

The Council of the City of Oakland does hereby submit on its own motion the following proposed amendment to the City Charter of the City of Oakland to be voted upon by the qualified electors of the City of Oakland at the General Municipal Election (Run-Off) to be held on Tuesday, November 5, 1996.

**PROPOSED CHARTER AMENDMENT
MEASURE PROVIDING FOR ENHANCED DUTIES
OF THE CITY AUDITOR**

CITY OF OAKLAND MEASURE H	
H MEASURE H: Shall the Oakland City Charter be amended at section 403 to provide additional duties and responsibilities for the City Auditor which would include, but not be limited to, the conduct of surveys, reviews and audits regarding internal accounting and financial controls, policy compliance and departmental performance audits, and to require quarterly public reports?	YES
	NO

FULL TEXT OF MEASURE H

The Oakland City Charter is amended to read as follows:

Section 403. **City Auditor.** The City Auditor shall be nominated and elected in the same manner, for the same term, and at the same election, as the Mayor. To be eligible to the office a person must be a qualified elector of the State of California, and shall be a resident of the City at the time of filing nomination papers and for thirty (30) days immediately preceding the date of filing, and shall be certified by the California State Board of Accountancy as a Certified Public Accountant or by the Institute of Internal Auditors as a Certified Internal Auditor. The salary of the office shall be set by the Council and may not be reduced during the City Auditor's term of office, except as a part of a general reduction of salaries for all officers and employees in the same amount or proportion. The City Auditor shall have the power and it shall be his or her duty to audit the books, accounts, money and securities of all departments and agencies of the City and such other matters as the Council may request; to report to the Council periodically the results of such audits and to advise and make recommendations to the City Manager regarding accounting forms design, fiscal and statistical reports and the methods or procedures for maintaining the accounts and accounting system throughout all departments, offices and agencies of the City. The City Auditor shall report to the Council instances of noncompliance with accepted accounting principles where recommendations for compliance have not been implemented by the City Manager after reasonable time and opportunity. The City Auditor shall conduct surveys, reviews, and audits as the Auditor deems to be in the best public interest or as required by the Council or Mayor. For these purposes the public interest shall include, but not be limited to:

- (1) Reviewing and appraising the soundness, adequacy and application of accounting, functional, and operating controls and reliability and timeli-

ness of accounting and other data generated within the organization.

- (2) Evaluating the city's internal controls to ensure that the City's assets and resources are reasonably safeguarded from fraud, waste, and mismanagement.
- (3) Ascertaining compliance with Council's resolutions and policies and the Mayor's Administrative Instructions and Directives, as well as applicable State and Federal laws and regulations.
- (4) Providing assistance to City Departments to enhance the effectiveness, efficiency and economy of their operations.
- (5) Preparing an impartial financial analysis of all ballot measures, pursuant to the provisions of the Municipal Code.
- (6) Preparing impartial financial analyses of proposed major expenditures prior to the approval of such expenditures. These analyses will be for informational purposes only and will include, but not be limited to, proposals, contracts, ventures, programs and construction projects. The proposed major expenditures selected for these financial analyses will be based on requests from the Mayor/Council and/or deemed to be prudently advisable in the objective and professional judgment of the City Auditor.
- (7) Responding to requests for audit and reviews.
- (8) Submitting, at a public meeting of the full City Council, a quarterly report to the Council and public on the extent of implementation of recommendations for corrective actions made in the City Auditor's report.
- (9) The City Auditor shall conduct performance audits of each department as specified in the City budget.

~~He~~ The City Auditor shall be represented in all legal matters by the City Attorney except as provided otherwise in Section 401.

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE H

If adopted, this measure would amend Charter section 403 to provide for enhanced duties of the Oakland City Auditor. Under current charter section 403, the City Auditor has the power and the duty to audit the books, accounts, money and securities of all departments and agencies of the City and such other matters as the Council requests; to report to the Council periodically the results of such audits and to advise and make recommendations to the City Manager regarding accounting forms design, fiscal and statistical reports and the methods or procedures for maintaining the accounts and accounting system throughout all departments, offices and agencies of the City. The City Auditor reports to the Council instances of noncompliance with accepted accounting principles where recommendations for compliance have not been implemented by the City Manager after reasonable time and opportunity.

In addition to the duties currently provided for in Charter section 403, this amendment would also provide for the City Auditor to conduct surveys, reviews, and audits as the Auditor deems to be in the best public interest or as required by the Council or Mayor. For these purposes the public interest shall include, but not be limited to:

- (1) Reviewing and appraising the soundness, adequacy and application of accounting, functional, and operating controls and reliability and timeliness of accounting and other data generated within the organization.
- (2) Evaluating the city's internal controls to ensure that the City's assets and resources are reasonably safeguarded from fraud, waste, and mismanagement.
- (3) Ascertaining compliance with Council's resolutions and policies and the Mayor's Administrative Instructions and Directives, as well as applicable State and Federal laws and regulations.
- (4) Providing assistance to City Departments to enhance the effectiveness, efficiency and economy of their operations.
- (5) Preparing an impartial financial analysis of all ballot measures, pursuant to the provisions of the Municipal Code.
- (6) Preparing impartial financial analyses of proposed major expenditures prior to the approval of such expenditures. These analyses will be for informational purposes only and will include, but not be limited to, proposals, contracts, ventures, programs and construction projects. The proposed major expenditures selected for these financial analyses will be based on requests from the Mayor/Council and or deemed to be prudently advisable in the objective and professional judgment of the City Auditor.
- (7) Responding to requests for audit and reviews.
- (8) Submitting a quarterly report to the Council and public on the extent of implementation of recommendations for corrective actions made in the City Auditor's report at a public meeting of the full City Council.
- (9) The City Auditor shall conduct performance audits of each department as specified in the City budget.

s/JAYNE WILLIAMS
City Attorney

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE H

Measure H will increase the cost of City government. Additional staff will be needed to fulfill the expanded responsibilities of the City Auditor. The estimated increase in cost is \$233,500.

