

CITY OF OAKLAND MEASURE M

M MEASURE M: Shall section 2601 (e) of the Charter of the City of Oakland be amended to provide that the Police and Fire Retirement Board shall make investment decisions regarding common stocks and mutual funds in accordance with the prudent person standard as established by court decisions and as required by the California Constitution?	YES
	NO

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE M

This measure would amend Article XXVI of the Oakland City Charter to provide that the Police and Fire Retirement System ("PFRS") Board shall make investments regarding common stocks and mutual funds in conformity with the prudent person standard and remove current investment restrictions that (1) prohibit investment of more than fifty percent (50%) of the PFRS funds in equities (stock and mutual funds) and (2) prohibit investment in non-dividend paying stocks unless the Board approves such investment in advance on a case-by-case basis.

Article XXVI of the Charter created the PFRS to provide retirement benefits for sworn members of the Police and Fire Departments and established the PFRS Board and its duties. The California Constitution and the Charter grant the Board the exclusive control of the administration and investment of the PFRS funds. The PFRS retirement plan was closed to new members in 1976.

The proposed amendment is in accord with the requirements of the California Constitution and applicable law establishing the obligations of Boards and Board members of public pension systems. Article XVI §17 of the California Constitution, which requires that PFRS and other California public retirement boards comply with the prudent person standard in managing retirement funds, provides in pertinent part:

- "3. Board members shall discharge their duties with the "care, skill, prudence, and diligence under the circumstances then prevailing that a *prudent person* acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims . . ."
- "4. The Board shall "diversify the investments of the system so as to minimize the risk of loss and maximize the rate of return, unless under the circumstances it is clearly not prudent to do so."

In selecting investment advisors, approving the purchase of common stocks and mutual funds and in determining the percentage of the PFRS funds that may be invested in common stocks and mutual funds, the prudent person standard requires that the Board make such inquiry and take such action as may be necessary and appropriate to determine that its investment decisions are sound.

The proposed amendment would grant the PFRS Board the discretion to authorize its investment advisors to purchase non-dividend paying common stocks without obtaining advance approval from the Board if the Board determines that it is prudent to do so. The proposed amendment also would grant the PFRS Board discretion to determine the percentage of PFRS Fund that may be invested in equities (common stock and mutual funds) based on the prudent person standard.

The Charter requires that the City insure that the PFRS funds are sufficient to pay the retirement benefits specified in the Charter. If the investment return on PFRS funds increases after passage of the proposed amendment, the City's obligation to insure payment of the retirement benefits specified in the Charter would be reduced; alternatively, if the investment return on the PFRS funds decreases after passage of the amendment, the City's obligation would be greater.

s/John Russo
City Attorney

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE M

The Oakland Police and Fire Retirement System (PFRS) was established in 1951 to operate under local control with a Board of Directors. In 1976, the plan was closed to new participants while it was to continue to provide retirement benefits to sworn police and fire personnel remaining as members.

The PFRS Board continues to review and direct the plan investments relying on investment managers to invest PFRS funds in a diversified portfolio of investments in conjunction with oversight from financial advisors.

Currently, the City Charter does not permit the PFRS Board to make investment decisions solely in accordance with the prudent person standard prescribed by the California Constitution. The PFRS Board cannot invest more than 50% of the PFRS fund in equities and is limited from investing in stocks that have not paid dividends in the last five years. The Board may override this prohibition on a case by case basis. Accordingly, many stock growth investments may not be utilized and these investment restrictions prevent the Board and its investment managers and advisors from investing in the mix of instruments determined to be most prudent to maximize investment returns.

The plan has not been able to meet the assumed actuarial rate of 8% which has a direct impact on the overall unfunded status. The unfunded liability of the plan has grown from \$200 million to \$268 million based on a valuation of the plan at July 1, 2002 through July 1, 2005. The City of Oakland is responsible for the unfunded liability. Investment in growth securities may, when successful, reduce this unfunded liability.

The prudent person rule required by the State Constitution will provide the PFRS Board with the authority to implement investment strategies relying on the expertise of its financial advisors and investment managers. The prudent person standard is nationally recognized as the measure for performance of fund managers.

s/Roland Smith
City Auditor

ARGUMENT IN FAVOR OF MEASURE M PROPOSED PFRS CHARTER AMENDMENT

This measure is proposed by the Board of Administration of the Oakland Police and Fire Retirement System (PFRS) and was approved for placement on the ballot by the City Council's Rules and Legislation Committee, City Council and City Administrator's Office.

Section 2601(e) of the City Charter currently prohibits the PFRS Board from investing more than fifty percent (50%) of the PFRS fund in equities (stock and mutual funds) and requires that the Board invest only in stocks that have paid dividends for the past five years unless the Board, on a case-by-case basis, approves investment in each non-dividend-paying stock in advance of purchase. These restrictions tend to limit earnings potential on the plan's portfolio, which results in the need for a greater contribution of City funds to pay for retirement benefits.

The proposed Charter Amendment will replace Section 2601(e) with the Prudent Person Standard as defined by the California Constitution. This investment standard is widely used throughout the public pension industry and is observed by systems such as the City and County of San Francisco Employees Retirement System (SFERS) and the Los Angeles County Employees Retirement Association (LACERA). Approving this amendment will expand the Police and Fire Board's opportunities to potentially increase its investment returns within prudent levels of risk and allow the Board and its investment managers to invest in the mix of instruments they determine to be most prudent to maximize risk-adjusted investment return based on changes in economic and market conditions. Improved investment returns would result in reduced employer contributions on the part of the City. These funds would then be freed for other uses.

s/Robert P. Crawford
President, PFRS Board
s/William J. Hubartt
PFRS Board Member
Oakland Resident

**NO ARGUMENT AGAINST MEASURE M WAS
SUBMITTED.**

FULL TEXT OF MEASURE M

PROPOSED CHARTER AMENDMENT

“MEASURE AMENDING CITY CHARTER SECTION 2601 (E) TO PROVIDE THAT THE POLICE AND FIRE RETIREMENT BOARD SHALL MAKE INVESTMENTS IN ACCORDANCE WITH THE PRUDENT PERSON STANDARD AS REQUIRED BY THE CALIFORNIA CONSTITUTION”, Which Will Remove Investment Restrictions That Currently (1) Prohibit The Board From Investing More Than Fifty Percent of the Retirement Fund in Equities (Stock and Mutual Funds) And (2) Prohibit Investment In Non-Dividend Paying Stocks Unless The Board Approves Such Investment in Advance On A Case-By-Case Basis

