



The Oakland Observer @Oak\_Observer

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About to start Round 2 of Council Budget Study Session. Yesterday, a large proportion of City's departments gave reports on how they approach their work, what they do, where the funds come from and how they budgeted for cuts while maintaining services. More to come today

Brown and Ramachandran are chairing the meeting, as the delegated Council budget team chairs [a new construction by Council President Jenkins]

The Budget Advisory Commission is giving a presentation:

Unfortunately the clerk hasn't switched the screens on zoom

BAC says that its pleased that there's no one time funds being used in the budget, but still using ballot measure funds

## 2025-27 Biennial Budget 'Report Card'

'Good Budget' Criteria	BAC 'Grade'	Comments
Adheres to Consolidated Fiscal Policy	Improved	<ul style="list-style-type: none"><li>No one time funds used</li><li>Still suffering 'hangover' from prior one time fund usage attempts</li></ul>
Focuses Spending on Community Priorities	Improved	<ul style="list-style-type: none"><li>More emphasis on 'core services'</li><li>Safety and cleanliness clearly prioritized</li></ul>
Adheres to Requirements of Voter Approved Measures	Needs Improvement	<ul style="list-style-type: none"><li>4 measures not met</li></ul>
Follows Best Practices Learned from Other Cities	Needs Improvement	<ul style="list-style-type: none"><li>Few learnings from other cities mentioned in budget text or strategies</li></ul>
Keeps Equity Considerations at the Forefront	Improved	<ul style="list-style-type: none"><li>Proposed parcel tax less regressive than sales tax</li><li>Equity considerations clearly called out in budget documentation</li></ul>

### BAC Budget Synopsis

- The 25-27 budget is an improvement over the 24-25 midcycle and helps 'stop the bleeding'
- The budget does not help us climb out of the larger hole we are in

Gotta be honest, the City does this every year.

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BAC says that they City should have a "contingency" plan for underperforming revenues; the City is counting on a parcel measure that's not yet approved; development may slow.

BAC says that FTE could use work: example of Mayor's budget, all of the positions in the Mayors office are at high end of pay, over 6 figures "if you reclassify these appropriately you could add to auditor's levels"

BAC also notes the cuts to non sworn positions in OPD, in evidence collection

On OPD overtime, last sixteen of 18 years there's been OPD over-runs...segmenting different types of overtime, IT improvements, looking at shift extensions, which account for greatest increase in last five years, is shift extension approved by supervisor [there's confusion now]

BAC says Oakland could argue for larger shares of homeless funding by ALCO

BACs suggestions are basically "really reinforce dumping...and paving" not particularly insightful stuff, and doesn't feel super well informed.

This BAC presentation feels less focused on budgeting and more focused on ideological concerns about how to spend money...not been like this before.

Less than one minute on the unfunded pension liabilities...focused on "revitalization", but this isn't what the budget advisory commission is supposed to do. The City has professionals focused revenue. Strange departure from previous

Jenkins said the Mayor's office increased salaries because of issues of credibility in the office...he said he personally raised the budget while interim

BAC's recommended for the City/County to own own ambulance services but it appears the legislation needs to be changed

The slides were unfortunately not usable because of the way they set up the zoom screens

I am not sure about BACs claim that revenue is always short. For many years, the City under-budgeted revenue, with RETT and Property Tax over performing, it's only been since 2020 that it's been the opposite

Strange way of viewing historically the OPOA contract extension, says it was a function of having one time ARPA funds [it really wasn't, OPOA had city over a barrel because of historically high attrition, city would have done it even last year]

Strange to avoid police costs in the presentation, except for overtime, and then to have the critique of OPOA MOU presented this way.

Will stop commenting about this...but some of this is really outside of the role of the BAC

Race/Equity now, headed by Darlene Flynn. Flynn says that DRE always been staffed with 4 staff, despite being budgeted for 5. During contingency, it lost another, so they are a three person staff now.

