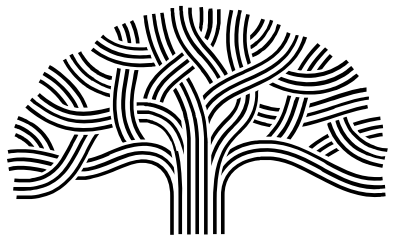


FY 2025-27 Biennial Proposed Budget

Interim Mayor
Kevin Jenkins

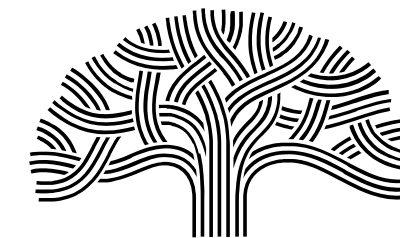


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The FY 2025-27 Proposed budget focuses on public safety and fiscal stability, addressing the structural deficit and prioritizing essential services.



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Prioritizing Public Safety



Police and Fire Academies

3 police, 1 fire academy funded per year



Police Staffing

678 sworn police officers in FY 2025-26 and FY 2026-27



Police Overtime

\$33.6M in FY 2025-26
\$38.2M in FY 2026-27



Measure NN

Multi-year strategy to reach minimum staffing

Fire Engine Companies

Funding for 24 – Restores two from FY 2024-25. All Truck Companies Funded



Violence Prevention

Investment in Violence Prevention to reduce violent crime including expanded Ceasefire



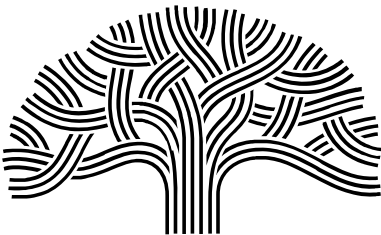
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Addressing the Original Budget Shortfall

How we made up the difference

Sales tax passed by residents (\$22.2 M)
Other New Revenue (\$7.9 M)
Departmental reductions Contracts & O&M (\$61.7 M)
Departmental reductions Personnel(\$18.9 M)
Maintenance of Effort (MOE) Waivers (\$16.5 M)
Fire Engine Brown out (\$5.8 M)
Debt Service Reductions (\$5.0 M)

- Ongoing concerns after this biennial budget:
1. Rising Cost of CalPERS, Healthcare costs
 2. Increasing Cost of Living
 3. Uncertainty around Federal Funds



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Budget Overview

Proposed Budget	FY 2025-26	FY 2026-27
General Purpose Fund	\$788,085,083	\$856,236,849
Restricted Funds	\$1,377,666,602	\$1,345,067,791
All Funds	\$2,165,751,685	\$2,201,304,640

Proposed GPF expenditure reductions despite inflation, pension and salary increases:

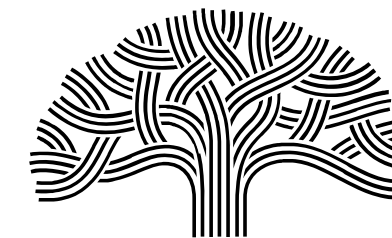
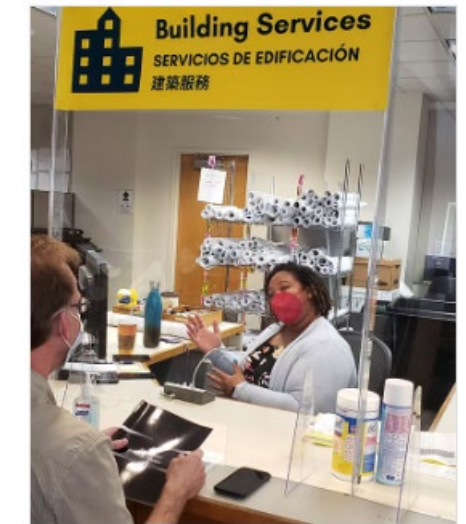
- \$19.4 million compared to the beginning planned FY24-25 expenditures
- \$26.2 million reduction compared to FY23-24 actual expenditures



Efficient Delivery of Core Services

The budget supports essential services, including:

- Maintenance of City infrastructure and parks
- Focus on homelessness and housing solutions
- Streamlining development service like permitting and inspections
- Continued support for community services such as parks and libraries



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Efficient Delivery of Core Services