WHEREAS, Article XXVI of the Oakland City Charter established the Police and Fire Retirement System (“PFRS”) to provide retirement benefits for Police and Fire Department sworn employees and created the Police and Fire Retirement Board to exclusively control the administration and investment of the funds of the system (the “Police and Fire Retirement Fund”); and

WHEREAS, Oakland City Charter section 2601 (e) provides that the total amount of retirement system funds invested in common stocks and mutual funds “shall not exceed fifty (50) percent of the book value of all invested funds of the retirement system.”; and provides further that the Police and Fire Retirement Fund may be invested only in common stocks that “at the time of purchase, have paid cash dividends for not less than five years next preceding the date of investment or prior to the purchase of such stocks, the Board shall expressly approve purchase of same by motion adopted with not less than five (5) Board members voting in favor of such purchase”; and

WHEREAS, the California Constitution requires that the PFRS Board and other California public pension boards discharge their duties and exercise their powers in accordance with the prudent person standard and “diversify the investments of the system so as to minimize the risk of loss and maximize the rate of return, unless under the circumstances it is clearly not prudent to so; and

WHEREAS, the prudent person standard is well established by court decisions and is consistent with the standard that the Employment Retirement Income Security Act (“ERISA”) has established for private pension systems; and

WHEREAS, based on a survey of other city and county retirement systems’ investment guidelines and the recommendation of the Police and Fire Retirement Board’s investment advisors, allowing the Board to make investments solely in accordance with investment return and maintain a prudent investment position; and

WHEREAS, for the foregoing reasons, the City Council and the City of Oakland Police and Fire Retirement Board desire to amend City Charter section 2601 (e) to permit the Police and Fire Retirement Board to invest the PFRS retirement fund assets in accordance with the prudent person standard, thereby removing the aforesaid investment restrictions; and be it

FURTHER RESOLVED: That the proposed Charter Amendment text shall be as follows:

Article XXVI of the Charter of the City of Oakland is amended at section 2601 (e) to read:

(e)The Board shall possess power to make all necessary rules and regulations for its guidance and shall have exclusive control of the administration and investment of the fund established for the maintenance and operation of the system, subject to the terms, conditions, limitations and restrictions hereinafter set forth. All funds received by the Board not required for current disbursements shall be invested in, but not limited to: . . .

(3) Common Stocks provided that:

a. The Board shall make investment decisions regarding total of such investments together with the total of all holdings of shares of diversified management investment companies (Mutual funds) (4 next below) shall not exceed fifty (50) percent of the book value of all invested funds of the retirement system in accordance with the prudent person standard as defined by applicable court decisions and as required by the California Constitution. . . .

~~e. Such stocks shall, at the time of purchase, have paid cash dividends for not less than five years next preceding the date of investment or prior to the purchase of such stocks, the Board shall expressly approve purchase of same by motion adopted with not less than five (5) Board members voting in favor of such purchase. . . .~~

(4) Shares of diversified management investment companies (Mutual Funds) provided that:

a. The Board shall make investment decisions regarding total of such investments together with the total of all holdings of shares of common stocks (3 next above) shall not exceed fifty (50) percent of the book value of all invested funds of the retirement system in accordance with the prudent person standard as defined by applicable court decisions and as required by the California Constitution. . . .

CITY OF OAKLAND BOND MEASURE N

N MEASURE N: THE NEIGHBORHOOD AND MAIN LIBRARY IMPROVEMENT, EXPANSION, REPAIR, AND CONSTRUCTION MEASURE

To construct a new Main Library at the Henry J. Kaiser Convention Center and to acquire land and construct new branch library facilities and to renovate and expand branch library facilities, shall the City of Oakland issue \$148,000,000 in bonds?

BONDS YES

BONDS NO

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE N

Measure N submits to the voters of the City of Oakland the question whether general obligation bonds should be issued in the amount of \$148,000,000. The proceeds of the bonds would finance the acquisition and construction of the new library facilities, the improvement and expansion of library branch facilities, and the construction of a new main library at the Henry J. Kaiser Convention Center.

Bonds authorized by Measure N will be repaid by a supplemental property tax. The tax, known as "ad valorem" tax, will be based upon the assessed value of real property and improvements located in the City. Measure N would impose a supplemental ad valorem property tax specifically levied each year to pay the interest on the bonds and a portion of the principal of the bonds.

A "Yes" vote is a vote in favor of authorizing the issuance of general obligations bonds and a supplemental ad valorem property tax.

A "No" vote is a vote against the issuance of bonds and a supplemental ad valorem property tax.

Measure N is submitted to the voters of the City in accordance with the Constitution of the State of California. Passage of Measure N requires that two-thirds of those voting on this measure vote "Yes" for approval.

s/John Russo

City Attorney

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE N

This bond measure, if approved by 2/3 of qualified City of Oakland voters, will result in the issuance of \$148,000,000 in general obligation bonds to upgrade all City of Oakland branch libraries, to acquire land and construct two new library facilities in the Laurel and 81st Avenue communities, and create a new Main library in the Kaiser Convention Center Arena. It is projected that the all construction projects will begin in 2007 and be completed by 2017.

The upgrades and construction of a new Main Library in the Kaiser Convention Center Arena are in direct response to Oakland residents of the City of Oakland insistence for space for study rooms, meeting rooms, an increase in library programs and services for adults, pre-teens and teens, tutoring and homework assistance for children, a variety of accessible book collections, increased literacy programs, access to current technology, and locations that provide Wi-Fi capability. In addition, if this bond measure passes, the funds will also be used to purchase over 200 new computers and to provide, among other services, employment training and life skills programs.

The bond measure will be funded by increasing ad valorem property taxes at a rate not to exceed \$39.60 per year for every \$100,000 of assessed property value. The total assessed value of all secured and unsecured City of Oakland properties is \$38,097,137,849 for tax roll year 2006-2007, according to the County of Alameda Assessor's office. Also, the total number of secured and unsecured properties for the same period is 116,445. This means that the average assessed value per property owner is \$327,169, resulting in an average property tax increase of approximately \$119 per property owner per year, if this bond measure is passed. This average property tax increase of \$119 per property owner will not be used for operating or maintenance costs for any of the branch libraries or the new Main Library in the Kaiser Convention Center Arena. The bond measure would require the City of Oakland to pay for such costs out of its General Fund.