Race/Equity was formed by City ordinance about 7 years ago, "it's a very lean operation...25% reduction in resource is huge and we're starting to feel...that's what happens when you start with four people"

Flynn: "we work through city depts and leadership in city"

Flynn says they want to maintain the current budget from contingency level in February, it's already a cut...its possible for remaining staff to perform administrative duties, but admin can't perform technical staff w/out violating MOU...only way to meet target

Flynn says they play a big part in choosing the City's capital work/investment, which has been a big factor in Oakland's disinvestment

Flynn says "I would never put up a mission accomplished banner...we're undoing 100 years of disinvestment and racism..." Flynn says that she has heard residents say that they are seeing improvements in Deep East for first time since race/equity

Somehow in a discussion on the CAO's cuts, we're talking about the coli sale instead of the cuts. They seem like important cuts, one to ADA, neighborhood services [public safety]. Pretty wild

Now to Finance Dept. To be clear, these are budgetary discussion about the department, despite that rabbit hole a few minutes ago

Finance Dept's service impacts. Revenue Bureau, strategic and objective realignment, seperating tax compliance into liens unit, collections unit for revenue enhancement. Fire/vegetation and sidewalk repair into liens..."lien methodology gives you a better revenue outcome"

FD statements are always interestiing because they are not necessarily in interest of public.

Roseman says that there's 15 FTE's eliminated 2 M. Finance has a 23 MM budget in GPF. Oracle is quickly approaching need to be replaced w/in 3-5 years...Roseman says there's many issues due to the software.

Wang asks about the collections process for illegal dumping. She says there's only 11% collection. Roseman says that they receive the collections/bill, not creating the collection process.

Roseman: "we're the collection agency, so OPW does all the activities before that"

Gallo "when will the council have the budget numbers from one item to the end"...another

question that has nothing to do with the issues. The budget was updated and corrected several days ago, it seems like he is asking about that.

Gallo hasn't proposed a budget proposal in at least 6 years

Roseman says the budget with the errata. The combo of those two documents is the mayor's budget. Council amendments are put on top of that.

Seems like Gallo asked about what the Council does during budget period and where the budget is, remarkably

Brown asking how much it would cost to upgrade Oracle. Roseman says its "multiple millions" of dollars. She says they can spend as much as they want based on what they are asking for. She says an upgrade would be \$5 to 10 MM, replacing it completely could be as much as \$50MM

Brown also asking how many staff working on payroll, in context of hiring. Roseman says theres a lot of moving pieces, in budget, & in each department, "it's a community effort" across city depts. Roseman says there's an additional program Neogov that is part of the hiring packet

Now on to Director Heidorn at PEC. core services, enforcement for city laws, campaign fillings, campaign public financing program

Heidorn: budget extends the same cuts that delayed Democracy Dollars, and will require another special legislation to keep putting it off. We have 9 staff, there's no redundancy..."maintaining existing staff is key to maintaining existing staff"...no further cuts from last cuts

PEC is losing a grant-funded staffer when the grant ends, it won't be picked up by the GPF. No funding for democracy dollars vouchers, obviously

## Approach and Prioritization



The Proposed Budget prioritizes the following for the PEC:

- Maintains core services
- Minimizes workforce impacts
- Strengthens critically understaffed Enforcement Unit
- Postpones launch of Democracy Dollars Program for 2026, while preserving necessary resources to prepare for 2028 implementation

One serious impact: Would eliminate all campaign public financing because the DD program isn't up, and there's no other process. LPF is not reinstated

## Service Impacts - Reductions



**Eliminates all campaign public financing** in Oakland for the 2026 election, including:

- Not Reinstating the Limited Public Financing (LPF) Program
- Postponing launch of the Democracy Dollars (DD) Program for 2026