EXPANDED RESPONSIBILITIES

The two new areas of coverage are described below:

1. Conduct performance audits of each department as specified in the City Budget.

Audits of Performance Based Budgets will provide information on the extent to which City programs, services, or activities are meeting their established goals. Informed decisions can then be made by the Mayor, Council, and city management as to whether the goals are appropriate or need modification, or whether there should be a reallocation of the budgetary resources to other programs, services, or activities.

2. Prepare financial analyses of proposed major expenditures prior to the approval of such expenditures. Major expenditures of significant dollar amounts would include, but not be limited to, proposals, contracts, ventures, programs, and construction projects.

Such analyses would be based on requests from the Mayor and Council, or deemed to be prudently advisable in the objective and professional judgment of the City Auditor.

These financial analyses would be for informational purposes only.

INCREASE IN COST OF CITY GOVERNMENT

Two Evaluators or Analysts with auditing and accounting background:

Salaries and Fringe Benefits	\$178,000
Provision for Consultants with Technical Expertise in Specialized Areas – Only If Needed	40,000
One-Time Equipment Cost	10,000
Operational and Maintenance Costs	5,500
Total	<u>\$233,500</u>

Unspent funds will be returned to the General Fund.

ADDITIONAL INFORMATION

City departments have been developing performance measures of the activities performed by their various divisions, units, and sections as requested by the Mayor and Council in their 1994-95 Budget deliberations. Most of the departments are finalizing their measures, so performance-based audits could proceed in 1997-98.

The financial analyses will conceivably cover a wide range of subject matter. The extent to which consultants' services will be used will depend on the complexity of the analyses to be performed.

The six professionals currently on the City Auditor's staff will continue to perform audits, reviews, and evaluate the internal controls of City programs, activities, and operations. It is anticipated that they will also participate in some of the performance-based audits.

s/NORMA NG LAU

City Auditor

ARGUMENT IN FAVOR OF MEASURE H

Changing Section 403 of the Charter brings the Office of the City Auditor into the 21st Century. It charges the City Auditor with auditing not only the finances of City government, but the performance and outcomes. It responds to citizens' demand for accountability. It is the right move at the right time.

The City Auditor will continue to exercise his/her opinion on all ballot measures; to outline the financial impact of these measures, and to give the voters an impartial opinion upon which to rely when considering their vote. The Auditor will also monitor the daily operating controls of the city administration to ensure that the City's assets and resources are safeguarded from fraud, waste and mismanagement.

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A major portion of this proposed addition to Section 403 of the City Charter allows and directs the City Auditor to prepare financial analyses of proposed major expenditures prior to the approval of such expenditures including construction projects and other contracts. Do the words "ice rink" and "Raiders/Coliseum" ring any bells?

Finally, the Charter change allows the City Auditor to ascertain staff's compliance with Council's adopted policies: Did the staff do what the Council directed? It requires that the Auditor report quarterly to the Council at a regularly scheduled meeting on the extent of implementation of the Auditor's own recommendations in all of the above areas during the preceding quarter.

This Charter change proposed by the Charter Review Commission is a strong response to the demand for responsiveness in City government. Every voter who supports accountability in City government will support this ballot measure!

s/H. E. CHRISTIAN PEEPLES

Member, Charter Review Committee

s/LEILA S. GOUGH

Chair, Oaklanders Responsible Government

s/MARK A. TIPTON

Citizens Budget Advisory Committee

NO ARGUMENT AGAINST MEASURE H WAS SUBMITTED.

The Council of the City of Oakland does hereby submit on its own motion the following proposed bond measure to be voted upon by the qualified electors of the City of Oakland at the General Municipal Election (Run-Off) to be held on Tuesday, November 5, 1996.

PROPOSED BOND MEASURE

A MEASURE AUTHORIZING THE ISSUANCE OF CULTURAL ENRICHMENT GENERAL OBLIGATION BONDS FOR ENHANCEMENT OF LIBRARIES, MUSEUMS AND OTHER CULTURAL AND RECREATIONAL FACILITIES

CITY OF OAKLAND BOND MEASURE I	
MEASURE I: Shall the City of Oakland, in order to enrich the lives of its citizens, be authorized to issue \$45,420,000 of general obligation bonds, at interest rates not to exceed the legal maximum, to repair, construct, acquire and improve libraries, museums and other cultural and recreational facilities throughout the City of Oakland?	BONDS YES
	BONDS NO

FULL TEXT OF MEASURE I

The full text of the proposed bond measure reads as follows:

WHEREAS, the City of Oakland (the "City") is a culturally rich and diverse area;

WHEREAS, the City has several public facilities, such as libraries, museums, science centers and other educational and recreational facilities which nurture and develop such cultural richness and diversity; and,

WHEREAS, the City Council has determined that the current Capital Improvement Fund is insufficient to fund the necessary improvements to these vital facilities; and,

WHEREAS, the City Council has determined to submit a ballot measure to the City of Oakland voters at the November 5, 1996, General Municipal Election which would authorize the issuance of general obligation bonded indebtedness in the amount of \$45,420,000 for the repair, construction, acquisition and improvement of certain libraries, museums and other cultural and recreational facilities, which may include but not be limited to the following:

LIBRARY FACILITIES

- A. Temescal Branch Library - seismic and life/safety upgrades
- B. Golden Gate Branch Library - seismic and life/safety upgrades
- C. African-American Museum and Library at Oakland (Greene Branch Library)
- D. Melrose Branch Library - structural and ADA improvements
- E. Montclair Branch Library - enclose patio area
- F. Brookfield Library

MUSEUM FACILITIES

- A. Museum Security
- B. Museum Garage
- C. Museum Fire Stop and Seismic Joint
- D. Museum Roof Garden Repairs

CULTURAL AND RECREATIONAL FACILITIES

- A. Recreation Centers - Various Unreinforced Masonry (URM) Facilities
- B. Ballfield Construction
- C. East Oakland Sports Complex
- D. Playgrounds/Tot Lots Restoration
- E. Oakland Zoo Improvements
- F. Dunsmuir House and Gardens - Historic Preservation & Repair
- G. Children's Fairyland Improvements
- H. Chabot Observatory & Science Center
- I. Lakeside Park Improvements
- J. Castlemont Pool
- K. Chinese Garden
- L. Peralta Hacienda
- M. Sanborn Recreation Center
- N. McClymonds Pool