The City's Treasurer's Office reports that the City has an estimated \$1,100,000,000 indebtedness in general obligation bonds as of August 10, 2006. According to the proposal passed by Oakland's City Council, the maximum interest rate to be paid on this indebtedness will not exceed 12% per annum, unless the State of California establishes a higher interest rate. However, if this bond measure passes the issuance of an additional \$148,000,000 in general obligation bonds may lower the City's current credit rating, which could result in bondholders requiring payment of a higher interest rate. In this case, the City will have the power to increase ad valorem property taxes to pay for the additional debt service.

s/Roland Smith

City Auditor

TAX RATE STATEMENT FOR MEASURE N

Tax Rate Statement from Director of Finance and Management, City of Oakland

An election will be held in the City of Oakland (the "City") on November 7, 2006, to authorize the sale of up to \$148,000,000 in bonds of the City to finance library improvements as described in the ballot measure. If the bonds are approved, the City expects to sell the bonds in three series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon taxable property in the City. The information contained in paragraphs 1-3 below is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$.01200 per \$100 (\$12.00 per \$100,000) of assessed valuation in fiscal year 2007-08.

2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$.03753 per \$100 (\$37.53 per \$100,000) of assessed valuation in fiscal year 2013-14.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$.03753 per \$100 (\$37.53 per \$100,000) of assessed valuation in fiscal year 2013-14.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions. Attention of all voters is directed to the fact that the foregoing information is based upon the City's projections and estimates only, which are not binding upon the City. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds.

The dates of sale and the amount of bonds sold at any given time will be determined by the City based on its need for construction funds. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the value of taxable property within the City as determined by the County Assessor in the annual assessment and the equalization process.

s/William E. Noland

Director of Finance and Management

ARGUMENT IN FAVOR OF BOND MEASURE N

The last time Oakland voters were asked to approve a facilities bond for Libraries was at the end of WWII. Since 1945 school libraries have closed and students and low-income families increasingly turn to Oakland libraries for tutoring, after school programs, homework centers, literacy classes, access to computers, safe havens for youth, and educational support.

In the past 60 years, the physical condition of our Oakland libraries has deteriorated from age and heavy public use. Thirty years ago there were 23 branch libraries, today just 16. Many libraries are stretched beyond capacity and cannot adequately support current services and programs.

Oakland libraries need basic health and safety repairs. Several libraries do not have public restrooms. There is not enough space for the books, DVDs, CDs, books-on-tape, let alone youth study areas, computers, and space for tutoring and group classes.

The Main Library, now over 55 years old, no longer meets the current needs of Oakland's diverse citizens nor current safety or health requirements.

Measure N will:

- Improve all branch libraries for more effective, efficient service and programming;
- Fund facility improvements at EVERY branch library, including computer technology upgrades and improved reading and seating areas;
- Construct two new branches in the Laurel and East Oakland, currently without libraries;
- Upgrade electrical, plumbing and ventilation systems;
- Install public restrooms in all branches currently lacking them;
- Move the Main Library to the Henry J. Kaiser Convention Center Arena to provide badly needed technological, reference and collection support to all of Oakland's branch libraries.

Measure N requires annual independent audits and an independent citizen oversight committee to ensure Measure N dollars are spent as promised.

Please vote yes to support the first major renovation of Oakland libraries in 60 years.

s/Ishmael Reed

Author

s/David Kakishiba

President, Oakland Unified School District
Board of Education

s/Olis Simmons

Executive Director, Youth Uprising

s/Jean Quan

Council Member

s/Jerry Brown

Mayor of Oakland

**NO REBUTTAL TO THE ARGUMENT IN FAVOR
WAS SUBMITTED.**

ARGUMENT AGAINST MEASURE N

The Oakland city council wants to build a luxurious new main library. Taxpayers would take the hit for \$148 million of bonds.

The council wants a palace. If you rebuild your modest home of 1,500 square feet at the same outrageous cost of \$733 per square foot, you would spend more than \$1 million!

Meanwhile, twelve of the branch libraries would divide up only one-third of the proceeds.

Besides the huge bond, the council wants \$10 million-plus for custom-built shelves and such – a separate hit on the City budget.

That's only half the story. What about the current main library, a full city block? Would it be privatized? Or would we pay again for some renovation project? Remember the Measure DD bonds for Lake Merritt – only later did the City reveal it would chop down hundreds of trees. "Trust us" and half a plan are not good enough.

We already owe well over \$1 billion of City debt. Meanwhile, the council ignores Oakland's urgent needs, such as peaceful streets. From 1994 to 2005 the council added 357 new positions to the total budget, but the number of police ended up the same. Our police department is seriously understaffed.

While basic services decline it seems every Oakland ballot proposes a new tax – Measures DD, Q, R, Y, and now N. This Spring the council demanded an increase in the Landscape and Lighting assessment. Documents showed only 45 cents of every new dollar would have gone for parks or lighting. Voters defeated this misleading tax hike.

For more information, please see www.orpn.org.

Instead of restoring public safety and maintaining infrastructure, the council wastes precious dollars. Let's send the council a message:

No palace! Vote No on Measure N!

s/Jacquee Castain, Member

Webster Tract Neighbor Assoc.

s/David E. Mix

Native Oakland Resident

s/Robert Klinger, Elected Member

Central East City Project Area Committee

s/Judith S. Offer

Playwright and Poet

s/Charles Pine

Oakland Residents for Peaceful Neighborhoods

REBUTTAL TO ARGUMENT AGAINST BOND MEASURE N

The Opponents of Measure N are well-known opponents of efforts to improve the quality of education in Oakland. They believe that by voting no you will be "sending a message" to the city council. The only thing accomplished by voting no is that thousands of Oakland seniors and children will not have access to books and educational materials.

Instead of sending messages, look at the facts.

Measure N will repair and renovate every Oakland neighborhood library including Brookfield, Cesar Chavez, Dimond, Eastmont, Elmhurst, Golden Gate, Lakeview, Martin Luther King Jr., Melrose, Montclair, Piedmont Avenue, Rockridge, Temescal, West Oakland and the Asian Library.

Measure N will provide the first renovation of Oakland libraries in 60 years. Two new libraries will be completed: one in the Laurel district and a new joint OUSD/public library on 81st Avenue in East Oakland to support the community and local schools.

The antiquated and inadequate downtown main library will be moved to the Kaiser Arena, closed by the city last year. This new library, paid in part by donations and grants will improve support services for all neighborhood libraries.

Measure N ensures Oakland's Libraries have space to provide educational programs such as homework centers, computer labs and tutoring services that are otherwise unavailable to Oakland children.

Measure N will upgrade aging and overused library infrastructures and ensure that every library has public restrooms.

An independent Citizen's Oversight Committee will be appointed to ensure that Measure N is spent only on improving our libraries.

