to the City due to economic circumstances warrant the declaration of a state of extreme fiscal necessity; and

WHEREAS, pursuant to City Council resolution No. 89803 C.M.S, a state of extreme fiscal necessity is currently defined as: "An intervening step of fiscal austerity, such as when total projected General Purpose Fund revenues will be less than the current year's revenues, it is the lessor of a catastrophic situation where the City entity would need to suspend provisions of local laws related to enhanced public services, such as Maintenance of Effort provisions or to prevent a dramatic decrease in essential services, such as layoffs, relating to health, safety, and welfare; may include using Vital Services Stabilization Fund "Rainy Day Funds", suspension of Use of One-time Revenues policy, or suspension of accelerated liability repayments, in order to sustain City Services but short of accessing emergency reserve monies."; and

WHEREAS, City Charter section 603(g)(2) mandates a minimum staffing budget for the Public Ethics Commission and section 603(g)(3) provides that the Council may reduce the minimum staffing budget set-aside for a fiscal year or a two-year budget cycle, upon a finding in the budget resolution that the City is facing an extreme fiscal necessity, as defined by City Council resolution, provided that the suspension is part of general reduction in expenditures across multiple departments; and

WHEREAS, Section 3.15.060(E) of the Oakland Fair Elections Act (codified as Oakland Municipal Code Chapter 3.15), which the voters passed at the November 2022 election, mandates a minimum budget set aside for the Oakland Democracy Dollars Fund ("Fund") and for non-staff costs for the Public Ethics Commission to administer the Fund, and allows the Council to suspend the aforesaid minimum budget set-asides for a fiscal year or two-year budget cycle, upon a finding in the budget resolution that the City is facing an extreme fiscal necessity as defined by City Council resolution, provided that the suspension is part of general reduction in expenditures across multiple departments; and

WHEREAS, in light of the extreme fiscal necessity the City is facing, the Council has determined it will be necessary to suspend the mandated minimum budget set-asides for the FY 2026-2027 budget cycle for the Public Ethics Commission and the Democracy Dollars Fund and non-staff costs for the PEC to administer the Democracy Dollars Program; and

WHEREAS, the City Council has carefully considered the proposed midcycle budget for Fiscal Year 2026-27 as set forth in the FY 2026-27 Proposed Policy Budget document, included as Attachment A to the Agenda Report accompanying this resolution; and

WHEREAS, the City Council has noted any modifications or amendments to the FY 2026-2027 Proposed Policy Budget in **Exhibit 1**; now therefore be it

RESOLVED: That the City Council hereby adopts the FY 2026-2027 Proposed Policy Budget as modified by Exhibit 1 as the **City of Oakland FY 2026-2027 Adopted Policy Budget**

; and be it

FURTHER RESOLVED: That this FY 2026-2027 Adopted Policy Budget amends the FY 2025-2027 Adopted Policy Budget adopted pursuant to Resolution No. 90827 C.M.S.; and be it

FURTHER RESOLVED: That the City Administrator is authorized to expend City funds in accordance with the laws of the State of California and the City of Oakland, and the City of Oakland FY 2026-27 Adopted Policy Budget ; and be it

FURTHER RESOLVED: That the Council declares that the City is experiencing a severe financial event and state of extreme fiscal necessity, and be it

FURTHER RESOLVED: That the City Administrator may transfer operating appropriations between activity programs during the fiscal year provided that such funds remain within the departments in which the funds were approved by City Council; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to use cost savings from vacant positions within a department to procure internal or contract services to facilitate the speedy hiring of positions within that same department; and be it

FURTHER RESOLVED: That the City Administrator may transfer operating appropriations between the Non-Departmental Organization and the City's Operating Departments to implement the services provided for in this City of Oakland FY 2026-27 Adopted Policy Budget ; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to periodically transfer funds between departments and completed projects as needed in order to clean-up negative budget balances within the same fund; and be it

FURTHER RESOLVED: That the City Administrator may transfer operating appropriations and positions: between the City Administrator's Office and Human Services Department related to Homelessness, and between the Finance Department and Transportation Department during Fiscal Year 2026-27 to facilitate the reorganization of the Parking Division and the establishment and operations of its functions within the respective departments; and be it

FURTHER RESOLVED: That the City Administrator may periodically transfer unexpended funds from the Unclaimed Cash Fund (Fund 7440) to the General Purpose Fund (Fund 1010); and be it

FURTHER RESOLVED: That the City Administrator may transfer capital appropriations between the Capital Improvement Program and operating departments to the extent that such transfers are necessary to fund capital-related activities of the operating departments; and be it

FURTHER RESOLVED: That if additional grant funds become available to offset costs of Capital Improvement Program projects funded in the Capital Improvement Program, then

the City Administrator is authorized to apply for accept and appropriate these additional grant funds consistent with the City's Capital Improvement Program priorities so long as there are no additional costs associated with the City's acceptance or appropriation of the additional funds beyond reserved grant matching funds, or negative impact on the City's existing funding resources funds or negative impact on the speed and capacity to deliver funded Capital Improvement Program projects; and be it

