

PORT ORDINANCE NO. 4836
ORDINANCE AMENDING AND ADOPTING THE FINANCIAL
MANAGEMENT RESERVE POLICIES AS CHAPTER 5.11 OF THE
PORT OF OAKLAND ADMINISTRATIVE CODE (POAC), AND
FINDING THAT THE PROPOSED ACTION IS EXEMPT UNDER
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 5.1, dated April 23, 2026, and related agenda materials ("Agenda Report"), has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, Section 706 of the City of Oakland ("City") Charter gives to the Board the complete and exclusive power and duty for and on behalf of the City to exercise various powers and duties relating to the Port's jurisdiction, including, but not limited to, the power and duty to "adopt and enforce such ordinances, orders, regulations and practices as are necessary for the proper administration and discharge of its duties and powers, or for the management and government of the port, and its facilities" (City Charter, Sec. 706(27)); and

WHEREAS, in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in testimony received; now, therefore,

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. The Board hereby finds and determines that the proposed action is not subject to the California Environmental Quality Act ("CEQA") under the general rule exclusion under Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the proposed action will not have a significant effect on the environment and therefore is not a "project" under CEQA.

Section 2. The Board hereby:

A. Approves, amends, and adopts the Financial Management Reserve Policies as Chapter 5.11 of the Port of Oakland Administrative Code ("POAC"), as reflected in **Attachment A**, and as further described in the Agenda Report.

B. Repeals all former Port ordinances and/or resolutions containing the Financial Management Reserve Policies, including, without limitation, Port Resolution No. 09056.

C. Authorizes the Executive Director or her designee to take all actions necessary to implement this adoption into the POAC, provided

that such actions do not materially differ from the terms and conditions set forth herein and in the Agenda Report, subject to approval as to form and legality by the Port Attorney.

Section 3. This Ordinance is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Port. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this Ordinance, is signed as approved as to form and legality by the Port Attorney, and is delivered to the other contracting party, there shall be no valid or effective agreement.

Section 4. This Ordinance shall take effect on the date of its final adoption; provided, however, that if a petition protesting the adoption of this Ordinance is timely and duly submitted to the elections official of the City of Oakland in the manner required under California Elections Code § 9237, the effective date of this Ordinance shall be suspended, and all actions authorized by this Ordinance shall be null and void.

The Board of Port Commissioners, Oakland, California, April 23, 2026. Passed to print for one day by the following vote: Ayes: Commissioners Dominguez Walton, Leslie, Martinez, Myres, Wong and President Cluver - 6. Noes: 0. Excused: Commissioner Muhammad - 1.

Daria Edgerly,

Secretary of the Board

Attachment A

Chapter 5.11 Financial Management Reserve Policies

Section 5.11.010 Purpose

In accordance with sound fiscal policy and prudent business judgment, this Chapter establishes certain financial management reserve policies for the Port of Oakland, including the establishment and maintenance of certain necessary and appropriate reserve funds that will ensure Port access to capital markets when necessary, enable the Port to finance the construction of capital improvements for the harbor, Airport, and other authorized purposes under the Charter, and to lower the overall cost of financing to the Port.

Section 5.11.020 Definitions

The following words and phrases whenever used in this Chapter shall be construed as defined in this Section.

“Capital Reserve Fund” means the segregated account on the general ledger of the Port established through this Chapter.

“Capital Reserve Requirement” means an amount equal to Fifteen Million Dollars (\$15,000,000.00) which shall fund the Capital Reserve Fund.

“Chief Financial Officer” means the Port employee designated by the Executive Director to be responsible for managing the financial actions of the Port, or such successor office holder.

“Operating Reserve Fund” means the segregated account on the general ledger of the Port established through this Chapter.

“Port Bond Reserve Fund” means the segregated account on the general ledger of the Port established through this Chapter.

“Port Revenue Fund” means the special fund designated within the treasury of the City of Oakland for the deposit of all income and revenue from the operations of the Port or from Port facilities in accordance with the Charter.

“Reserve Requirement” means an amount equal to Thirty Million Dollars (\$30,000,000.00) that shall fund the Port Bond Reserve Fund.

Section 5.11.030 Port Bond Reserve Fund

The Port shall establish and maintain a Port Bond Reserve Fund within the Port Revenue Fund, which fund shall be segregated as a separate account on the general ledger of the Port, and said Port Bond Reserve Fund shall have all of the following characteristics.

A. The Port Bond Reserve Fund shall be funded in an amount equal to Thirty Million Dollars (\$30,000,000.00).

B. Amounts may be withdrawn from the Port Bond Reserve Fund upon recommendation of the Chief Financial Officer and the approval of the Board and may be used for the following purposes:

1. First, to pay principal of and interest on indebtedness of the Port in the event that reserve funds established under the various resolutions of issue and indentures relating to such indebtedness, and revenues of the Port, are insufficient to pay such principal or interest then due and owing by the Port; and

2. Second, to pay for emergency capital expenditures or extraordinary operating and maintenance expenditures of the Port.

C. To the extent any amounts are withdrawn from the Port Bond Reserve Fund, available revenues shall be transferred thereafter to the Port Bond Reserve Fund as soon as practicable to restore the Reserve Requirement.

Section 5.11.040 Operating Reserve Fund

A. In addition to the Port Bond Reserve Fund, the Port shall establish and maintain an Operating Reserve Fund within the Port Revenue Fund, which fund shall be segregated as a separate account on the general ledger of the Port, and said Operating Reserve Fund shall be funded in an amount equal to twelve and one-half percent (12.5%) of the Port's approved annual operating expense budget.

B. The Chief Financial Officer may withdraw funds from the Operating Reserve Fund for unanticipated working capital requirements of the Port, subject in each case to any other applicable requirements of the Board, and shall report to the Board:

1. Quarterly on the status of the Operating Reserve Fund; and

2. Whenever the Operating Reserve Fund is below the minimum set forth in this Chapter.

Section 5.11.050 Capital Reserve Fund

The Port shall establish and maintain a Capital Reserve Fund equal to Fifteen Million Dollars (\$15,000,000.00) within the Port Revenue Fund, which fund shall be segregated as a separate account on the general ledger of the Port.

A. The Chief Financial Officer of the Port may withdraw amounts from the Capital Reserve Fund for the following purposes:

1. To pay principal of and interest on indebtedness of the Port in the event that reserve funds established under the various resolutions of issue and indentures relating to such indebtedness and revenues of the Port are insufficient to pay such principal or interest then due and owing by the Port;

2. For extraordinary capital improvements following approval of a project or a contract by the Board; and

3. For extraordinary operating and/or maintenance expenditures of the Port as approved by the Board.

B. The Chief Financial Officer shall report to the Board immediately following any withdrawal from the Capital Reserve Fund.

C. To the extent any amounts are withdrawn from the Capital Reserve Fund, available revenues shall be transferred thereafter to the Capital Reserve Fund as soon as practicable to restore the Capital Reserve Requirement.