Please vote YES.

s/MAXINE HONG KINGSTON

Author

s/FRANK ROSE, Chair

Alameda County Commission On Aging,
Public Relations Committee

s/KIMBERLY A. STATHAM

Interim State Administrator
Oakland Unified School District

s/SYLVESTER GRISBY

Coliseum Neighborhood

s/GILDA GONZALES

Executive Director
The Unity Council

FULL TEXT OF BOND MEASURE N

PROPOSED ORDINANCE ORDERING THE SUBMISSION OF A BALLOT MEASURE TO INCUR BONDED INDEBTEDNESS NOT TO EXCEED \$148,000,000 FOR THE PURPOSES OF LIBRARY FACILITY IMPROVEMENTS, EXPANSION, REPAIRS AND NEW CONSTRUCTION TO THE QUALIFIED VOTERS OF THE CITY OF OAKLAND AT AN ELECTION TO BE HELD NOVEMBER 7, 2006

WHEREAS, the Oakland Public Library embarked on the development of a Master Facilities Plan in 2002 in response to the community's need for improved services, with the intent to plan for facilities to support these needs; and

WHEREAS, the Master Facilities Plan responds to recent fiscal crises that resulted in the community's support for its libraries through the passage of Measure Q (voter-approved parcel tax passed in March 2004 which increased funding for Oakland libraries) ; and

WHEREAS, the City of Oakland adopted the 2006 *Draft Master Facilities Plan* that articulates a vision that is based on a highly participatory process and includes overall service recommendations and improvements for a revitalized system; and

WHEREAS, the 2006 *Draft Master Facilities Plan* identifies specific improvement to facilities, including capital costs, and implementation strategies for the overall plan, such as funding options and phasing of improvements; and

WHEREAS, the 2006 *Draft Master Facilities Plan* states:

"The needs of the Oakland Public Library do not represent a minor deficiency...additional library space is needed citywide in order to provide adequate library services to the diverse and unique population of Oakland. These services include the need for more tailored traditional services, such as collections and reading programs, as well as new services, such as technology access and training and literacy programs, many of which cannot happen in current facilities...."; and

WHEREAS, the residents of the City of Oakland, through opinion surveys, community meetings, focus groups and City Council public hearings, have strongly expressed support for library programs and services for children, pre-teens and teens, educational support for children, tutoring, homework assistance, strong collections, literacy skills, a sense of place, access to technology, employment support, job skills and career information, language and life skills programs and services, a variety of social, recreational, and enrichment programs and services that should be offered at the library; and

WHEREAS, the Oakland Public Libraries are, in many instances, stretched beyond their capacities and have little room to grow and accommodate the many needs of patrons; and

WHEREAS, the Master Plan pinpoints a few underserved areas of the city without good access to any facility, and identifies the need for new facilities to provide equity in services; and

WHEREAS, it is desirable to implement public priorities pursuant to the 2006 *Draft Master Facilities Plan*, and develop public facilities, and ask voters to approve public investments for the implementation; and

WHEREAS, the vision of the Oakland Public Library System is to improve all the libraries in the system, to supplement the system with new branches in the underserved areas and to revitalize and expand the Main Library; and

WHEREAS, in order to provide for the issuance by the City of Oakland of general obligation bonds to finance improvements and acquisition described in Exhibit A, it is now necessary for the City Council to pass an ordinance ordering the submission of the proposition incurring bonded indebtedness for such purposes to the qualified voters of the City of Oakland at an election held for that purpose.

NOW, THEREFORE, BE IT RESOLVED the Council of the City of Oakland does ordain as follows:

Section 1. A municipal election is hereby called and ordered to be held in the City of Oakland on November 7, 2006, at which election there shall be submitted to the qualified voters the ballot measure set forth below in Section 2.

Section 2. The following measure shall appear on the ballot for said municipal election in the following form:

MEASURE N: To construct a new Main Library at the Henry J. Kaiser Convention Center and to acquire land construction and new branch library facilities and to renovate and expand branch library facilities, shall the City of Oakland issue \$148,000,000 in bonds?

The City Council does hereby submit to the qualified voters of the City of Oakland, at the said municipal election, this Ordinance and the measure set forth above.

Section 3. The object and purpose of incurring the indebtedness is to acquire land and construct new library facilities for those areas of the city underserved and without good access to any library facility and to improve, renovate and expand library facilities as outlined in Exhibit A. The estimated cost of the improvements and acquisitions is One Hundred and Forty-Eight Million Dollars (\$148,000,000). This estimated cost includes legal and other fees, the cost of printing the bonds and expenses incidental to or connected with the issuance and sale of the bonds. The improvements, acquisition and construction to be funded by the net proceeds of the bonds shall be limited to those listed in Exhibit A attached to this Ordinance.

Section 4. The amount of principal of the indebtedness to be incurred is not to exceed One Hundred and Forty-Eight Million Dollars (\$148,000,000). The cost of repayment of the bonds is projected to average no more than \$39.60 per year per \$100,000 of assessed property

valuation, provided however that such projection shall not be construed to limit the power and duty of the City Council to cause to be levied and collected a tax sufficient to pay debt services on the bonds in any fiscal year.

Section 5. The maximum rate of interest to be paid on the indebtedness shall not exceed twelve percent (12%) per annum, or such higher rate as may be established for general obligation bonds of the City by the legislature of the State of California.

Section 6. The net proceeds of the bonds shall be deposited into a special trust account with the Treasury of the City of Oakland and shall be allocated and expended at the direction of the City Council of the City of Oakland for purposes set forth in this Ordinance. The City Council shall order an independent audit of the expenditure of bond proceeds no later than three years from the date of issuance of the bonds for such proceeds to ensure proceeds are being expended for purposes set forth in this Ordinance.

Section 7. An independent annual audit will be performed to assure accountability and the proper disbursement of the bond proceeds in accordance with the objectives stated herein. The City Council shall designate or appoint a body composed of Oakland citizens to make recommendations and review the expenditure of the funds.

Section 78. The City Council does hereby submit to the qualified voters of the City, at said municipal election, the ordinance and ballot measure set forth in Section 1. The City proposes to rehabilitate, renovate, acquire or construct the improvements referenced herein and to issue and sell general obligation bonds of the City of Oakland pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of the Title IV of the Government Code of the State of California, in one or more series, in the maximum amount and for the objects and purposes set forth above if two-thirds of all qualified voters voting on the ballot measure vote in favor thereof. The bonds are to be general obligations of the City of Oakland payable from and secured by taxes levied and collected in the manner prescribed by laws of the State of California. All of said bonds are to be equally and ratably secured, without priority, by the taxing power of the City.