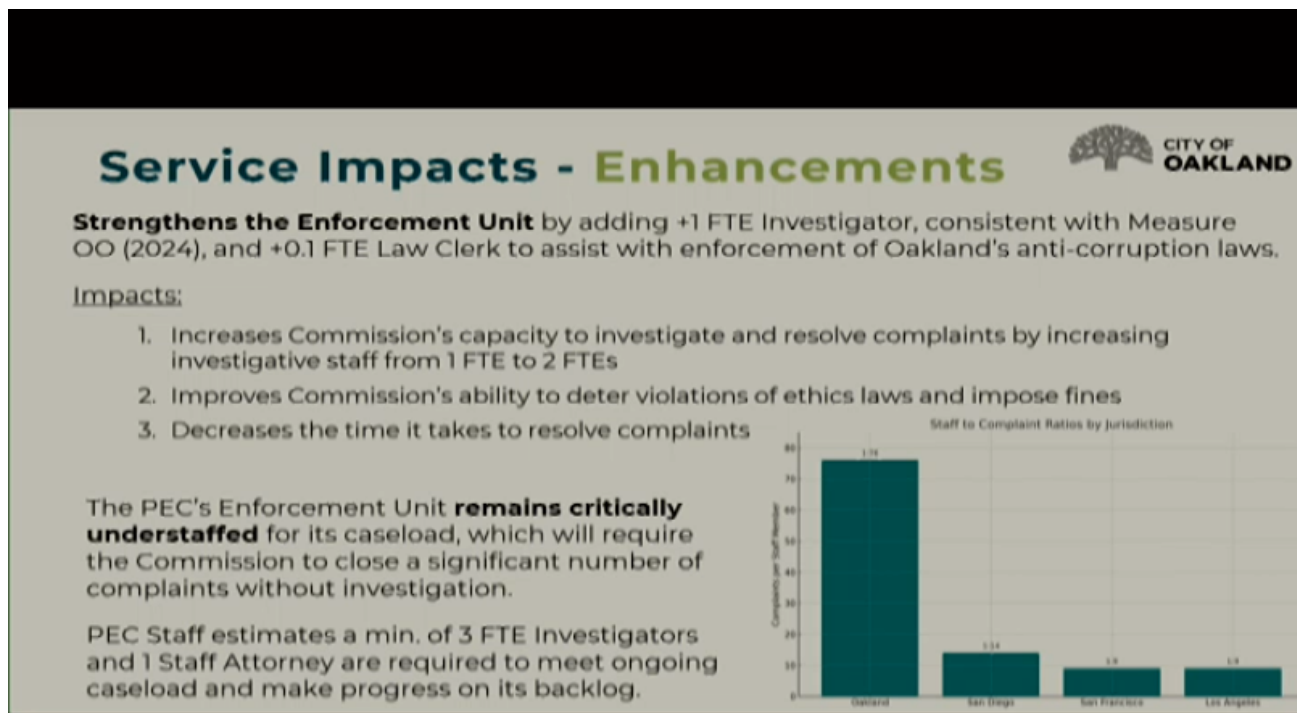
### Impacts:

1. Increases the risk or appearance of corruption
2. Eliminates financial support to participating Council District candidates by \$20,000-\$35,000 (LPF; more for DD), increasing candidate reliance on large donors
3. Removes restrictions on campaign spending and candidate self-financing limits
4. Disadvantages candidates who are not wealthy or connected to networks of wealth, likely impacting candidates whose support is from low-income communities of color the most

The Commission **opposes** this reduction, as it eliminates a 20-year+ core service and is contrary to Measure W (2022)'s goal of strengthening public financing

PEC will add one investigator to enforcement unit and a part time law clerk in Mayor's budget. 152 complaints with 1 investigator at current, "not sustainable"





Heidorn noting how much lower the ratio of complaints and investigations is to staff "much farther than we have to be to get to a sustainable enforcement unit"

Jenkins says that they're going to have to do something for Democracy Dollars, either a ballot measure to create a parcel tax for it, or "clean it up"

Jenkins says he'd like to create a PEC role to give counsel and advice to council. Jenkins just floated adding \$500K in overtime for OPD in illegal dumping. [for OPD that would be very little]

Heidorn says his last day is in July, they are currently hiring a new Director.