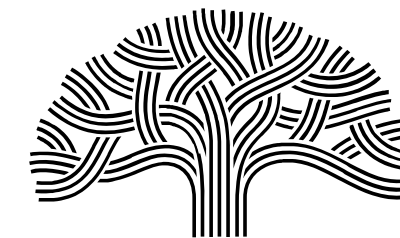
Homelessness, Housing, Built Environment

Maintains current key investments to address the problems of dirty streets and public spaces

- Illegal dumping crews/Encampment clean-up crews
- Abandoned auto enforcement
- Environmental enforcement officers

Planned bonding in both fiscal years for Affordable Housing, Transportation, and Public Works

- \$180 million of Affordable Housing investments over two years and \$50+ million each year for street paving



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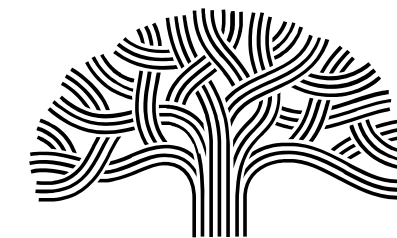
Efficient Delivery of Core Services

Homelessness, Housing, Built Environment

Maintains ongoing efforts to streamline and improve service delivery for development services such as:

- Planning
- Inspections
- Code enforcement
- Permitting

Supports the operation of local merchants and businesses by maintaining the community ambassadors' program.



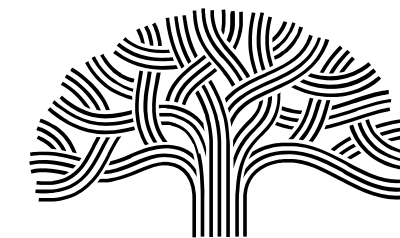
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Efficient Delivery of Core Services

Community Services

Continues current funding and operations for Oakland Parks & Recreation Summer and After School Programs and for Oakland Public Library operations.

Continues operating Senior Centers at the reduced schedule that began in April 2025.



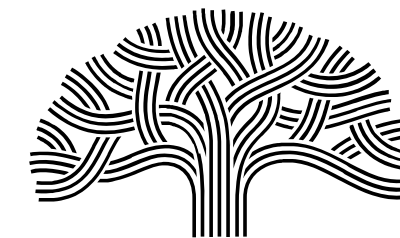
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Efficient Delivery of Core Services

Community Services (continued)

Initiates a process to investigate the reimagining or transferring services the City is not best positioned to provide or for which the City needs to coordinate service provision with other entities commensurate with emerging strategies:

- HeadStart program and consideration of other service providers (new State Universal T-K program and County resources)
- Maintain the Youth Summer Lunch Program using a combination of one-time fund balance and philanthropic contributions. Details of this partnership are expected to be announced soon, separately from this budget.
- Continues Arts grants programming to the extent it is funded by Measure C Transient Occupancy Tax (TOT), however this budget initiates a process to provide this service through non-profit partners while the City retains a leading role in public art, fairs, and festivals.



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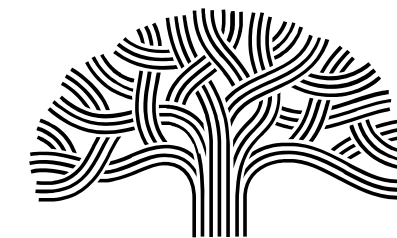
Impacts to Workforce



Reduces more than **400** positions that would otherwise provide needed services to Oaklanders

- Of these Approximately **85 were frozen and vacant** in the current year but funded in prior years
- Roughly **240 are funded in the current year and vacant** in part thanks to the hiring freeze that has been in place most of the current fiscal year.
- **80 positions are currently filled**, and while we expect most reductions of filled positions to be offset by funded vacancies in other parts of the City, there may be reductions in force to City staff.