FURTHER RESOLVED: That if additional grant funds become available to fund Capital Improvement Program projects that are approved but not funded in the Capital Improvement Program, then the City Administrator is authorized to apply for accept and appropriate these additional grant funds consistent with the City's Capital Improvement Program priorities so long as there are no additional costs associated with the City's acceptance or appropriation of the additional funds beyond reserved grant matching funds, or negative impact on the City's existing funding resources funds or negative impact on the speed and capacity to deliver of funded Capital Improvement Program projects; and be it

FURTHER RESOLVED: That this resolution serves as a "resolution of local support" to facilitate grant application acceptance and execute restricted grant agreements for named Capital Improvement Program projects that are funded or are approve but not funded when required by external funding agencies, including but not limited to the California Department of Transportation, the United States Department of Transportation, the Metropolitan Transportation Commission, the Alameda County Transportation Commission, etc.; and be it

FURTHER RESOLVED: That the opioid abatement and subdivision funding received by the City of Oakland pursuant to National Opioid Settlement Agreements, California State-Subdivision Agreements, California Mallinckrodt Statement Abatement Agreement and any related opioid settlement agreements ("Opioid Remediation Funds") (see Resolution Nos. 88980, 89534, 89609, 90381, 90879, 91163 C.M.S.) in Fiscal Years 2025-2026 and 2026-2027 will be appropriated to Project **1007641** – Opioid Settlement to be used consistent with the terms of the settlement and bankruptcy agreements; and be it

FURTHER RESOLVED: That the City Administrator, through the Medical Services Division of the Oakland Fire Department or as otherwise designated, will oversee the appropriate use of the Opioid Remediation Funds consistent with the terms of the settlement and bankruptcy agreements, including but not limited to annual reporting requirements, applicable guidance from the California Department of Health Care Services, and timely encumbrance within five years of receipt (or seven years for capital outlays) to ensure that monies do not revert to the State of California; and be it

FURTHER RESOLVED: That if funding is received by the City of Oakland pursuant to any settlements, then the City Administrator is authorized to accept, appropriate, and expend these settlement funds consistent with the terms of said settlement or agreement; and be it

FURTHER RESOLVED: That if funding is received by the City of Oakland pursuant to any insurance claim recoveries for repair or replacement of damaged City assets, then the City Administrator is authorized to accept, appropriate, and expend these funds for the purpose of

repairing or replacing damaged City assets, provided that the funds are properly supported by accounting evidence; and be it

FURTHER RESOLVED: That the City Administrator is authorized to expend funds from undesignated fund balance for the specific purpose of expensing legally required payments and binding obligations of the City, including but not limited to judgements and settlements, pension and benefit obligations, debt service, regulatory compliance costs, grant repayment obligations, and other mandatory contractual or statutory payments and for any recurring expenditure funded pursuant to this authority, the City Administrator shall incorporate recommendations for permanent funding solutions in a subsequent budget action; and be it

FURTHER RESOLVED: That the City Administrator is authorized to expend funds for the specific purpose of making payments toward the City's Unfunded Accrued Liability (UAL) obligations for the Public Employees' Retirement System (PERS), Police and Firemen's Retirement System (PFRS), and Other Post-Employment Benefits (OPEB); and be it

FURTHER RESOLVED: That the City Administrator is authorized to appropriate funds made possible by and contingent upon increased revenue generated within said fund, for the explicit purpose of fee payments necessary for revenue generation and support of any external collections costs due to the increased revenue generation; and be it

FURTHER RESOLVED: That the Council hereby declares that the City is experiencing a severe and unanticipated financial event and state of extreme fiscal necessity, and for the Fiscal Year 2026-2027 Midcycle budget cycle, the Council hereby suspends the Charter-mandated minimum budget set aside for the Public Ethics Commission; and further suspends the minimum budget set aside for Democracy Dollars Fund and non-staff costs related to the Public Ethics Commission's administration of the Oakland Fair Elections Act's Democracy Dollars Program; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized and directed to calculate all required set-asides and make appropriate adjustments, based on the final adopted budget amendments and accompanying legislation, as legally required, such as Kid's First!, the Vital Services Stabilization Fund, internal service allocations, and the 7.5 percent Emergency Reserve; and be it

FURTHER RESOLVED: That the City Administrator must obtain approval from the City Council before (1) substantially or materially altering the relative department allocations of funding set out in the Adopted Policy Budget, (2) substantially or materially changing the levels of service expressly prioritized and funded by the Adopted Policy Budget including but not limited to layoffs that would substantially or materially (a) change levels of service, or (b) affect programs, or (3) eliminates or suspends entire programs funded by the Adopted Policy Budget, unless such actions are deemed necessary to maintain the fiscal health of the City; and be it

FURTHER RESOLVED: That this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND
PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED
City Clerk and Clerk of the Council of
the City of Oakland, California