

CITY OF OAKLAND

BUDGET ADVISORY COMMISSION

Notice is hereby given that a **Special Meeting** of the City of Oakland Budget Advisory Commission (BAC) is scheduled for **Thursday, May 28, 2020 at 6:00 PM.**

Pursuant to the Governor's Executive Order N-29-20, all members of the Budget Advisory Commission will join the meeting via phone/video conference and no teleconference locations are required.

Commission Members:

Jay Ashford, Ken Benson, Carrie Crespo-Dixon, Ed Gerber, Travis George, Geoffrey Johnson, Vincent Leung, Kasheica McKinney, Ali Nadeem, Caitlin Prendiville, Sarah Price, Darin Ranahan, Brenda Roberts, Michael Silk, Marchon Tatmon

City's Representative(s):

Jose Segura– *Finance Department*

Meeting Agenda:

1. Administrative Matters [5 minutes]
 - Welcome & Attendance
2. Review of the draft Recommendations to City Council regarding Mid-cycle [90 minutes]
3. Discussion of next meeting dates and subjects [5 minutes]
4. Open Forum
5. Adjournment

**Special Meeting of the Budget Advisory Commission
Meeting Agenda - FINAL
PUBLIC PARTICIPATION**

Hi there,

You are invited to a Zoom webinar.

When: May 28, 2020 06:00 PM Pacific Time (US and Canada)

Topic: Special Meeting of the City of Oakland Budget Advisory Commission (BAC)

Please click the link below to join the webinar:

<https://zoom.us/j/99089318496>

Or iPhone one-tap :

US: +16699006833,,99089318496# or +12532158782,,99089318496#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592
or +1 312 626 6799 or +1 929 205 6099

Webinar ID: 990 8931 8496

International numbers available: <https://zoom.us/u/adG1VrGdUp>

Outline of BAC Response to Midcycle Budget 2019-21

- 1. Agreement with Overall Mid-Cycle Budget Approach:** The budget proposal as it relates to revenues, expenditures and proposed actions seems reasonable in light of Covid-19 subject to the following comments and recommendations.
- 2. Preserving Long-Term Fiscal Stability:** As strong advocates for funding of VSSF, OPEB, negative fund balance reduction and other past fiscal stability actions we regret the recommended actions but believe they are necessary.
- 3. Preservation of Contingency Reserve** - It is imperative that the Contingency Reserve be protected in light of future uncertainties as described in the “pessimistic forecast”.
- 4. Possible Federal and/or State Funds** - We support the decision to revisit the appropriation of unknown additional state and federal funds when the amount, if any, of such action is known.
- 5. Ongoing Monitoring of Fiscal Conditions** - We recommend that staff establish systems to closely track any increase/decrease in revenues and expenditures. The present system of quarterly reports may not give sufficient warning of the need to further adjust the budget.
- 6. Preparing for the More Pessimistic Scenario** - In the event that revenues decrease further due to economic conditions the council should consider adopting a further list of cuts similar to the “Priority Restoration of City Services” so that rapid action can be taken as needed and lessen the effects on the 2021-23 budget. The Council should consider automatic triggers for such action or at a minimum require automatic consideration by the Council when defined thresholds are met (i.e. a specified decrease in revenues).
- 7. Risks Around Reduced Property-Related Revenue:** We are very concerned that economic conditions will be worse than assumed in this budget. We are particularly concerned that property-based revenues such as property taxes and RETT may

be significantly lower than in the Proposed Budget. Supporting this viewpoint are the following:

- 1) Numerous economic forecasts that predict an "L" shaped as opposed to "U" shaped recovery.
- 2) The recent decrease in home sales, although to date prices have been stable.
- 3) The increasing discussion of "work from home" by large employers including Facebook which may depress the commercial real estate market.
- 4) The prediction of decreasing property tax collections as contained in the San Francisco City and County proposed budget. We look forward to further forecasts from the County of Alameda.

8. Priority Restoration of City Services – The BAC has concerns that the actions to support long-term fiscal stability (e.g. funding OPEB and VSSF) are a lower restoration priority in the mid-cycle budget. The BAC also recommends that city council recognize the need to restore prior levels of O&M funding and reserves as fiscal conditions improve.

9. Employee Funding by Special Funds – This budget transfers funding for XX FTEs to special-purpose funds. The BAC recommends that, while necessary under current conditions, that such funding be reverted to prior general purpose funding.

5/23/2020

Ed, Sarah, Jay

Mid-Cycle Ad-Hoc Committee