EXHIBIT A

THE NEIGHBORHOOD AND MAIN LIBRARY IMPROVEMENT, REPAIR, AND CONSTRUCTION MEASURE

\$148,000,000

\$39.60 per \$100K AV

Bondable Cost	Libraries	Development Strategies	Deviation from Master Plan
\$148,000,000** \$39.60/ \$100 AV*	18 Branches Main Library at Kaiser	Expansion: Asian, Dimond, Lakeview, Martin Luther King, Jr., Piedmont Ave, West Oakland <i>per the Master Plan</i> Service Upgrades: AAMLO, Chavez, Brookfield, Eastmont, Elmhurst, Golden Gate, Melrose, Montclair, Rockridge (mechanical, electrical, HVAC), Temescal <i>per the Master Plan</i> New Libraries: Laurel, 81st Avenue <i>per the Master Plan</i> New Main: Reduced expansion of Main at Kaiser: 110,000 sq. ft./40,000 sq. ft. for future expansion and finish (Option is to leave 1-2 floors unfinished).	No expansion of Brookfield, Eastmont, Rockridge Service Upgrades to all libraries No new libraries in Hoover, San Antonio Main Library reduced from 160,000 sq ft to 150,000 sq ft and finished at 110,000 sq ft (40,000 sq ft for future finish)

* Estimated based on conservative market assumptions. Actual cost per \$100,000 of assessed valuation will be dependent on prevailing market conditions at the time of bond issuance.

** Total Library Improvement Program:	\$163 Million
Grants/Private Fundraising:	\$ 15 Million
Total Bond Amount:	\$148 Million

\$148 Million Full Scope 18 Branches + 110/150 ksf Main

			BONDABLE COSTS	
Project		Development Strategy	Construction Budget	Land Costs
			2006 Dollars	2006 Dollars
AM	AMMLO	Service Upgrade/1	\$ 387,000	
AS	Asian	Expansion	\$ 2,118,000	\$ 1,575,000
BK	Brookfield	Service Upgrade/1	\$ 750,000	
CH	Chavez	Service Upgrade/1	\$ 79,000	
DM	Dimond	Expansion	\$ 10,236,000	
ES	Eastmont	Service Upgrade/1	\$ 750,000	
EL	Elmhurst	Service Upgrade/1	\$ 750,000	
GG	Golden Gate	Service Upgrade/1	\$ 375,000	
MLK	Martin Luther King, Jr.	Expansion	\$ 1,972,000	
LK	Lakeview	Expansion	\$ 4,297,000	
ML	Melrose	Service Upgrade/1	\$ 645,000	
MC	Montclair	Service Upgrade/1	\$ 292,000	
PD	Piedmont	Expansion	\$ 3,518,000	\$ 2,200,000
RR	Rockridge	Service Upgrade/1	\$ 750,000	
TM	Temescal	Service Upgrade/1	\$ 306,000	
WO	West Oakland	Expansion	\$ 11,164,000	
LA	Laurel	New	\$ 6,558,000	\$ 2,160,000
81	81st Avenue	New	\$ 3,000,000	
Total all MFP Projects			\$ 47,947,000	\$ 5,935,000
Escalation (Assumes 10 Year Buildout)			\$ 11,259,000	
			\$ 65,141,000	
New Main @ Kaiser 110ksf/40ksf expansion			\$ 98,000,000	escalated
Total Library Improvement Program			\$ 163,141,000	
Grants			\$ 15,000,000	
TOTAL BOND			\$ 148,141,000	

/1 Service upgrades, depending on the branch, may include security, public restrooms, shelving, technology infrastructure, and HVAC, lighting and other building infrastructure.

Library Improvement Program Project Phasing

Projects improved through this bond measure include branch library improvement projects it is the goal and expectation that all projects can be phased to be completed in a 10 year period. The costs were based on current 2006 costs and escalation was calculated based on a successful Nov. 2006 ballot measure with bond program implementation beginning in 2007 and completing all projects by 2017.

Branch library and main library improvement projects can be divided into two main phases.

- The first phase is to begin right away in 2007 and be completed in the earlier years of the 10 year build-out and
- The second phase to begin mid program and be completed before the end of the 10 year period. The placement of each project into these groups was based on the following strategies:

-Land acquisition can take some time and therefore all land acquisition funds should be in the first phase.

-Projects that have had recent improvements and are able to provide service are more suited to second phases.

-Simpler service upgrades that can be implemented more quickly and be implemented in multiple branch design and construction groupings are well suited to be included in the first phase

-Where a new branch is near an existing branch, the improvement to the existing may wait until the new is completed to minimize service disruption in the area.

-The Main library project should begin right away

Sequencing of projects within phase groups will be determined based on land availability

148M – 10 Year Master Plan

Phase 1–IN ALPHABETICAL ORDER

Funding for all land acquisitions

ASIAN

BROOKFIELD

EASTMONT

ELMHURST

81st

LAKEVIEW

LAUREL

MAIN

MLK

PIEDMONT

ROCKRIDGE

WEST OAKLAND

Phase 2–IN ALPHABETICAL ORDER

AAMLO

CHAVEZ

DIMOND

GOLDEN GATE

MONTCLAIR

MELROSE

TEMESCAL

CITY OF OAKLAND MEASURE O

O MEASURE O: Shall the City Charter be amended to require the use of ranked choice voting, known sometimes as instant runoff voting, to elect city offices by a majority vote at a November election without holding a prior June election?	YES
	NO

BALLOT TITLE AND SUMMARY FOR MEASURE O

Title: Ranked Choice / Instant Runoff Voting — A Charter amendment that would require the City to use ranked choice voting, known sometimes as instant runoff voting, to elect City offices by a majority vote at a November election without holding a prior June election.

Summary: This proposed Charter amendment would require the City to use a ranked choice voting method, known sometimes as instant runoff voting, to elect the offices of Mayor, Council, City Attorney, City Auditor and Board of Education at November general elections, which would eliminate June primary elections for these offices.

With this voting method, each voter would have the opportunity to rank at least a first, second, and third choice among the candidates for each office. The votes would be counted in rounds. If one candidate received more than 50% of the first-choice votes in the first round, then that candidate would be elected. If no candidate received more than 50% of the first-choice votes, the candidate who received the fewest votes would be eliminated. All voters whose first choice was eliminated would have their vote transferred to their second-choice candidate. This process of transferring votes to the voter's next-choice candidate and eliminating candidates with the fewest votes would be repeated until one candidate received more than 50% of the votes.

The proposed Charter amendment would require vacancies for the offices of Mayor, Council, City Attorney, City Auditor and Board of Education to be filled using the ranked choice / instant runoff voting method.

The City would start using a ranked choice / instant runoff voting method once the Alameda County Registrar of Voters is able to conduct an election on behalf of the City using the new method.

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE O

Currently, when the offices of Mayor, Council, City Attorney, City Auditor and Board of Education are up for election, voters may select only one candidate for each of these offices. If no candidate receives more than 50% of the votes cast for the office at a June primary election, the two candidates who receive the highest number of votes compete in a November general election.