Actual reductions of force is anticipated to be fewer than a dozen

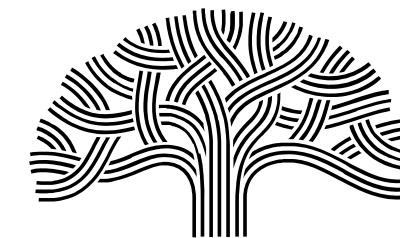
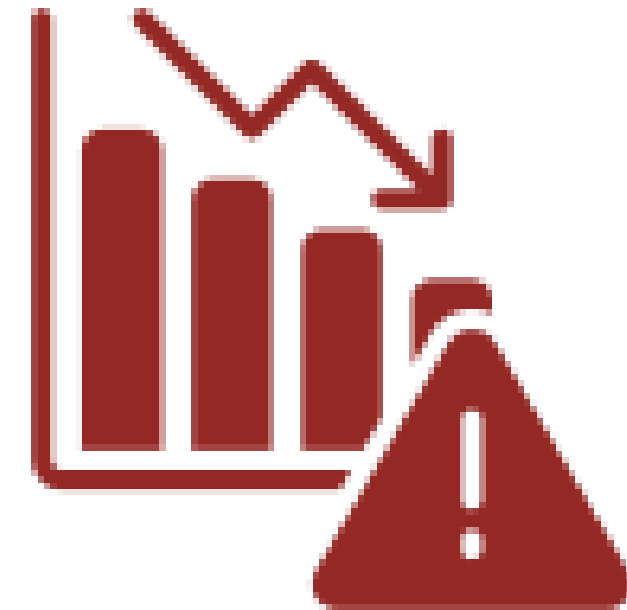


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Confronting Economic Challenges

Key Economic Challenges and Uncertainties

- Risk from federal policy changes
- Economic Pressures due to inflation pension costs, and healthcare



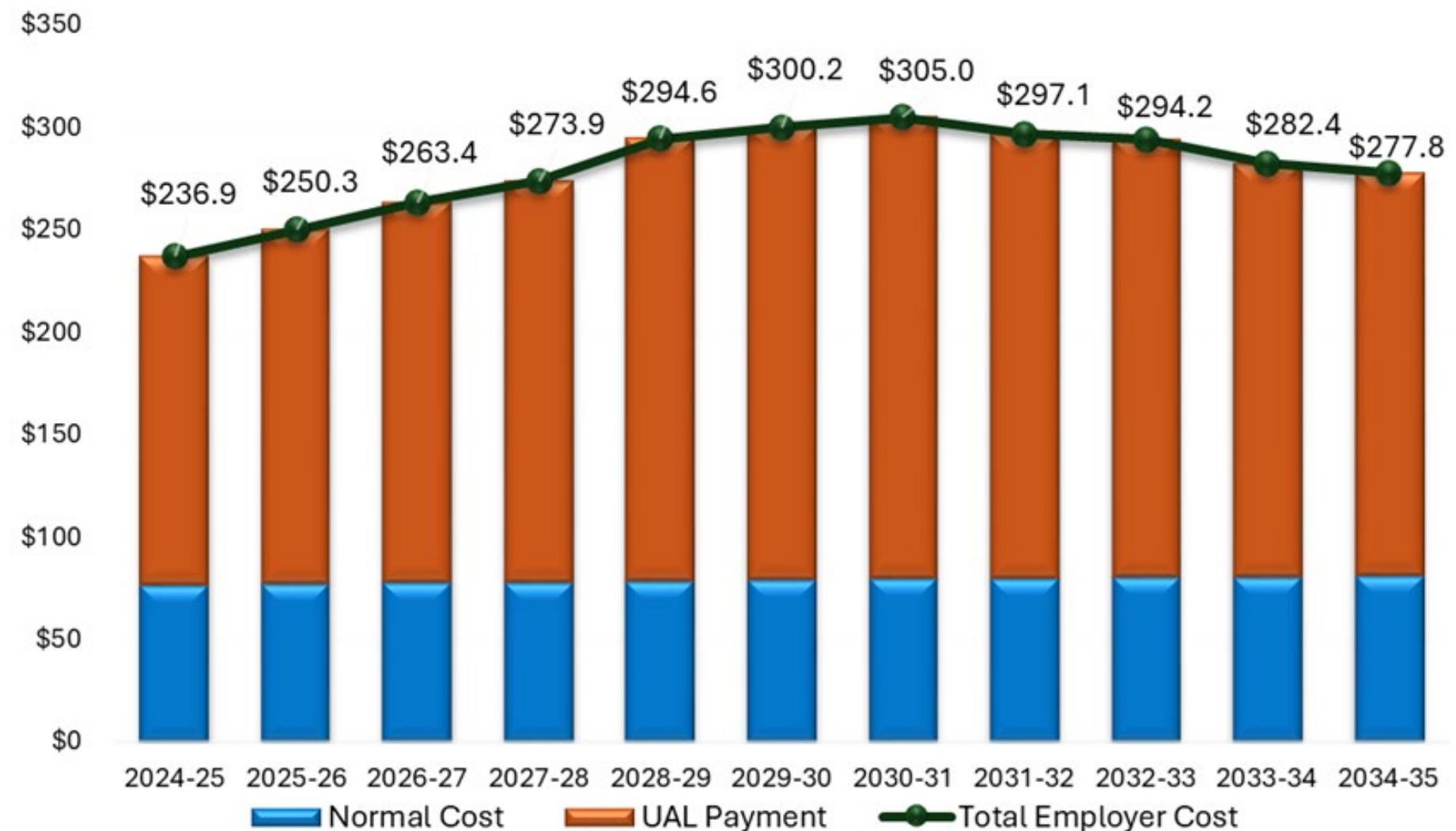
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Additional Financial Challenges