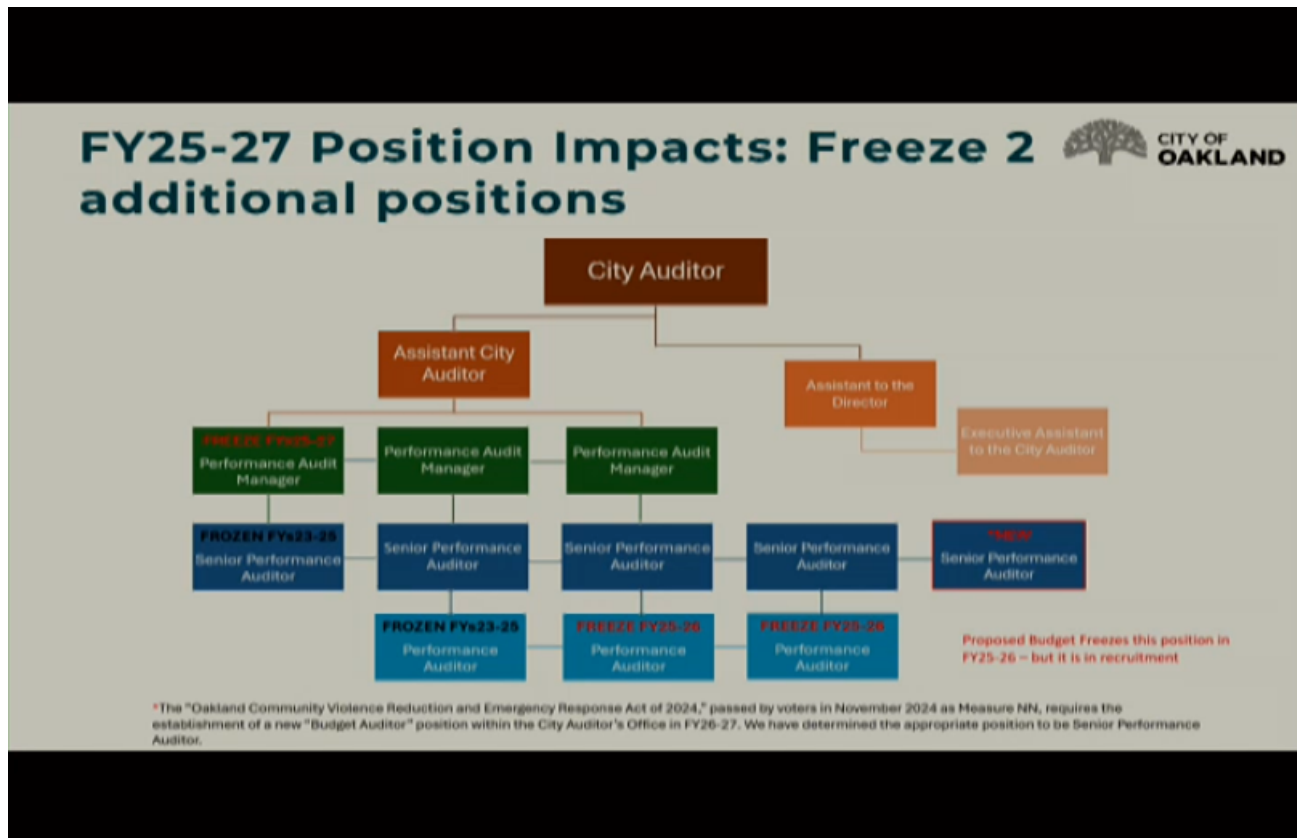
Now on to City Auditor, going over ballot measure required staffing minimums. 15 is minimum, but they were never realized due to declarations of necessity.

City Auditor is Michael Houston. Houston says they can streamline required recurring audits; he says they can hire graduate fellows to help through their O&M budget.

Auditor Houston says that the budget reductions will decrease their work capacity..."responsibilities continue to increase..." with frozen positions, Auditor's office can't keep up with growing mandates [ballot measures often require yearly audits from

Auditor's office]

Two Auditors staff are being frozen in the current budget. Houston notes that there's no budgetary benefits to cutting Auditor's office, because it's so small. He adds that the office saves money for the city.



Jenkins asked if the measures dedicate the funding necessary for audits to the office; Houston says Measure NN does, but many do not. Houston says that the office is proposing that the funding from the measures be used to fund the audits in the future

Houston on staffing issues. They were hiring a performance auditor with over 100 applications, but it's frozen in 25-27 budget and they can't hire it. Proposed budget puts the office at 11, instead of 15

Houston was asked whether there is a qualitative difference in outsourced audits. Houston says a recent library services audit would likely not have revealed as much information as the office. But Houston says if they aren't at complete staffing, they have to outsource



Observers could be forgiven for not being aware that council members can create their own amendments to the budget, though they must be costed and have an outcome of balance with the other amendments. It requires work and research.

That's the end of the departmental presentations.

Jenkins noted some budget changes he wants: OPD boost of 500K OT for dumping, the others are not very clear.

Brown runs down some key dates in the budetary period: 6/11 council amendments will be discussed in council; 6/17 is set for budget adoption to be tentatively reached

Brown notes that any CM can bring amendments to the budget outside of the budget team.

meeting adjourned

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