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CITY OF OAKLAND



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Office of the City Attorney
John A. Russo
City Attorney

October 2, 2007

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Honorable President Ignacio De La Fuente
and Members of the City Council
City Hall, 2nd Floor
Oakland, CA 94612

Honorable President Ignacio De La Fuente and Members of the City Council:

Subject: *Request of Children's Fairyland, Inc., for Amendment to City Conflict of Interest Code*

Children's Fairyland, Inc. ("CFL"), has requested that the breadth of its board of directors' disclosure be modified in the City's Conflict of Interest Code. That code specifies which city officials are required to file annually the financial disclosure forms (State Form 700) and what they have to disclose. The purpose of the disclosure is so that the board members and public are made aware of for what entities the member should disqualify him/herself when making a governmental decision. We have attached CFL's letter, dated September 20, 2007, for your consideration.

We have also attached Appendix B of the Conflict of Interest Code showing the City boards that are required to file and the breadth of their disclosure.

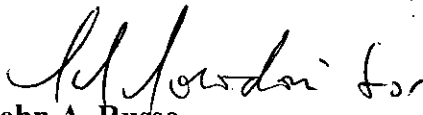
The Conflict of Interest Code is an ordinance passed by the City Council. Accordingly, the City Council can modify it. Three points that the City Council should keep in mind in considering CFL's request: (1) CFL does make decisions on how to spend Measure DD money for construction at Fairyland (2) The City created the CFL board and appoints some of its members, (3) a modification here may cause other groups to seek similar modification. For these reasons, the City Attorney's Office cannot recommend the modification.

Honoarable President Ignacio De La Fuente
and Members of the City Council
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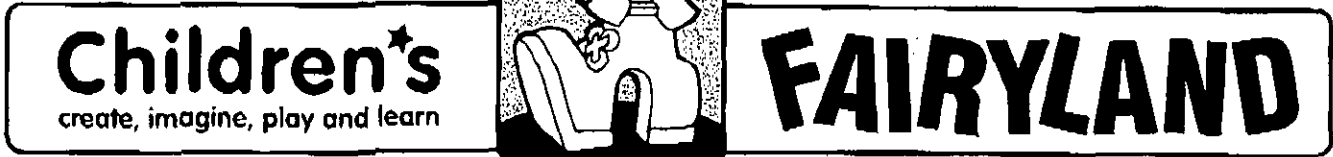
As set forth in their letter, CFL suggests that the Conflict of Interest Code add an additional disclosure category for CFL so that CFL board members are only required to disclose entities that have done business/contract with CFL or the City of Oakland in the past 12 months and entities who may be seeking to do business or contract.

This modification is in the City Council's discretion.

Very truly yours,


John A. Russo
City Attorney

Attorney Assigned:
Mark T. Morodomi



www.fairyland.org

September 20, 2007

Re: Conflict of Interest Code Amendments and Children's Fairyland Board of Directors

Dear President De La Fuente and Members of the Oakland City Council:

As stated in our previous letter to you on this subject, Children's Fairyland stands to lose valuable board members if they are required to document each and every one of their financial holdings—something that is physically impossible for some of them to do. We continue to believe that our bylaws include language consistent with state law that effectively protects against board members profiting from their association with Children's Fairyland.

Nonetheless, we would be willing to accept the following modification to the Conflict of Interest Code, believing that it will accomplish the Council's objective while not making the financial disclosure process overly onerous to our board members:

"Children's Fairyland board members are required to disclose investments and business positions in, and income from business entities which within the last 12 months have contracted or done business with Children's Fairyland or the City of Oakland or which are currently seeking to contract or do business with Children's Fairyland or the City of Oakland."

Thank you for your consideration of this matter.

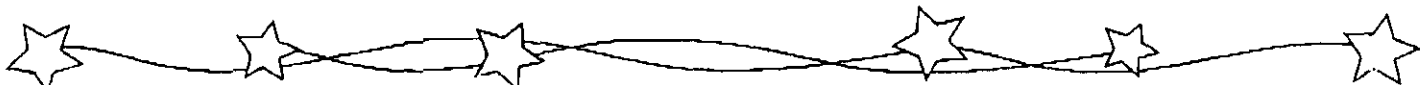
Sincerely,

A handwritten signature in black ink, appearing to read "C.J. Hirschfeld", is written over a faint, larger version of the same signature.