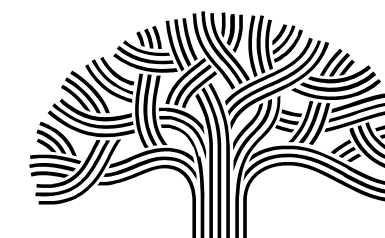
Long-term strategy must address the rising costs of retiree pension liabilities under CalPERS.

Proposed budget addresses this costs for the next two fiscal years, but...

Costs will increase by an **additional \$68 million** by 2031.



Note: Normal Cost is the annual amount needed to pay for the benefits earned by employees during that specific year. UAL is the amount needed to be contributed to pay unfunded benefits from prior years.



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Stabilizing City Finances

To achieve long-term financial stability, the budget includes:



A Planned Roadmap to Fiscal Health

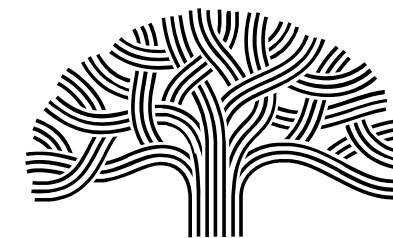
- Medium-term roadmap to fiscal health which will layout the steps needed to stabilize the City finances
- Obtain reliable service delivery
- Secure access to the bond market
- Return to compliance with all adopted ballot measures without waiving maintenance of effort requirements



Significant Reduced reliance on one-time revenues



Introduction of new parcel tax in FY 2026



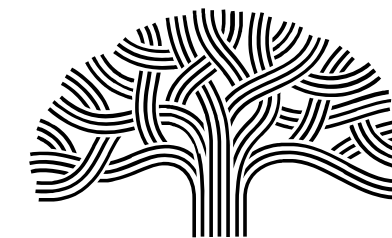
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Roadmap to Fiscal Health

Multi-Year Strategy to:

- **Achieve Structural Balance**
 - Establish a fiscal health executive team
 - Regular progress reporting to Mayor and Council
- **Restructure pension and other benefit costs**
- **Develop multi-year plans to:**
 - Meet voter-mandated staffing levels for city services
 - Invest to sustain the City's infrastructure, fleet, and technology
- **Implement fiscal reforms and improve financial policies**
- **Continue efforts to diversify the revenue base and strengthen accountability**

This roadmap builds upon the initial goals presented in December 2024 and will be present to the City Council in July, following the adoption of the budget.



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Increased Transparency

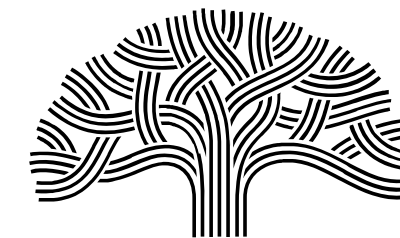
Contract and Grants

The budget document contains a comprehensive list of all known contracts and grants (or planned contracts and grants) funded with resources appropriated in the operating budget.

Funds for Audit

Includes funding for the audit of performance of high-risk contracts and grants.

This additional transparency is provided to ensure the City is more effectively utilizing its resources to improve outcomes for Oaklanders, and to ensure no resources are left unaccounted for.



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Thank You

The draft Budget Proposal for Fiscal Years 2025-27 is available online at:

[OAKLANDCA.GOV/BUDGET](https://oaklandca.gov/budget)