This proposal would amend the Charter to require the City to use a ranked choice voting method, known sometimes as instant runoff voting, to elect the offices of Mayor, Council, City Attorney, City Auditor and Board of Education at November elections, which would eliminate June primary elections for these offices. Vacancies for these offices would be filled using this voting method as well.

Under this voting method, each voter would have the opportunity to rank as many choices as there are candidates on the ballot for each office, provided that if the voting equipment used by the City cannot feasibly accommodate that many choices, the City Clerk would be authorized to limit the number of choices to no fewer than three. The votes would be counted in rounds. If one candidate received more than 50% of the first-choice votes in the first round, then that candidate would be elected. If no candidate received more than 50% of the first-choice votes, the candidate who received the fewest votes would be eliminated. All voters whose first choice was eliminated would have their vote transferred to their second-choice candidate. This process of transferring votes to the voter's next-choice candidate and eliminating candidates with the fewest votes would be repeated until one candidate received more than 50% of the votes.

The City Clerk would be authorized to make changes to the voting procedures set forth in the proposal if necessary to preserve the secrecy of the ballot or ensure the integrity and smooth functioning of the election. This authority is limited to the fewest number of changes possible that permit the use of ranked choice voting. The City Clerk also would be authorized to adopt any guidelines enacted by the state for the conduct of ranked choice voting elections.

The City currently contracts with Alameda County for the County Registrar of Voters to conduct City elections. The City will not use ranked choice voting until the Registrar of Voters is able to conduct an election on behalf of the City using this new voting method. The proposal would require the City to continue to use separate June primary and November general elections until the Registrar of Voters agrees it is able to conduct an election on behalf of the City using ranked choice voting. If, after the City has begun using ranked choice voting, the Alameda County Registrar of Voters determines it is no longer able to conduct an election on behalf of the City using ranked choice voting, the proposal would require the City to conduct its own elections using this voting method.

s/Dennis J. Herrera
City Attorney
City and County of San Francisco

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE O

This ranked choice voting ballot measure, if passed, will adopt a single election day to fill vacancies by creating an Instant-Runoff Voting ("IRV") electoral system. IRV elections will be held in November ("General Election") without an additional nominating election in June ("Primary Election"), and candidates and the voters will know almost immediately the winners of each race.

In Instant-Runoff Voting, voters rank candidates in order of preference. If no candidate receives a majority of votes (50 percent plus 1 vote) as first preference, the candidate with the lowest number of votes is eliminated from the race and that candidate's votes transferred according to second and third preferences. For a more detailed explanation, see the example below.

EXAMPLE

Imagine an election in which there are four candidates: Ann, Barry, Carl and Diane. There are 120 voters and they vote as follows (fourth preferences are omitted):

# of Preference	44 voters	3 voters	16 voters	10 voters	47 voters
1st	Ann	Barry	Carl	Carl	Diane
2nd	Barry	Carl	Barry	Diane	Carl
3rd	Carley	Ann	Ann	Barry	Barry

- **Round 1:** In this race, the first preferences are tallied and no candidate has obtained a majority (in this case 61) of votes.

	Ann	Barry	Carl	Diane
Round 1	44	3	26	47

- **Round 2:** Since Barry has the fewest number of votes, he is eliminated from the race. However, it must now be determined who Barry's supporters voted for as their second preference. A review of the ballots show that all of his supporters (which total 3 voters) voted for Carl as their second preference; hence, these 3 votes are now transferred to Carl. There is still no candidate with a majority of votes.

	Ann	Barry	Carl	Diane
Round 2	44	Eliminated	29	47

- **Round 3:** Since Carl has the fewest number of votes, he is eliminated from the race and his supporters' votes are transferred to the last remaining candidates. A review of these ballots show that 19 of Carl's supporters listed Ann as their 3rd reference and 10 supporters chose Diane as their 3rd preference.

	Ann	Barry	Carl	Diane
Round 3	63	Eliminated	Eliminated	57

- **Winner:** Once Carl's votes have been transferred to Ann and Diane, **Ann** now has secured a majority of the votes, and is declared the winner.

It is estimated that the City of oakland will save approximately \$463,997 each year be eliminating June elections for candidates. Costs will still exist for city ballot measures, if any, scheduled for June elections. The City will, however, incur additional administrative costs to implement the new voting system and expenses to educate voters on IRV. San Francisco, which implemented IRV in 2004 and is double the size of Oakland, spent \$800,000 on voter education and \$1.6 million to upgrade its voting equipment. Since the City of Oakland does not own any voting equipment, it is unclear what the County of Alameda will charge the City of Oakland to administer the IRV elections.

s/Roland Smith
City Auditor

ARGUMENT IN FAVOR OF MEASURE O

Measure O will allow Oakland voters to elect candidates supported by a majority of voters without needing costly local elections in June when voter turnout is extremely low.

This change will:

RAISE VOTER TURNOUT

SAVE HUNDREDS OF THOUSANDS OF TAX DOLLARS EACH ELECTION YEAR, and

REDUCE MUDSLINGING IN LONG, DRAWN-OUT CAMPAIGNS

In the last June election, only a third (33%) of eligible voters in Oakland voted. Voter turnout in November elections (when national/state races are decided) is **MUCH HIGHER** than June elections. In communities of color, November turnout has been **TWICE AS HIGH** as June turnout.

Holding two elections instead of one is costly to taxpayers. Local June elections can cost hundreds of thousands of dollars, money that could be better spent on other city services.

Holding two elections instead of one also is costly to candidates, giving an advantage to the candidate who can raise more money, undermining campaign finance reform.

Measure O implements Instant Runoff Voting to achieve the worthy goal of electing majority winners -- except we finish in **ONE ELECTION, NOT TWO**.

Voters indicate their favorite candidate, just like now, but at the same time they also pick their runoff choices, ranking them 1, 2, 3. This eliminates the need for a separate June election.

By eliminating low turnout June elections for local races, Oakland will elect officeholders who win a popular majority in one November election, and can save hundreds of thousands of tax dollars.

Measure O will make our elections **MORE EFFICIENT** and **LESS EXPENSIVE**. It's supported by the League of Women Voters, Common Cause, and over a dozen current and former Oakland elected officials. It was sponsored by Council members **NANCY NADEL** and **PAT KERNIGHAN** and approved for the ballot by the Oakland City Council.

Vote **YES** on Measure O.

More information: www.oaklandIRV.org

s/John Russo

Oakland City Attorney

s/Wilson Riles

former City Councilmember

s/Corinne Jan

CEO, Family Bridges

s/Ramon Rodriguez

Chair, Spanish Speaking Citizens Foundation

s/Dick Spees

former City Councilmember

NO ARGUMENT AGAINST MEASURE O WAS SUBMITTED.