- O. Handicap Access/ADA Upgrades
- P. Lafayette Square Park
- Q. Camron-Stanford House

WHEREAS, section 10400 et seq. of the Elections Code allows for the Oakland General Municipal election of November 5, 1996, to be consolidated with the statewide general election to be held on the same date;

NOW THEREFORE BE IT

RESOLVED: That the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the consolidation of the Oakland Municipal election with the statewide general election of November 5, 1996 consistent with provisions of State Law; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the "City Clerk") at least 88 days prior to November 5, 1996, to file with the Alameda County Clerk certified copies of this resolution; and be it

FURTHER RESOLVED: That the principal amount of the general obligation indebtedness to be incurred by said proposed measure shall not exceed \$45,420,000, and the maximum interest rate to be paid on such obligations shall not exceed twelve percent (12%) per annum; and be it

FURTHER RESOLVED: That this Resolution shall take effect from and after its adoption and approval.

TAX RATE STATEMENT FOR MEASURE I

An election will be held in the City of Oakland (the "City") on November 5, 1996, for the purpose of submitting to the electors of the City the question of incurring bonded indebtedness of the City of Oakland for life enrichment in the principal amount of \$45.42 million. If such bonds are authorized and sold, principal and interest on the bonds will be payable from the levy of tax rates on both real and personal property within the boundaries of the City.

The following information is given to comply with Section 9400 et seq. of the Elections Code regarding tax rates, based upon the best estimates and projections presently available from official sources, experience, and other demonstrable factors. Based upon the foregoing and projections of the City's assessed valuations, and assuming the entire debt service will be amortized through property taxation:

- (1) The best estimate of the tax rate which would be required to be levied to pay principal and interest during the first fiscal year following the first sale of bonds is 0.8 cents per one hundred dollars assessed valuation for the year 1997;
- (2) The best estimate of the tax rate which would be required to be levied during fiscal year following the last sale of the bonds if the bonds are proposed to be sold in series and the first estimate of the year in which the rate will apply, based on estimated assessed valuations available at

the time of filing this statement is 2.19 cents per one hundred dollars assessed valuation for the year 1998;

- (3) The best estimate of the highest tax rate which would be required to be levied for payment of debt service and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of filing this statement is 2.19 cents per one hundred dollars assessed valuation for fiscal year 1998.

The foregoing information is based on projections and estimates only, which are not binding upon the City. The actual times of sales and the amount of bonds sold at any given time will be governed by the needs of the City and other factors. The actual interest rate at which the bonds will be sold will depend upon the bond market at the time of sale. The actual assessed valuations in future years will depend upon the value of the property within the City as determined in the assessment and the equalization process. Hence, the actual tax rates and the years in which such rates are applicable may vary from those presently estimated above.

s/CRAIG G. KOCIAN
City Manager

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE I

If adopted, this measure would authorize the issuance of general obligation bonds in the amount of \$45,420,000 for the purpose of financing the repair, construction, acquisition and improvement of libraries, museums and other cultural and recreational facilities throughout the City of Oakland, such as, but not limited to, the following:

1. Swimming Pools
2. Playgrounds
3. Ballfields
4. Parks
5. Recreation Centers
6. Sport Complexes
7. Children's Fairyland
8. Oakland Zoo
9. Camron-Stanford House
10. Peralta Hacienda
11. Chabot Observatory

The bond proceeds can only be expended to acquire, construct or improve real property which benefits accrue to the community and cannot be expended to purchase equipment or to pay for operations and maintenance.

The bonds would be funded by a supplemental ad valorem property tax. The amount of the supplemental ad valorem property tax is projected to average approximately \$14.92 per \$100,000 of assessed valuation over the life of the

bond issue. The tax shall be levied for each fiscal year by the City Council of Oakland for a period not to exceed 25 years.

Since this measure proposes a supplemental ad valorem property tax that falls within the subject matter of Article XIII A (Proposition 13) of the California Constitution, it requires a two-thirds or more vote of the qualified electors voting on the measure.

s/JAYNE WILLIAMS

City Attorney

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE I

Adoption of Measure I will increase the cost of City government in connection with some of the projects proposed to be funded by this bond issue. The amount of increase is not fully determinable at this time because complete information is not available.

The cost of City government will increase because the construction and capital improvement work will result in not only improving the safety and quality of the City's existing cultural and recreational facilities, but also in making more of such facilities available by either increasing the size of existing facilities or constructing new ones.

BACKGROUND

Bond proceeds of \$45,420,000 are proposed for projects which "... may include but not be limited to ..." construction and capital improvements for:

<u>Facilities</u>	<u>Proposed Spending Plan ⁽¹⁾</u>	<u>Proposed Scope of Work ⁽¹⁾</u>
Branch Libraries	\$13,210,000	Seismic; renovation; repairs; air conditioning
Museum	2,340,000	Roof repairs; security system; seismic
Swimming Pools	3,400,000	Construction; repairs
Chabot Observatory, Zoo, Dunsmuir House, Camron-Stanford House, Peralta Hacienda	12,870,000	Construction; renovation; roof repairs; site acquisition; expansion
Playgrounds, Ballfields, Fairyland	6,000,000	Renovation; repairs
Recreation Centers, Parks, and Other	<u>7,600,000</u>	Construction; expansion; site acquisition; renovation; handicap access; repairs
Total	<u>\$45,420,000</u>	

⁽¹⁾ Upon adoption of Measure I, the City Council will make formal funding allocation decisions.

PROPOSAL

Measure I authorizes the City to:

- Issue \$45,420,000 in General Obligation Bonds to be repaid over a period of 25 years. A City General Obligation Bond is backed by the full faith and credit of the City, meaning that the City pledges to use its taxing power to assure that sufficient funds are available to pay off the bonds.
- Levy a supplemental property tax estimated to cover the bond principal and interest, as well as the bond issuance costs of \$275,000. The tax rate will average \$14.92 per year for each \$100,000 of assessed property valuation on all secured and unsecured properties.

INTEREST RATE

City staff anticipates that based on current interest rates, the true interest cost on the bonds will not exceed 5.99%.

