Budget 101

City of Oakland

Presentation Outline

Budget Overview

Budget Process

Biennial Budget Planning

Budget Terms and Concepts

OpenGov (Budget Book – Online Portal)

City of Oakland's Budget Cycle?

- Two fiscal-year (biennial) budget cycle.
- Fiscal Year (FY) begins on July 1 and ends on June 30.

Why a Two-Year Budget?

- To improve the City's long-term planning
- Enhance funding stability
- Create greater efficiency in the budget development process.

When is the Year-Two of the Budget Amended?

- Appropriations are divided into two one-year spending plans.
- Toward the end of the first year of the two-year budget cycle, a midcycle budget review is conducted.
- Midcycle addresses variances in estimated revenues and expenditures, and other changes that may have impacted the City's financial condition.

Budget Overview

How are Revenues and Expenditures Determined?

- Two principal types of data: projected revenues and planned expenditures.

- Categorized by type (e.g. property tax, sales tax, business tax, permit fees, etc.).

- Restricted or non-restricted e.g., Measure Q and Measure D funds are restricted funds.

- Expenditures can be divided by type (e.g. salaries, retirement contributions, debt service, supplies, capital projects, etc.)

- Personnel or O&M (operations and maintenance) expenses.

How are Revenues and Expenditures Tracked and Accounted For?

- Financial resources are in different "funds." For example, Measure Q (Fund 2241) and Measure D (Fund 2243) parcel tax revenue collected from property owners for Library services are held in a different funds.

- The largest City fund is the General Purpose Fund (Fund 1010). General Purpose Fund revenues are generally unrestricted and include most taxes.

Budget Overview

What about Capital?

- Proposed Capital Improvement Program (CIP).

- The CIP guides the City's long-term, strategic decisions regarding the construction, repair and replacement of the City's assets including libraries, public safety facilities, sewers, recreation & parks, and transportation and street improvements.

- The Proposed Budget and the Proposed CIP are later finalized as the Adopted Policy Budget and the Adopted Capital Improvement Program.

