

CITY OF OAKLAND BUDGET ADVISORY COMMITTEE

April 17, 2006

Meeting Minutes

Committee Members Present:

Vernon Burroughs, Thomas Doctor, Ted Frey, Dennis Handis, Marcie Hodge, Mike Petouhoff, Barry Pilger, Courtney Ruby, Gene Zahas

Committee Members Absent:

Maeve Elise Brown (excused) Jeffrey Fearn (excused), O. Fabomi Ojuola, Jessica Pitt, Benjamin Scott (excused), Derrick Yoon

City Representatives Present:

Michael Kilian, *Budget Office*
Vice-Mayor Jean Quan, *Finance and Management Committee Chair*

The meeting was called to order at 6:05 pm. A quorum was established at 6:30 pm.

I. Administrative Items

Mike Petouhoff noted that he had been requested to chair the meeting by the Budget Advisory Committee chair, Benjamin Scott. In opening the meeting, Mike Petouhoff invited the new members to introduce themselves. New members Vernon Burroughs (District 6) and Dennis Handis (District 7) were welcomed by the Committee.

Materials that were distributed included: minutes from the March 20th meeting, meeting agenda, BAC 2nd Quarterly Report to the Finance and Management Committee and the Informational Report on the Budget Advisory Committee's Recommendation Concerning Contract Management prepared by the Finance and Management Agency.

II. Second Quarter Revenue and Expenditure Results Report (July 1 through December 31, 2005)

The city representative from the Budget Office presented a synopsis of the Second Quarterly Revenue and Expenditure Results Report. At the behest of BAC, Vice-Mayor Jean Quan presented an overview of what might be anticipated requests for one-time only expenditures in regards to the projected fiscal year end general fund surplus of \$8.49 million. The Police Department crime lab appeared to be slated for an expenditure of \$700,000. Other requests that were discussed included a possible \$500,000 for after school programs, and \$500,000 for a GunShot system, as well as \$1.2 million for increased recruitment of police officers.

Vice Mayor Quan also emphasized that there was support in the Council for the balance of the general fund surplus to be primarily spent on one-time capital infrastructure expenditures because of prior year cuts in appropriations for roads, sidewalks, and storm drains. Emergency repair requests generated by the inclement weather were also still coming in and these requests, for leaky roofs and the like, might total to \$1 million. Another consideration related to the request by the Chabot Science Center for City funding to fill a revenue gap, was for the Council to sponsor a hotel tax for all the regional institutional cultural centers (the Museum, Zoo and the Chabot Science Center).

Vice-Major Quan stated that the current bond rating for the City as the best that the City had ever had and mentioned that there was other good news in that Police Department expenses were coming in under budget, about 1 million less than had been projected, due to a combination of the following:

1. Better controls of overtime;
2. Rescheduling of overtime so we did not have to use overtime in heavy crime periods; and a
3. Reduction of booking fees.

In the ensuing discussions, there was a general consensus that it might be useful to do a graphical presentation of the general purpose fund on a quarterly basis that would take in the top five categories for revenue and the top five expenditure areas, such as police, fire, etc.; this would be a snapshot picture that would make the deliberations of BAC easier as well as make it easier for the public to understand what was going on quarterly.

III. Landscaping and Light Assessment Discussion (LLAD) – Continued Discussion

Vice Mayor Quan also spoke on LLAD. She made the point that LLAD is a mechanism that is very common in the state. Since LLAD was enacted, the City of Oakland has added 380 areas to the parks, 1100 street lights and 10,000 trees and the original LLAD did not have a provision for cost of living increase, but even if a cost of living provision had been included, lighting would have led the increase to a structural gap.

In line with what the public has expressed that it wants, she indicated that A LLAD ballot and notice would be sent on May 5th that outlines a program that maintains the additional 17 staff that were added last year for park maintenance and tree trimming. The proposed LLAD increase would also provide for additional lights in high crime areas, provides for a speed up in park maintenance, restores playing fields in partnership with the schools, and allows for the building of one new ball park a year.

Vice-Mayor Quan stated that LLAD was going forward, endorsed by all the park groups and that the proposed LLAD was going forward as a mail ballot. She indicated that with LLAD some base line standards had been established. She also indicated that a process with two provisions had been set up for LLAD: there would be an advisory committee and that the performance standards for LLAD, which were modeled on performance standards from San Francisco, would come to the City Council for approval each year.

In the course of the discussions with respect to LLAD, the BAC members emphasized they wanted to see that the budget is balanced every year, and accordingly, based upon what BAC has said about LLAD in the past, that BAC should support LLAD because of the structural deficit.

A motion was seconded, and carried with respect to BAC's support of the proposed LLAD as follows:

Part of our duty is to identify structural deficits in the budget and to ensure fiscal soundness BAC has consistently had discussions in relation to the LLAD and we support that the City Council is being pro-active in addressing the structural deficit.

There was subsequent discussion about non-profits and subsidies but complete information was not available.

The relationship of LLAD to litter enforcement and respond to dumping in the parks was also discussed as a quality of life issue.

IV. Budget Advisory Committee Report for the Second Quarter of the 2005-06 Fiscal Year

Mike Petouhoff presented a synopsis of the BAC Quarterly Report for the Second Quarter to the members. This report had been provided to the Finance and Management Committee on April 28th. In a synopsis of the report he outlined the four items in the report: two specific items, LLAD and Redevelopment, and two ongoing items, Revenue and Expense evaluation and the Police Department Memorandum of Understanding (MOU).

At the April 28th meeting of the Finance and Management Committee Mike Petouhoff mentioned that four comments were presented to BAC as follows:

1. Council member Jane Brunner noted that our prior recommendations on City Contracts were coming forward. She invited us to both get a staff report on this and comment on the staff report.
2. Council member Ignacio De La Fuente said that it was important to have performance measures in the LLAD.
3. City Administrator Deborah Edgerly in relation to the Police Department MOU item indicated that the City was currently engaged in negotiations and that MOU increases should be quantified.
4. Vice-Mayor Jean Quan commented that there was a proposal, called Enterprise Zone, that addressed the issue of where the permit fees go and this proposal had been placed on the agenda of the Finance and Management Committee. She indicated that members of the BAC should get the staff report and be prepared to comment on it.

Staff was directed to obtain the informational report on BAC's recommendations on City Contracts and the Enterprise Zone report and to make these available for discussion at the May meeting. Also as an action item it was noted that the Schedule S, pertaining to Audits and Inspections, that had been attached to the informational report was not recognized as being part of BAC's recommendations on City contracts. Staff was requested to obtain the original report and to make that available to BAC members for the May meeting.

V. Approval of Minutes

Approval of the March 20, 2006 minutes was deferred to the next meeting, May 22, 2006.

IV.VI. Next Meeting

The next meeting is scheduled for May 22, 2006 in the Building Bridges Conference Room, City Hall, from 6:00 p.m. to 8:00 p.m.

V.VII. Open Forum

Sanjiv Handa spoke on several subjects, including the role Proposition 218 plays with the granting of subsidies to churches, schools and nonprofits as this relates to the proposed LLAD.

VII. Adjournment

The meeting was adjourned at 8:10 pm.

Respectfully submitted,

Michael Kilian
CAO Budget Office