In any event, the bonds will not be sold at an interest rate which exceeds 12.00% per annum.

s/NORMA NG LAU

City Auditor

ARGUMENT IN FAVOR OF MEASURE I

Measure I is supported virtually unanimously by Oakland civic leaders, neighborhood organizations, business, and cultural and religious leaders, children's advocates, and parents and teachers.

Measure I will provide critically-needed funds to renovate and upgrade libraries, parks and recreation facilities for safety and seismic upgrades.

No funding exists at the state or local level for major building repair and renovation projects at our libraries, parks and recreation facilities.

Measure I funds will be used for:

- seismic retrofitting of Golden Gate, Temescal and Melrose branch libraries; facility improvements at Montclair branch library; rehabilitation and retrofit of the Greene Library building for the African American Museum and Library.
- safety repairs at playgrounds, and 33 tot lots throughout Oakland; upgrade play areas at Lakeside Park and Children's Fairyland.
- seismic retrofits at local youth recreation centers, repair of old deteriorating bathrooms at parks and recreation centers.
- construction of a new Oakland youth recreation center.
- needed facility repairs at the Oakland Museum.
- improving technology and completing the building project for the Chabot Science Center.
- upgrading animal care and renovating facilities that serve children and families at the Oakland Zoo.
- restore and renovate historical sites such as Dunsmuir House and Peralta Hacienda Park.

If Measure I is not passed, some of these public facilities may be forced to close due to safety issues.

By law, every dime raised by Measure I must fund these specific projects and cannot be spent on wasteful bureaucracy.

Please join us in voting yes on Measure I. It will allow families and children to continue enjoying our local parks, libraries, and recreational facilities.

s/DICK SPEES

City Councilmember

s/TERRY PRESTON

President, Friends of the Oakland Public Library

s/JACQUEE CASTAIN

East Oakland Youth Advocate

s/ANNE WODELL

Parks and Recreation Advisory Commission

s/TRISH KARLINSKI

North Oakland Little League

NO ARGUMENT AGAINST MEASURE I WAS SUBMITTED.

The Council of the City of Oakland does hereby submit on its own motion the following proposed amendment to the City Charter of the City of Oakland to be voted upon by the qualified electors of the City of Oakland at the General Municipal Election (Run-Off) to be held on Tuesday, November 5, 1996.

PROPOSED CHARTER AMENDMENT

MEASURE ESTABLISHING A PUBLIC ETHICS COMMISSION

CITY OF OAKLAND MEASURE J	
J MEASURE J: Shall the Oakland City Charter be amended to establish a Public Ethics Commission that shall advise or respond to certain City regulations and policies intended to assure fairness and openness in government and set City Councilmember compensation?	YES
	NO

FULL TEXT OF MEASURE J

The Oakland City Charter is amended to read as follows:

~~**Section 202. Compensation.** The members of the Council, other than the Mayor, shall each receive the compensation heretofore provided by Charter, until changed by Charter amendment or by ordinance; provided that any such compensation fixed by ordinance shall not exceed the amount which the city~~

council of a general law city having no greater population than the City can prescribe under the provisions of state law as compensation for its councilmen.

"Section 202. PUBLIC ETHICS COMMISSION.

(a) There is hereby established a Public Ethics Commission which shall be responsible for responding to issues with regard to compliance by the City of Oakland, its elected officials, officers, employees, boards and commissions with regard to compliance with City regulations and policies intended to assure fairness, openness, honesty and integrity in City government including, Oakland's Campaign Finance Reform Ordinance, conflict of interest code, code of ethics and any ordinance intended to supplement the Brown Act, and to make recommendations to the City Council on matters relating thereto, and it shall set City Councilmember compensation, as set forth herein.

(b) The members of the Public Ethics Commission shall consist of seven (7) members who shall be Oakland residents. The Commission shall be appointed as follows: Three (3) members who represent local civic organizations with a demonstrated history of involvement in local governance issues shall be nominated for appointment by the Mayor and confirmed by the City Council; and four (4) members shall be appointed, following a public recruitment and application process, by the unanimous vote of the three (3) representatives appointed by the City Council. The four (4) members so appointed shall reflect the interests of the greater Oakland neighborhood and business communities. The City shall by ordinance prescribe the function, duties, powers, jurisdiction and the terms of members of the Commission, in accordance with this Article.

(c) The Public Ethics Commission shall set the compensation for the office of Councilmember which shall be reviewed by the Commission and adjusted, as appropriate, in odd-numbered years. In 1997, the Commission shall first establish a base salary for the Office of Councilmember at a level which shall be the same or greater than that which is currently received. Thereafter, the Commission shall fix City Councilmember compensation at a level not to exceed ten percent (10%) above the base salary, as adjusted."

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE J

This measure deletes section 202 of the Charter regarding the setting of Councilmember compensation and creates a new Charter section which establishes a Public Ethics Commission.

The Public Ethics Commission would be responsible for responding to issues with regard to compliance by the City of Oakland, its elected officials, officers, employees, boards and commissions with regard to compliance with City regulations and policies intended to assure fairness, openness, honesty and integrity in City government including, Oakland's Campaign Finance Reform Ordinance, conflict of interest code, code of ethics and any ordinance intended to supplement the Brown Act, and for making recommendations to the City Council on matters relating thereto. In addition, it would be responsible for setting the compensation for City Councilmembers within limits as set forth in the measure.

This measure provides that the Public Ethics Commission would consist of seven (7) members who must be Oakland residents. The Commission would be appointed as follows: Three (3) members who represent local civic organizations with a demonstrated history of involvement in local governance issues would be nominated for appointment by the Mayor and confirmed by the City Council; and four (4) members would be appointed, following a public recruitment and application process, by the unanimous vote of the three (3) representatives appointed by the City Council. The four (4) members so appointed must reflect the interests of the greater Oakland neighborhood and business communities. The City Council would be required to adopt an ordinance which would prescribe the specific functions, duties, powers, jurisdiction and the terms of members of the Commission.