FULL TEXT OF MEASURE O

PROPOSED CHARTER AMENDMENT ENTITLED "MEASURE AMENDING CITY CHARTER SECTIONS 205, 303, 1100 AND 1103 AND ADDING SECTION 1105 ADOPTING RANKED CHOICE VOTING TO ELECT CITY OFFICES BY MAJORITY VOTE IN A SINGLE ELECTION IN NOVEMBER WITHOUT HOLDING A SEPARATE NOMINATING ELECTION."

RESOLVED: That the City Council hereby authorizes and directs the City Clerk, at least 88 days prior to November 7, 2006 to file with the Alameda County Board of Supervisors and the County Clerk certified copies of this resolution; and be it

FURTHER RESOLVED: That the proposed Charter Amendment text shall be as follows (section numbers and titles are indicated in **bold type**; additions are indicated by underscoring and deletions are indicated by ~~strike through type~~; portions of the regulations not cited or not shown in underscoring or strike-through type are not changed):

Article II of the Charter of the City of Oakland is amended at Section 205 to read:

Section 205. Vacancy, Filling of. All vacancies occurring in the office of Councilmember shall be filled by special election within 120 days of a vacancy. An extension of up to 60 days may be allowed for the express purpose of consolidating the special election with the next Municipal Election or Statewide Election. If the special election is to take place before the first use of ranked choice voting in a Municipal Election, the Council shall have the authority to provide for a ranked choice voting election by ordinance. Otherwise, the ~~The~~ candidate who receives the highest number of votes at the special election shall be declared the winner and thereafter sworn into office as soon as legally possible. Special elections for the office of Councilmember that take place during or after the first use of ranked choice voting in a Municipal Election shall be conducted using the same ranked choice voting procedures used to elect Councilmembers in General Municipal Elections. Whenever the period of vacancy in a Councilmember's term of office equals or exceeds 120 days the vacancy may be temporarily filled by appointment through the majority vote of the remaining Councilmembers, provided the appointee is not a candidate for the office which created the vacancy and provided the appointment does not exceed 128 days or go beyond the date the new incumbent is sworn in, whichever is shortest. Alternative legal voting procedures shall be used to the greatest extent feasible to increase voter participation in special elections including but not limited to mail ballot voting, electronic voting, ~~preference voting~~ and extended voting period. Notwithstanding any other provision of this section 205 or this Charter, an election shall not be required to fill a vacancy in the office of Councilmember that occurs when the Vice Mayor fills a mayoral vacancy pursuant to Sections 303 and 304 of this Charter, and the Vice Mayor shall be entitled to return to his/her seat.

Article III of the Charter of the City of Oakland is

amended at section 303 to read:

Section 303. Vacancy, Filling of. Upon the declaration of vacancy in the office of the Mayor, the office of the Mayor shall be filled by the Vice-Mayor of the Council. Except as otherwise provided in this Section, when the Vice-Mayor of the Council assumes the office of Mayor upon declaration of a vacancy, she/he shall serve for the unexpired term if such term is less than one year; otherwise she/he shall serve until the vacancy is filled as provided herein. Whenever the period of vacancy in a Mayor's term of office is less than one year and the Vice Mayor notifies the Council in writing that she/he does not wish to serve as Mayor for the unexpired term, the vacancy shall be filled by appointment through a majority vote of the remaining Councilmembers; provided the appointee shall be ineligible to be a candidate for the next full term of the Office of Mayor. If at the time of a vacancy declaration the unexpired term is one year or more, the vacancy occurring in the office of Mayor shall be filled by special election within 120 days of such vacancy. An extension of up to 60 days may be allowed for the express purpose of consolidating the special election with the next Municipal Election or Statewide Election. If the special election is to take place before the first use of ranked choice voting in a Municipal election, the Council shall have the authority to provide for a ranked choice voting election by ordinance. Otherwise, the following procedures shall be used: if no candidate receives the majority of the votes cast in the special election, then a run-off election shall be held for the two candidates who received the highest number of votes no later than 60 days after the date of the special election; provided that all persons receiving a number of votes equal to the highest number of votes received by any candidate shall also be candidates at such run-off election. The candidate receiving the highest number of votes cast for all candidates for the office at the run-off election shall be declared elected. Special elections for the office of Mayor that take place during or after the first use of ranked choice voting in a Municipal Election shall be conducted using the same ranked choice voting procedures used to elect the Mayor in a General Municipal Election. The candidate elected to fill the vacancy shall hold office for the balance of the unexpired term. ~~Notwithstanding any other provision of this section of the Charter, the Council shall have the authority to provide by ordinance for preferential voting procedures as an alternative to a run-off election.~~ Alternative legal voting procedures shall be used to the greatest extent feasible to increase voter participation in special elections including but not limited to mail ballot voting, electronic voting, and extended voting period.

Article XI of the Charter of the City of Oakland is amended at section 1100 to read:

Section 1100. Nominating Election. ~~Municipal Nominating Elections for the nomination of officers and for such other purposes as the Council may prescribe shall be held in the City on the first Tuesday after the first Monday in June in each even numbered year. In order to consolidate Municipal Nominating Elections with Statewide Primary Elections, the Council may by ordinance provide for~~

~~a date for a Municipal Nominating Election which conforms to the date of a Statewide Primary Election.~~

Article XI of the Charter of the City of Oakland is amended at section 1103 to read:

Section 1103. Election Procedure. ~~Except as may be otherwise provided by this charter, the~~ The mode, manner, for and procedure for nominations, qualifications, petitions, filing -- including fees therefor and amounts thereof -- and elections, for elective office, may be provided by ordinance.. Except as may be otherwise provided by ordinance or by this charter, declarations of candidacy, nominations for election, all elections and all procedures relating thereto shall be in accordance with the applicable provision of state law.

Article XI of the Charter of the City of Oakland is amended at section 1105 to read:

Section 1105. Rank Choice Voting. Elections for all city offices, including but not limited to Mayor, Councilmember, City Attorney, City Auditor, and School Director, shall be conducted using ranked choice voting, known sometimes as "instant runoff voting."

(A) Definitions. "Ranked choice voting" shall mean an election system in which voters rank the candidates for office in order of preference, and the ballots are counted in rounds that, in the case of a single-winner election, simulate a series of runoffs until one candidate receives a majority of votes. In each round of counting: (1) "continuing ballot" shall mean a ballot that counts towards some candidate; (2) "continuing candidate" shall mean a candidate that has not been eliminated; and (3) "majority of votes" shall mean more than fifty percent of the votes coming from continuing ballots.