C.J. Hirschfeld
Executive Director

CC: Mark Morodomi, Office of the City Attorney

Fairyland is a 501 (c)(3) non-profit corporation. Federal ID #94-3209054



APPENDIX B FOR CHAPTER 3.16

City of Oakland
Conflict of Interest Code

LIST OF DESIGNATED POSITIONS

Boards and Commissions

Date: March 4, 1993

First Revision: December 13, 1994

Second Revision: December 17, 1996

Third Revision: April 22, 1997

Fourth Revision: July 27, 1999

Fifth Revision: April 11, 2000

Sixth Revision: December 12, 2000

Seventh Revision: December 17, 2002

Eighth Revision: March 1, 2005

Ninth Revision: February 6, 2007

JOB TITLE

DISCLOSURE CATEGORY

| | |
|---|----|
| Broadway/MacArthur/San Pablo Redevelopment Project Area Committee | 1 |
| Business Tax Board of Review | 1 |
| Central City East Redevelopment Area Project Area Committee | 1 |
| Central East Oakland Community Development District Board | 1 |
| Central Oakland Community Development District Board | 1 |
| Children's Fairyland Board of Trustees | 1 |
| Citizen's Police Review Board | 1- |
| Citizens Advisory Board | 1 |
| Civil Service Board | 1 |
| Commission on Aging | 1 |
| Commission on Persons with Disabilities | 1 |
| Community Action Agency Administering Board | 1 |
| Community Policing Advisory Board | 1 |
| Cultural Affairs Commission | 1 |
| Downtown Oakland Senior Center Advisory Council | 1 |
| Earthquake Damage Abatement Board | 1 |
| East Oakland Senior Center Advisory Council | 1 |
| Eastlake/San Antonio/Chinatown Community Development District Board | 1 |
| Elmhurst community Development District Board | 1 |
| Fruitvale/San Antonio Community Development District Board | 1 |
| Head Start Advisory Panel | 1 |
| Housing and Residential Rent and Relocation Board | 1 |

| | |
|--|---|
| Landmarks Preservation Advisory Board | 1 |
| North Oakland Community Development District Board | 1 |
| North Oakland Senior Center Advisory Council | 1 |
| Oakland Fund for Children and Youth Planning and Oversight Committee | 1 |
| Oakland Housing Authority Board of Commissioners | 1 |
| Oakland Municipal Employees Retirement System | 1 |
| Parks and Recreation Advisory Commission | 1 |
| Police and Fire Retirement System Board | 1 |
| Public Ethics Commission | 1 |
| West Oakland Redevelopment Area Project Area Committee | 1 |
| West Oakland Senior Center Advisory Council | 1 |
| Western Oakland Community Development District Board | 1 |
| Workforce Investment Board | 1 |
| *Consultants | 1 |

Please note that only a business entity or any parent, subsidiary or otherwise related business entity that has an interest in real property in the City of Oakland, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the filing of any statement is to be reported. Also only real property located in the jurisdiction is to be reported. Finally, income, including a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the filing of any statement is to be reported.

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitations:

The City Administrator or his designee may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written documentation shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The City Administrator or his designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

APPENDIX B

MASTER LIST OF DISCLOSURE CATEGORIES

SPECIFICATION SHEET

REPORTABLE INVESTMENTS, INTERESTS IN REAL PROPERTY AND INCOME

PROPOSED CONFLICT OF INTEREST CODE

CITY OF OAKLAND

"Unit" as used in this text means the particular department, board, commission, office or other entity using the disclosure category.

"Used by" for a board or commission under Disclosure Category 4, refers to investments and business positions in business entities, and sources of income from entities providing supplies, services, equipment or machinery of the type used by the unit(s) to whom the board or commission provides advice.

Please note that only a business entity or any parent, subsidiary or otherwise related business entity that has an interest in real property in the City of Oakland, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the filing of any statement is to be reported. Also only real property located in the jurisdiction is to be reported. Finally, income, including a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the filing of any statement is to be reported.

Disclosure Category

1. All investments and business positions in business entities, sources of income and interests in real property.
2. Investments and business positions in business entities, and all sources of income.
3. Interests in real property.
4. Investments and business positions in business entities, and sources of income from entities providing supplies, services, equipment or machinery of the type used by the designated employee's unit.
5. Investments and business positions in and income from entities, which are book outlets, vendors or providers of business services.

6. Investment and business positions in business entities, and income from sources engaged in construction supplies, building supplies or material supplies.
7. Investments and business positions in business entities, and income from sources engaged in construction or development.
8. Investments and business positions in business entities, and income from sources engaged in the construction of public works projects.
9. Investments and business positions in business entities, and income from business entities of the type to provide bids, supplies, vehicles and equipment.
10. Investments and business positions in business entities, and source of income, which provide services and supplies of the type used in training activities.
11. Investments and business positions in, and income from business entities engaged in providing medical service or facilities of the type used by the City.
12. Investments and business positions in, and income from business entities supplying or manufacturing electronic equipment, supplies or services of the type utilized by the designee's unit.
13. Investments and business positions in, and income from business entities providing supplies, services equipment or machinery of the type used by the City.
14. Investments and business positions in, and income from employment agencies or entities, which provide employment or pre-employment services. Services include, but are not limited to, provision of temporary employees, testing, training, consulting, job classification studies and salary surveys.
15. Investments and business positions in, and income from business entities, which are of the type to provide any of the various types of employee insurance coverage or actuarial services.
16. Investments and business positions in business entities, and income from sources, which supply or manufacture fire fighting equipment or supplies.
17. Investments and business positions in, and income from business entities which within the last twelve months have contracted, or in the future foreseeably may contract with the Oakland Housing Authority to provide services, supplies, materials, machinery or equipment to the Oakland Housing Authority.
18. Income from any source which within the last twelve months has contracted, or in the future may foreseeably contract with the Oakland Housing Authority to provide services, supplies, materials, machinery or equipment to the Oakland Housing Authority.