This measure would give authority to the Public Ethics Commission to set the compensation for the Office of Councilmember which would be reviewed by the Commission and adjusted, as appropriate, in odd-numbered years. In 1997, the Commission would first establish a base salary for the Office of Councilmember at a level which would be the same or greater than that which is currently received. Thereafter, the Commission would fix City Councilmember compensation at a level not to exceed ten percent (10%) above the base salary, as adjusted.

s/JAYNE WILLIAMS
City Attorney

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE J

Adoption of Measure J will increase the cost of City government. The amount of increase is not determinable at this time because complete information is not available.

PUBLIC ETHICS COMMISSION

Measure J authorizes the establishment of this Commission to help assure "... fairness, openness, honesty, and integrity in City government." The function, duties, powers, jurisdiction, and the terms of the Commission members will be prescribed by Ordinance approved by the City Council.

General responsibilities include the following:

1. Responding to issues regarding compliance with Oakland's Campaign Finance Reform Ordinance, Conflict of Interest Code, Code of Ethics, and any other Ordinance intended to supplement the Brown Act.
2. Making recommendations to City Council on matters addressed in No. 1, above.
3. Setting Councilmember compensation, as described below.

COUNCILMEMBER COMPENSATION

In 1997, the Commission shall set Councilmembers' compensation at a level which shall be the same or greater than that which is currently received. Councilmembers' current compensation is \$36,941 per year: \$18,746 from the General Fund and \$18,195 from the Oakland Redevelopment Agency. The compensation as set by the Commission will be designated the "base salary."

In 1999, the next odd-numbered year, the Commission shall review the "base salary" they set in 1997 and fix the Councilmember compensation at a level not to exceed 10% above the "base salary" set in 1997.

In every odd-numbered year thereafter, the Commission shall review the "base salary" as adjusted in the preceding odd-numbered year and fix the Councilmember compensation at a level not to exceed 10% above the "base salary" in the preceding odd-numbered year.

SEVEN MEMBERS OF COMMISSION

Three members will be appointed by the Mayor and confirmed by the Council. Four members will be appointed upon a unanimous vote of the three members already appointed by the Council. These four members will be among those who participate in a public recruitment and application process as candidates for appointment to these four seats on the Commission.

INCREASE IN COST OF CITY GOVERNMENT IF COMMISSION SETS COUNCILMEMBER COMPENSATION AT A LEVEL GREATER THAN THAT WHICH IS CURRENTLY RECEIVED

	<u>Amount</u>
Councilmember Compensation Increase	Unknown
Benefits Directly Tied to Compensation (Current Rate):	
• Public Employee's Retirement System	17.26% of Increase
• Medicare Tax	1.45% of Increase
• Life Insurance and Accidental Death	\$.23 per \$1,000 of Increase

INCREASE IN COST OF CITY GOVERNMENT WITH CREATION OF PUBLIC ETHICS COMMISSION

Staff Support from City Attorney, City Clerk, City Manager, and Budget and Finance Agency	Unknown
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The amount of staff support cannot be determined at this time. It would depend on the Commission's function, powers, duties, and jurisdiction, which are to be prescribed by ordinance of the Council.

s/NORMA NG LAU

City Auditor

ARGUMENT IN FAVOR OF MEASURE J

A few years ago, the state Fair Political Practices Commission levied the largest fine in its history in a campaign money laundering scheme involving former Oakland officials. In 1993, a citizens' committee wrote an ordinance creating an independent public ethics commission to oversee public officials' compliance with Oakland's campaign finance and election laws, conflict of interest

rules and code of ethics, and to set Councilmember salaries. But that ordinance was never adopted.

Now, Measure J will set up the impartial public ethics commission to oversee three main areas: campaign finance, conflict of interest and election laws; Councilmembers' compensation; and the proposed "sunshine ordinance".

The City Council has set limits on local campaign contributions and expenditures. Do you wonder whether the law is reducing the influence of special interests? It isn't! Do you wonder whether candidates are complying? So do we. We need an impartial ethics commission to educate candidates about the law, propose needed reforms, and investigate violations.

The City Council sets its own salary based on a formula. Do you know anyone else who can raise their own pay? The independent commission you create will set Councilmembers' pay fairly. It will be free of conflict of interest because the majority of its members are not beholden to the Council for appointment.

Soon, the Council will consider the "sunshine ordinance", to expand the public's access to City agendas, meetings and information beyond what's required by state law. We need an impartial citizens' commission to make sure the city and all its departments follow the law once it's adopted.

Measure J creates a public ethics commission, and protects it from ever being abolished except by a vote of the people. Let's see to it that elected officials act fairly and openly in the public interest. Vote YES on Measure J.

s/JACQUEE CASTAIN

s/GARY SIRBU

s/KATHERINE GUELDNER

s/RANDY H. HAMILTON

s/PAUL L. COBB

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE J

Oakland voters must not be fooled by this self-serving scheme. A public ethics commission is NOT the point. That's a smoke-screen! It could be created by ordinance, just like other city commissions.

This is actually all about City Council pay. That's the "Compensation" section of the City Charter this would amend. At present, the Council takes the full amount allowed by state law, then **DOUBLES** it for minimal Redevelopment Agency functions.

That's \$36,936, plus staff, auto allowance, and lavish health, retirement, and other perks – for a **PART-TIME** job! How many hard-working Oaklanders take home that much, putting in full time?

An appointed ethics commission will never be truly independent of Council influence. Councilmembers will, when all is said and done, get the **EXTRA-VAGANT PAY INCREASES** they want, without taking public responsibility.

The Charter Review Committee (of which I was a member) did NOT recommend this measure. It said the City Council should stand up before the pub-

lic and set their salary by ordinance, allowing the voters to clearly place responsibility for excesses.

Don't write this runaway-pay provision into the City Charter!

Keep City Councilmembers accountable!

VOTE NO on MEASURE J!

s/ARTHUR B. GEEN

ARGUMENT AGAINST MEASURE J

Don't issue a BLANK CHECK to raise City Councilmembers' pay, which is already SKY-HIGH! If they think they deserve a pay increase, let them set an actual figure, and put that before the voters!