(B) General Provision. Ranked choice voting elections for single-winner city offices shall be conducted according to the procedures in this section. The City shall conduct a voter education campaign to familiarize voters with ranked choice voting. The use of ranked choice voting shall commence with the 2008 General Municipal Election.

(C) Ballot. The ranked choice voting ballot shall allow voters to rank as many choices as there are candidates. The ballot shall not interfere with a voter's ability to rank a write-in candidate.

(D) Tabulation. The ballots shall be counted in rounds: (1) In the first round, every ballot shall count as a vote towards the first choice candidate. (2) After every round, if any candidate receives a majority of votes from the continuing ballots, that candidate shall be declared the winner. If no candidate receives a majority, the candidate receiving the smallest number of votes shall be eliminated, and every ballot counting towards that candidate shall be advanced to the next-ranked continuing candidate. All the ballots shall be counted again in a new round.

(E) Ties. In the event that two or more candidates tie for the smallest number of votes, the candidate to eliminate shall be chosen by lot.

(F) Elimination of more than one candidate. During the elimination stage of any round, in the event that any candidate has more votes than the combined vote total of all

candidates with fewer votes, all the candidates with fewer votes shall be eliminated simultaneously, and those ballots advanced to the next-ranked continuing candidate.

(G) Skipped rankings. In the first or any round, in the event that any ballot reaches a ranking with no candidate indicated, that ballot shall immediately be advanced to the next ranking.

(H) Undervotes, Overvotes, and Exhausted Ballots. After each round, any ballot that is not continuing is either an undervote, overvote, or exhausted ballot, as follows. Any ballot that has no candidates indicated at any ranking shall be declared an "undervote." In the event that any ballot reaches a ranking with more than one candidate indicated, that ballot shall immediately be declared an "overvote." In the event that any ballot cannot be advanced because no further candidates are ranked on that ballot, that ballot shall immediately be declared "exhausted." Any ballot that has been declared an undervote, overvote, or exhausted shall remain so and shall not count towards any candidate in that round or in subsequent rounds.

(I) Reports. Summary, ballot image, and comprehensive reports shall be made available after each ranked choice voting election, as follows: (1) The "summary report" for a race shall mean a report that lists the candidate vote totals in each round, along with the cumulative numbers of undervotes, overvotes, and exhausted ballots in each round. (2) The "ballot image report" for a race shall mean a report that lists, for each ballot, the candidate or candidates indicated at each ranking, the precinct of the ballot, and whether the ballot was cast absentee. In the report, the ballots shall be listed in an order that does not permit the order in which they were cast in each precinct to be reconstructed. (3) The "comprehensive report" for a race shall mean a report that breaks the numbers in the summary report down by precinct. The report shall list, for each round, the number of ballots cast in each precinct (a) that count as votes for each candidate in that round, (b) that have been declared undervotes, (c) that have been declared overvotes up to that point, and (d) that have been declared exhausted up to that point. (4) Mode and manner of release. Preliminary versions of the summary report and ballot image report shall be made available as soon as possible after the ballots have begun to be processed and counted. The summary report, ballot image report, comprehensive report, and preliminary versions of the summary report and ballot image report shall be made available to the public during the canvass via the Internet and by other means. The ballot image report and preliminary versions of the ballot image report shall be made available in a plain text electronic format.

(J) Manual Tally. Prior to the selection of precincts for the public one percent manual tally, as provided by State law, a report shall be made available to the public that lists, for the ballots subject to the manual tally, the number of those ballots in each precinct that counted in each round as undervotes, overvotes, exhausted ballots, and as votes for each candidate. The public manual tally shall check those vote totals in each of the randomly selected precincts.

(K) Changes to Procedures. For the purposes of this

subsection: "voting equipment" shall mean all ballots and/or voting devices, vote tabulating systems and/or similar or related systems to be used in the conduct of the City's election, including but not limited to paper ballot systems, optical scan systems, and touch-screen systems.

(1) Number of rankings. In the event that the voting equipment cannot feasibly accommodate a number of rankings on the ballot equal to the number of candidates, the City Clerk may limit the number of choices a voter may rank to the maximum number allowed by the equipment. This limit shall never be less than three. (2) Voting equipment. If the voting equipment cannot feasibly accommodate all of the procedures in subsections (E)-(J) above, the City Clerk may make changes to those procedures provided that ranked choice voting shall still be used and the smallest feasible number of changes made until such time as the voting equipment can accommodate those procedures in their entirety. (3) State guidelines. If the State of California adopts guidelines for the conduct of ranked choice voting elections and the voting equipment used to conduct the City's election can accommodate the State's guidelines, the City Clerk shall have the option of adopting those guidelines, in whole or in part, in lieu of the ranked choice voting procedures in this section. (4) First choice tally. The City Clerk may authorize the following change to make ranked choice voting on voting equipment feasible: before counting the ballots in rounds, the first ranking on every ballot shall be tallied, with the exception of overvotes. If some candidate receives a majority of first rankings from all ballots cast, including undervotes and excluding overvotes, that candidate shall be declared the winner; and the ballots shall not be counted in rounds. Otherwise, the ballots shall be counted in rounds in accordance with this section. (5) Election integrity. The City Clerk shall further have the authority to make any changes to these procedures necessary to preserve the secrecy of the ballot and ensure the integrity and smooth functioning of the election, provided that ranked choice voting shall still be used and the smallest number of changes made to achieve such purposes.

(L) Exception from Using Ranked Choice Voting. Notwithstanding any other provision of this Charter, the City shall use ranked choice voting once the Alameda County Registrar of Voters is able to conduct the election on behalf of the City in accordance with the requirements and procedures of this section, including any changes to such procedures made pursuant to subsection (K).

(M) Election Procedures if Ranked Choice Voting is Not Used.

(1) In the event that the City is unable to use ranked choice voting, the City shall hold Municipal Nominating Elections for the nomination of officers and for such other purposes as the Council may prescribe, which shall be held in the City on the first Tuesday after the first Monday in June in each even-numbered year. In order to consolidate Municipal Nominating Elections with Statewide Primary Elections, the council may by ordinance provide for a date for a Municipal Nominating Election which conforms to the date of a Statewide Primary Election. Any

candidate receiving a majority of the vote cast for all candidates for that office at the Municipal Nominating Election shall be declared elected. (2) If at any Municipal Nominating Election there is any office to which no person was elected, then the two candidates for such office receiving the highest number of votes for such office shall be the candidates, and the only candidates, for such office whose names shall be printed upon ballots to be issued at the second or General Municipal Election; provided that, in any event, all persons receiving a number of votes equal to the highest number of votes received by any candidate shall also be candidates at such second election. The candidate receiving the highest number of votes cast for all candidates for that office at the second or General Municipal Election shall be declared elected.