

CITY OF OAKLAND

BUDGET ADVISORY COMMITTEE

March 20, 2006

Meeting Minutes

Committee Members Present:

Maeve Elise Brown, Thomas Doctor, Marcie Hodge, Mike Petouhoff, Barry Pilger, Jessica Pitt, Courtney Ruby, Benjamin Scott (Chair), Gene Zahas

Committee Members Absent:

Dinah Benson (excused) Jeffrey Fearn (excused), Ted Frey (excused) O. Fabomi Ojuola, Donald White (excused) Derrick Yoon

City Representatives Present:

Raul Godinez II, Director, *Public Works Agency*
Michael Neary, Assistant Director, *Public Works Agency*
Michael Kilian, *Budget Office*
Vice-Mayor Jean Quan, *Finance and Management Committee Chair*

The meeting was called to order at 6:10 pm. A quorum was established at 6:30 pm.

I. Administrative Items

Benjamin Scott expressed his appreciation to Mike Petouhoff for the preparation of the Budget Advisory Committee's Second Quarter report for FY 2005-06 and his presentation of the report to the Finance and Management Committee on February 28, 2006.

Materials that were distributed included: minutes from the February 27th meeting, meeting agenda, summary of capital improvement program CIP by program and the May 11, 2004 report to the City Council and resolutions establishing a prioritization method for capital improvement projects.

II. Approval of the Minutes

The minutes from the February 27th meeting were approved.

III. Presentation on the Capital Improvement Program – Public Works Agency

Raul Godinez II, Director of the Public Works Agency, provided an overview of what the Public Works Agency is, its responsibilities, and discussed the capital improvement program of the Agency and the methods used to assess and prioritize needs, resources and steps used to address infrastructure maintenance.

Michael Neary, Assistant Director, Public Works Agency, provided a briefing on infrastructure that included an assessment of the capital improvement program by program, including challenges, immediate needs and outlook of the programs with an emphasis on the long-term picture.

Highlights of the briefing on infrastructure featured the following key points related to program assessment:

- *Projects Facilities and Structures* - A current list of deferred maintenance and other needs including 130 projects, with a total preliminary estimate of \$20 million.
- *Parks and Open Space* – There is an extensive list of desired capital improvements to the park and recreation facilities throughout Oakland. There is also extensive deferred maintenance to most of the parklands.
- *Sanitary Sewers* – The Sanitary Sewer CIP and Maintenance programs are both well-funded and adequately staffed.
- *Storm Drains* – The Storm Drain Master Plan identified needed projects by category at an estimated cost of \$200 million.
- *Streets* – Oakland’s streets are in critical condition..
- *Sidewalks* – The sidewalk program is currently at a 50-year repair cycle. The repair cycle should be every five years.
- *Traffic Improvements* – The level of funding has been minimal but adequate for traffic signal installation; however, the demand for pedestrian improvements has been growing, outstripping the funding provided.

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IV. First Quarter Revenue and Expenditure Results Report (July 1 through September 30, 2005)

Vice-Mayor Jean Quan was invited by the BAC to discuss the First Quarter Revenue and Expenditure Results Report and to provide an overview of the City’s financial condition. Her presentation featured a summary of important budget issues and the observation that the latest revenue and expenditure results led to a projection of an \$8.49 million surplus in the General Purpose Fund by year-end. The projected surplus was described as representing a trend in the strength of the Real Estate Transfer Tax receipts with an offset mainly due to the Oakland Police Department’s cost overruns.

Vice-Mayor Jean Quan emphasized the importance of infrastructure and police funding issues and the anticipated reduction in Head Start program federal monies.

It was the consensus of the BAC that Police staffing and infrastructure funding should be the top budget priorities with respect to the projected year-end surplus in the General Purpose Fund. As proposed by Barry Pilger, the BAC adopted the following recommendation:

The Budget Advisory Committee is supportive of the City Council efforts to devote attention to Police recruitment funding, but would like to draw attention to the long-term capital spending needs of the City in the areas of facilities and structures, parks and open space, sanitary sewers, storm drains, streets, sidewalks, and traffic improvements.

IV.V. Next Meeting

The next meeting is scheduled for April 17, 2006 in the Building Bridges Conference Room, City Hall, from 6:00 p.m. to 8:00 p.m.

V.VI. Open Forum

Sanjiv Handa spoke on the applicability of the Brown Act and the Sunshine Ordinance to the City of Oakland and its commissions and advisory committees.

VII. Adjournment

The meeting was adjourned at 7:45 pm.

Respectfully submitted,

Michael Kilian
CAO Budget Office