Measure J is a smoke-screen, and bad public policy. VOTE NO on MEASURE J!

s/ARTHUR B. GEEN

REBUTTAL TO THE ARGUMENT AGAINST MEASURE J

The Public Ethics Commission set up by Measure J will have critical work to do educating candidates and the public, and monitoring campaign finance and elections laws, the "sunshine ordinance" and conflict of interest code. But the opposing argument focuses only on how the Commission sets Councilmembers' pay.

Citizens' expectations of City Councilmembers have grown dramatically since we began electing Councilmembers by district in 1981. It is now unquestionably a full-time commitment to serve a district of 55,000 residents and make citywide policy. Yet our Charter makes Oakland use the same salary formula as California's "general law cities" – the smallest towns in the state. This outdated Charter restriction has kept Councilmembers' salaries below the median household income for the Oakland metropolitan area.

In 1988 the voters amended the Charter with a new formula for the Mayor's pay that fairly compensates him/her for the job we expect in Oakland. Let's do the same for Councilmembers.

Measure J unhooks Oakland from the small town formula, and it takes the decision about salaries away from the City Council. It directs the independent Public Ethics Commission to fix the salary in a public, open process. It doesn't require them to raise the salary; just make sure it's fair.

There are many important reasons we need the Public Ethics Commission. Don't be sidetracked by those whose only objection is giving Councilmembers a fair salary for the work we expect them to do. Vote YES on Measure J.

s/DAVID GLOVER

s/RANDY H. HAMILTON

s/JERRY ROSE

s/YUI HAY LEE

The Council of the City of Oakland does hereby submit an initiative charter amendment to be voted upon by the qualified electors of the City of Oakland at the General Municipal Election (Run-Off) to be held on Tuesday, November 5, 1996.

**PROPOSED INITIATIVE CHARTER AMENDMENT
RESOLUTION SUBMITTING TO THE VOTERS
A PROPOSED INITIATIVE CHARTER AMENDMENT
ENTITLED "KIDS FIRST! OAKLAND CHILDREN'S FUND"
AT THE GENERAL MUNICIPAL ELECTION (RUN-OFF)
TO BE HELD ON NOVEMBER 5, 1996; DIRECTING THE
CITY CLERK TO FIX THE DATE FOR SUBMISSION OF
ARGUMENTS AND TO PROVIDE FOR NOTICE AND
PUBLICATION IN ACCORDANCE WITH LAW**

CITY OF OAKLAND MEASURE K	
K MEASURE K: Shall the City Charter of the City of Oakland be amended to add Article XIII thereto, establishing a Kids First! Oakland Children's Fund by requiring annually, for a twelve year period, that two and one-half percent of the City of Oakland's unrestricted general fund revenues be set aside for the Kids First! Oakland Children's Fund?	YES
	NO

FULL TEXT OF MEASURE K

The full text of the proposed initiative charter amendment reads as follows:

WHEREAS, the City Clerk of the City of Oakland has certified to the Oakland City Council that petitions for a proposed initiative charter amendment entitled "KIDS FIRST! OAKLAND CHILDREN'S FUND" has been accompanied by verified signatures in excess of fifteen (15%) percent of the registered electors of the City; and

WHEREAS, consistent with the Elections Code and the Oakland City Charter, the City Council may submit the certified petitions without alteration to the City's voters at the next regular municipal election occurring not less than eighty-eight (88) days after the City Clerk certifies the results of the examination of the signatures; and

WHEREAS, the next regular municipal election at which this proposed initiative charter amendment can be voted upon will occur on November 5, 1996; and

WHEREAS, the City Council does hereby submit to the qualified electors of the City of Oakland a proposed initiative charter amendment entitled "KIDS FIRST! OAKLAND CHILDREN'S FUND" to be voted upon at the General Municipal Election (Run-Off) consolidated with the Statewide General Election to be held November 5, 1996, and

WHEREAS, Election Code Sections 10400 through 10403 allows for the City of Oakland General Municipal Election (Run-Off) of November 5, 1996 to

be consolidated with the Statewide General Election to be held on the same day; now therefore be it

RESOLVED: That the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the consolidation of the City of Oakland General Municipal Election (Run-Off) of November 5, 1996 with the Statewide General Election of November 5, 1996 consistent with the provisions of state law, and be it

FURTHER RESOLVED: That the proposed Charter amendment text shall read as follows:

The Charter of the City of Oakland is hereby amended to add Article XIII entitled "**KIDS FIRST! OAKLAND CHILDREN'S FUND**":

The voters of the City of Oakland hereby amend the City Charter of Oakland to read as follows:

1. This law establishes a fund that will help young people grow to become healthy, productive and honorable adults. This fund shall be called the **KIDS FIRST! Oakland Children's Fund**, and it shall be maintained separately and apart from all other City funds.
2. Two and one-half percent of the City of Oakland's annual unrestricted general fund revenues shall be set-aside for the **KIDS FIRST! Oakland Children's Fund**, and appropriated as specified in this section each year for twelve years beginning July 1, 1997, together with any interest earned on the fund and any amounts unspent or uncommitted by the fund at the end of any fiscal year.
3. Monies in the **KIDS FIRST! Oakland Children's Fund** shall be used exclusively to provide services to children and youth less than twenty-one years old, above and beyond services funded prior to the adoption of this section. To this end, monies in the **KIDS FIRST! Oakland Children's Fund** shall not be appropriated or expended to pay for services funded by the City of Oakland during fiscal year 1995-1996, except and solely to the extent of services for which the City of Oakland ceases to receive federal, state or private agency funds which the funding agency required to be spent on services in question.
4. Monies in the **KIDS FIRST! Oakland Children's Fund** shall be used exclusively for:
 - a. Career & Leadership Development, including job training; year-round work experience; career internships; and community organizing projects;
 - b. Academic & Cultural Development, including pre-school programs; academic enrichment programs; college preparatory services; arts and music programs; outdoor adventure activities; and sports programs;
 - c. Physical & Behavioral Health, including school health centers; neighborhood teen clinics; counseling and mentoring programs; conflict resolution; pre-natal care; and parenting classes.
5. All monies in the **KIDS FIRST! Oakland Children's Fund** shall be appropriated to private non-profit and public entities through an open

