

# City of Oakland BUDGET FACTS 2017

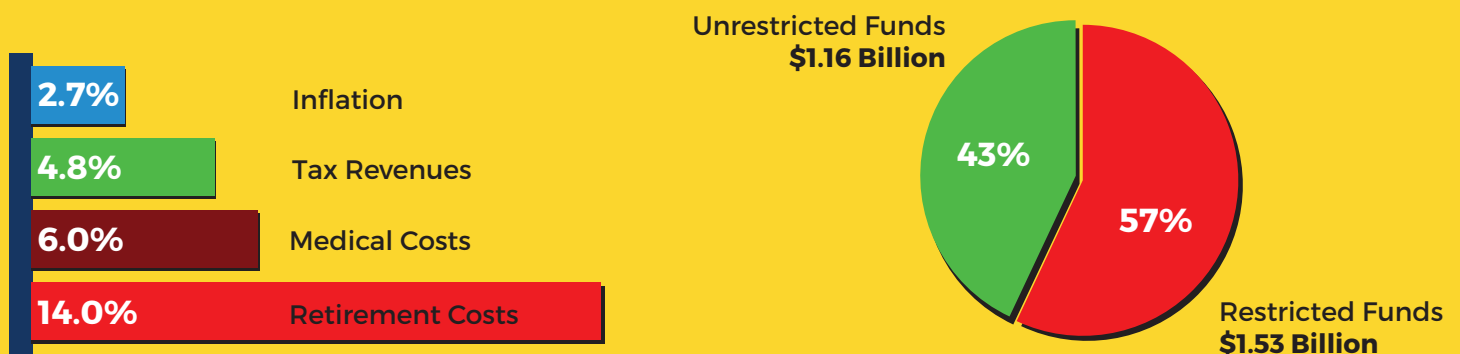
Highlights of the 2017-2019 Fiscal Year Proposed Budget



## Overview of the Budget

Oaklanders might ask: how is it that our city seems to be booming – companies moving in, construction cranes building much needed housing – yet at the same time, potholes are getting deeper and trash piles are getting higher?

While Oakland's economy is growing, so are many of our challenges, including the housing affordability crisis, homelessness, illegal dumping and pothole epidemic. And while the economic boom is helping City revenues grow, costs are growing even faster. For example, we project CalPERS employee health care and pension costs will grow by **6%** and **14%**, respectively, on average over the next five years. Revenues are not keeping pace with the growth rate for our required expenditures.



PROJECTED GROWTH RATES OVER THE NEXT 5 YEARS

RESTRICTED vs UNRESTRICTED FUNDS IN THE BUDGET

Driven by these increased costs, our financial projection for the next two years showed a **\$32.5 million** gap between expected revenues and expenses in the General Purpose Fund (GPF) – meaning that if we wanted to simply maintain what we are doing now over the next two years, we had to start by finding **\$32.5 million** in cuts and/or new revenues.

Additionally, we must continue to pay for past financial bets that went wrong – including CalPERS earning assumptions and Coliseum renovation bonds that turned out to not be cost covering – as well as ensure our decisions today don't put future generations in even more financial risk.

# BUDGET PRIORITIES

Our priorities in the developing the 2017-19 Budget

**01**

Prevent cuts in current service levels for Oakland residents (polling shows Oaklanders aren't sufficiently satisfied even with existing service levels).

**02**

Preserve staffing levels for City workers who are stretched thin under increasing demands as well as address large unfilled vacancies in the police and fire departments.

**03**

Do not add ANY new unrestricted General Purpose Fund (GPF) funded positions, unless they are cost covered by new revenues, including increased fees.

**04**

Make continued progress on financial stability by reducing the use of one-time revenues for on-going expenses, paying down negative fund balances and contributing \$20 million towards future unfunded medical retirement benefits.

**05**

Add cost-covered positions and leverage new or outside funds to address urgent challenges responsibly, including more fire and code inspectors, rental services, affordable housing development and preservation, police accountability, homelessness, illegal dumping, education, building permits and road repairs.

**06**

Set aside modest, one-time compensation and employee training funds, recognizing that retaining and attracting talent in City government is critical to serving Oakland's residents.

# BUDGET INVESTMENTS

This budget makes many significant investments to preserve existing service levels, as well as enhanced services responsibly in areas of great need as well as City Council consensus, including:



## 3X

Nearly triple the number of Fire Prevention Inspectors from 8 to 20 by the end of two years.



## EXPAND

enforcement of renter protections and affordable housing preservation and development.

## 311

Expand capacity of Oakland Public Works Call Center: Oak 311.



Start-up the Cannabis equity loan program using projected cannabis revenue.



Provide ongoing funds to continue various strategies to provide shelter and services to the homeless population and compassionately mitigate health and safety impacts.

## 2X

Nearly double the Capital Improvement Program (CIP) budget thanks to new i-Bond funds, as well millions of grant funds secured by the Department of Transportation. Expand capacity to pave over 1,100 blocks - triple past years - and invest \$21.5 million in improving City facilities.

## \$5.9 MILLION

Reserves \$5.9 million each year for the yet-to-be-formed Community Advisory Board to make recommendations on how to allocate the City's general funds to reduce the consumption of sugar sweetened beverages in Oakland and to address the results of such consumption.

## 20

Expand Code Enforcement and Building Permit capacity with more than 20 additional positions.



## ENHANCE

Enhance community policing with grant-funded walking officers in commercial districts, the PRIME police early warning data system and Oakland's first Police Commission.

## 15,000



Prepare 15,000 more Oakland children for college with early scholarship awards for kindergartners, savings accounts, Future Center support services, college scholarships and persistence supports through the Oakland Promise initiative.

# PUBLIC FEEDBACK

Mayor Schaaf, City Council and Oakland City staff want to hear from you.  
Learn more and give us your feedback!

## WEBSITE



[beta.oaklandca.gov  
/issues/budget](https://beta.oaklandca.gov/issues/budget)

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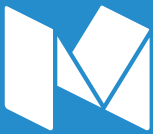
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