Budget Overview
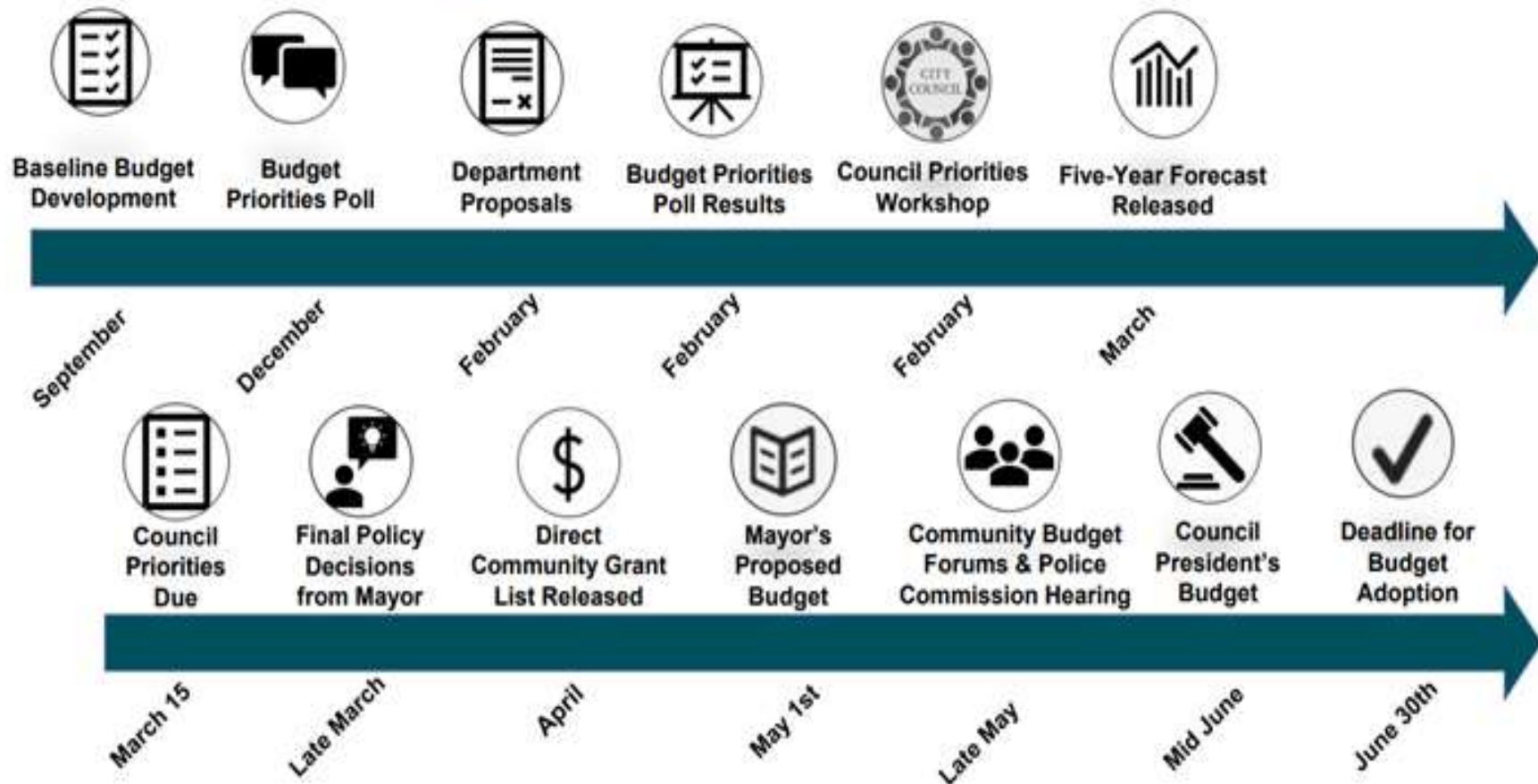
Budget Process

- **Budget Development**
  - ✓ Nov-Dec: Baseline Budget Development
  - ✓ Jan-Feb: Department Budget Development
  - ✓ Feb-Mar: Five-Year Financial Forecast
  - ✓ Feb-Mar: Budget Office Analysis
  - ✓ Feb-Mar: Internal Budget Hearings
  - ✓ Feb-Mar: Community and Council Input
  - ✓ Mar-Aprl: Proposed Budget Finalized
  - ✓ May-Jun: Community Input

- **Budget Adoption**
  - ✓ May-June: Council Deliberations
  - ✓ June: Council Budget Adoption

The Budget Process

Baseline Budget Development	Budget Priorities Poll	Department Proposals	Budget Priorities Poll Results	Council Priorities Workshop	Five-Year Forecast Released
September	December	February	February	February	March

Council Priorities Due	Final Policy Decisions from Mayor	Direct Community Grant List Released	Mayor's Proposed Budget	Community Budget Forums & Police Commission Hearing	Council President's Budget	Deadline for Budget Adoption
March 15	Late March	April	May 1st	Late May	Mid June	June 30th

Budget Planning

5-Year Financial Forecast

Helps make informed budgetary and operational decisions by:-

Anticipating future revenue and expenditures

Highlighting anticipated fiscal risks and opportunities.

Revenue Forecast

Anticipates changes in revenues triggered by:-

New economic development, economic growth, changes in the levels of service, changes in govt. policies at the state or federal level, and various economic & demographic changes.

Expenditure Forecast

Begins with the Baseline Budget (maintains current level of services and all unavoidable costs). Baseline modified to reflect changes to programs and services recommended by CAO and Mayor as part of the Proposed Budget.

Budget Terms & Concepts

- Budget & Fiscal Years
- Revenues
- Expenditures
- Funds
- Fund Balance
- Internal Service Funds
- Department and Organization Structures
- Budget Balancing
- Financial Reports and Actuals

[F-18A - Library - Dept. Page - Adopted FY22-23](opengov.com)
(opengov.com)

OpenGov Online Platform

- In an effort to increase transparency, the City is utilizing the OpenGov platform to present its entire budget in an online interactive website.

- Most tables and graphs on the platform allow the reader to drill-down, pivot, and even extract budget data.

- The OpenGov platform will support the public monitoring of the City's finances, including analyzing its spending and revenue-generating trends.

Questions/
Comments