- and fair competitive bid process.
6. All monies in the KIDS FIRST! **Oakland Children's Fund** shall be appropriated to private non-profit and public entities for programs that:
 - a. implement services in a comprehensive, coordinated, and culturally appropriate design;
 - b. establish measurable and ambitious youth development outcomes;
 - c. integrate youth in their development, operation, and evaluation; and that
 - d. emphasize collaboration between private non-profit and public entities.
 7. Monies in the KIDS FIRST! **Oakland Children's Fund** shall not be appropriated or expended for:
 - a. any service which merely benefits children and youth incidentally;
 - b. acquisition of any capital item not for primary and direct use by children and youth;
 - c. acquisition of, other than by lease for a term of twelve years or less, any real property;
 - d. maintenance, utilities or any similar operating cost of any facility not used primarily and directly by children and youth;
 - e. any service for which a fixed or minimum level of expenditure is mandated by state or federal law, to the extent of the fixed or minimum level of expenditure.
 8. Not later than 90 days after the election which approved this section, and by December 15th of each calendar year thereafter, the Mayor shall appoint three Oakland residents, one whom shall be a resident not older than 21 years, and each City Councilmember shall appoint two Oakland residents, one of whom shall be a resident not older than 21 years, to serve as members of the "CHILDREN'S FUND PLANNING & OVERSIGHT COMMITTEE". The appointees shall demonstrate a strong interest in children and youth issues; and possess sound knowledge of, and expertise in, children and youth policy development and program implementation.
 9. The "CHILDREN'S FUND PLANNING AND OVERSIGHT COMMITTEE" shall be responsible for:
 - a. preparing three Four-Year Strategic Plans that outline specific outcome goals, objectives, and service priorities for each four-year period beginning January 1, 1998, January 1, 2002, and July 1, 2006;
 - b. soliciting program funding proposals from private and public non-profit entities through an open and fair competitive bid process;
 - c. submitting to the Oakland City Council for its adoption 60 days after the submission, three Four-Year Strategic Plans and their corresponding program funding recommendations, with the first plan submitted by October 1, 1997, the second plan submitted by October 1, 2001, and the third plan submitted by October 1, 2005;
 - d. presenting to the Oakland City Council for its adoption 60 days after

the submission annual independent process and outcome evaluation reports not later than October 1st of each calendar year beginning October 1998.

10. The allocation of grants to private non-profit and public entities under this law shall comply as closely as practicable with the goals, objectives and service priorities of these Four-Year Strategic Plans. Appropriation for the City fiscal year shall be awarded for use during the calendar year which begin therein. For example, appropriations for the fiscal year July 1, 1997 to June 30, 1998 shall be awarded for use during the calendared year January 1, 1998 to December 31, 1998, and so on.
11. The "CHILDREN'S FUND PLANNING AND OVERSIGHT COMMITTEE" shall hold no less than one properly noticed public hearing prior to its adoption and submittal to the Oakland City Council of a Four-Year Strategic Plan and corresponding program funding recommendations. The Oakland City Council shall hold no less than one public hearing prior to its adoption of a Four-Year Strategic Plan, corresponding program funding recommendations, and evaluation reports.
12. No more than five percent of the monies in the KIDS FIRST! **Oakland Children's Fund** may be used by the City Manager each fiscal year to administer the Fund.
13. No more than three percent of the monies in the KIDS FIRST! **Oakland Children's Fund** shall be set-aside each fiscal year to conduct an independent process and outcome evaluation of the Fund.
14. The KIDS FIRST! **Oakland Children's Fund** shall be used exclusively to increase the aggregate City appropriations and expenditures for children and youth services (exclusive of expenditures mandated by state or federal law). To this end, the City of Oakland shall not reduce the amount of unrestricted general fund appropriations and expenditures for eligible services in any of the twelve years during which funds are required to be set aside under this section below the amount so appropriated for the fiscal year 1995-1996 ("base amount").

Not later than 90 days after the election which approves this section, the City Auditor shall calculate and publish the applicable base amount, specifying by department, program and services each amount included in the base amount. The base amount shall be adjusted for each year after the base year of 1995-1996, based on calculations consistent from year to year, by the percentage increase or decreases in aggregate City appropriations from the base year, as estimated by the City Auditor. Errors in the City Auditor's estimate of appropriations for a fiscal year shall be corrected by an adjustment in the next year's estimate. For purposes of this subsection, aggregate City appropriations shall not include funds granted to the City by private agencies or appropriated by other public agencies and received by the City.

Within 90 days following the end of each fiscal year through 2009-2010, the City Auditor shall calculate and publish the actual amount of

City of Oakland appropriations for children and youth services (exclusive of expenditures mandated by state or federal law).

15. If any provisions of this section, or its application to any person or circumstances, shall be held invalid or unenforceable, the remainder of this section and its application shall not be affected; every provision of this section is intended to be severable.
16. This section may be extended for an additional twelve years beginning July 1, 2009 by a simple majority vote of the City Council. If the City Council does not itself extend this section, then the City Council shall place the question of whether to extend this section on the November 2008 ballot for a vote of the electorate.

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE K

If adopted, this measure would amend Oakland's City Charter to require, beginning July 1, 1997, for a twelve year period, two and one-half percent of Oakland's unrestricted general fund revenues be set aside annually for the "Kids First! Oakland Children's Fund" ("the Fund"). "[U]nrestricted general fund revenues" is not defined. The Fund would be used exclusively to provide new services to children and youth under twenty-one years old. The Fund could not be used to replace children and youth services funded by the City during fiscal year 1995-96 unless the City ceased to receive federal, state or private agency funds for these services and these services successfully bid for funding.

Purpose of the Fund:

1. Career, leadership, academic and cultural development.
2. Physical and behavioral health.

Fund monies would be awarded to nonprofit or public entities through competitive bidding for programs that:

1. Implement comprehensive, coordinated and culturally appropriate services.
2. Establish measurable, ambitious youth development outcomes.
3. Integrate youth in program development.
4. Emphasize private and public collaboration.

The Fund could not be expended for:

1. Services incidentally benefiting children and youth.
2. Capital acquisitions or maintenance, utilities or similar costs of any facility not primarily and directly used by children and youth.
3. Acquisition of real property, unless by lease of twelve years or less.
4. Payment of fixed or minimum expenditure levels mandated by state or federal law for any program.

A "Children's Fund Planning & Oversight Committee" consisting of nineteen Oakland residents, at least nine of whom could be no older than twenty-one, would be appointed annually by the Mayor and the City Council.

The Committee would:

1. Prepare four-year strategic plans and annual independent evaluation reports for City Council submission.

2. Solicit funding proposals.
3. Hold at least one public hearing for each four year strategic plan.

The City Council must hold at least one public hearing before adopting a four-year strategic plan, program funding recommendations and evaluation reports.

The City Manager's administration costs are capped at five percent per fiscal year. Expenses for independent evaluation are capped at three percent per fiscal year.

The Fund would increase City appropriations for children and youth services (exclusive of expenditures mandated by state or federal law and existing programs) and impose a restriction on City revenues. Current appropriations will have to be reduced unless Oakland's unrestricted revenues increase by 2½ percent.

As calculated by the City Auditor, unrestricted general fund appropriations and expenditures for eligible children's and youth services may not be lower than 1995-96 levels in any of the succeeding twelve years. Any subsequent restrictions on City revenues could result in a mandated level of spending on Kids First! programs in excess of 2½ percent of the unrestricted general fund revenue.

This measure must be extended another twelve years beginning July 1, 2009 by a majority City Council vote, or the City Council must place the extension on the November 2008 ballot.

s/JAYNE WILLIAMS
City Attorney

CITY AUDITOR'S IMPARTIAL ANALYSIS OF MEASURE K

Adoption of Measure K will mandate a set-aside of 2-1/2% of unrestricted revenues from the General Fund for each of the 12 years beginning July 1, 1997. These monies would be placed in the Kids First! Oakland Children's Fund, hereinafter referred to as "Kids Fund;" unspent funds to be carried forward. This "set-aside" money is to be used exclusively to provide services to youth under 21 years old, in addition to such services funded by the City prior to adoption of this Measure.

2-1/2% of such unrestricted revenues for fiscal year 1995-96 amounts to approximately \$6,300,000.

FINANCIAL IMPACT

The impact on the cost of City government is not determinable at this time. However, any increase in cost would range from \$0 to \$6,300,000 (using 1995-96 as an example).

If the \$6,300,000 is set aside, and City-funded public services are reduced in the amount of \$6,300,000, City expenditures for the "Kids Fund" would replace the \$6,300,000 of City-funded public services, which would no longer be performed. There would be no increase in cost of City government.

If \$6,300,000 is set aside, and City-funded public services are retained in part or in full, then City expenditures would increase by the dollar amount of those retained public services up to \$6,300,000.

USE OF MONIES IN "KIDS FUND" EACH FISCAL YEAR,
INCLUDING INTEREST

• Programs for Career, Leadership, Academic, Cultural Behavioral, and Physical Health	92%
• Maximum for City's Administrative Cost	5%
• Maximum for Independent Evaluation Report	3%
Total	<u>100%</u>

PLANNING AND OVERSIGHT COMMITTEE

Mayor appoints 3; 1 of whom is under 21 years old.

8 Councilmembers appoint 16; 8 of whom are under 21 years old.

Committee's responsibilities include:

- Submitting Four-Year Strategic Plans, Program Funding Recommendations, and Annual Evaluation Report to Council.
- Soliciting program proposals from private non-profit and public agencies.
- Holding at least one annual public meeting on Strategic Plans and Program Funding Recommendations.

Council to hold at least one annual public meeting prior to adopting Strategic Plan and accepting Evaluation Report.

BASE YEAR AND BASE AMOUNT

Base Year is fiscal year 1995-96.

Base Amount is 1995-96 appropriation of unrestricted revenues from the General Fund for youth services. Base Amount may not be reduced in any of the 12 years that Measure K is in effect.

City Auditor shall: (1) compile the details on the Base Amount by department, program, and service, and calculate annual adjustments to the Base Amount as needed; and (2) issue a report on the actual appropriations for children and youth services excluding expenditures mandated by Federal or State laws, at the end of each fiscal year that Measure K is in effect.

ADDITIONAL INFORMATION

If Measure K is not extended beginning July 1, 2009 by a simple majority of the City Council, it will be placed on the November 2008 ballot for vote by the electorate.

s/NORMA NG LAU

City Auditor

ARGUMENT IN FAVOR OF MEASURE K

Measure K has been placed on the ballot by parents, teachers and children's advocates to make children a priority for the City of Oakland. Measure K is not a tax measure and won't increase your taxes.

Currently City Hall spends approximately 1/2 of 1% of its unrestricted general fund budget on programs for children. While politicians spend thousands on salary increases, wasteful bureaucracy, and failed projects, Oakland's children suffer.

Measure K requires City Hall to earmark a minimum of 2.5% of the City's unrestricted general fund budget on programs for children. Measure K would pay for:

- after school counseling and homework programs
- summer recreation and job training
- school health clinics
- arts, music and sports camps
- additional programs for pre-school children
- youth employment training programs
- neighborhood teen centers
- counseling & mentorship programs

If passed Measure K would require that city monies be set aside in a legal trust fund specifically for children's services. A minimum of 95% of this fund will go directly into children's services.

A citizens oversight committee will monitor distribution of all funds to ensure that they are spent correctly. Measure K also requires an annual evaluation and independent audit.

Again, the Kids First! Measure K initiative is not a tax. It simply directs the City Council to prioritize a portion of the existing city budget specifically for children and youth.

Nearly 50,000 Oakland citizens signed petitions to place the Kids First! Measure K initiative on the ballot. Please help to ensure that Oakland children get their fair share of the City's budget. We can't leave it in the hands of politicians – vote yes on Measure K.

s/STAN WEISNER

Past Pres., Skyline High PTA

s/MILLIE CLEVELAND

Director, West Oakland Violence Prevention Project

s/PAUL BREKKE-MIESNER

Manager, Office of Health & Safety, Oakland Public Schools

s/ROSALINDA PALACIOS

Program Director, Narcotics Education League

s/ELISABETH JEWEL

Parent, Joaquin Miller Elementary School

NO ARGUMENT AGAINST MEASURE K WAS SUBMITTED.