



CITY OF OAKLAND
M E M O R A N D U M

From the office of

Lynette Gibson McElhaney

PRESIDENT OF THE COUNCIL

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FILED
OFFICE OF THE CITY CLERK
OAKLAND

2015 JUN 19 AM 10:44

Date: Thursday, June 18, 2015

To: Members of the Oakland City Council
and members of the Public

Cc: Kiran Bawa, Budget Director
John Flores, Interim City Administrator
Mayor Libby Schaaf

From: Councilmember Lynette Gibson McElhaney

Re: 2015 – 2017 Biennial Budget Amendments

Colleagues,

In accordance with the Consolidated Fiscal Policies, I submit for your consideration my recommended amendments to the Mayor's Proposed FY 2013-2015 Policy Budget. The detailed amendments are indicated in the attached spreadsheet. In addition to the proposed financial amendments I also include a City Council Statement of Budget Values and Priorities for your consideration and adoption. Our values should guide our decisions over the next 2 years as we look forward to how we work together to make Oakland a more just, prosperous, safe, equitable and desirable place to live, work, worship, play and invest.

In March, the Mayor's set forth her stated budget priorities as:

1. Holistic Community Safety
2. Vibrant Sustainable Infrastructure
3. Equitable Jobs and Housing
4. Responsible Trustworthy Government

The Mayor's priorities provided a foundation for the Council deliberations which added these additional considerations:

5. Care for children, elderly, families and the vulnerable
6. Protect and Enhance Quality of Life
7. Promote equity and foster a diverse and inclusive community

These 7 priorities are the guiding principles for our collective work which extends beyond the budget. I extend my appreciation to Mayor Schaaf and the budget team for presenting a budget proposal that includes many of the Councilmember's stated priorities. The amendments offered here refine the Mayor's proposals to reflect what I believe are priorities and values expressed by members of the Council over many months of public discourse and discussed during the Budget Priorities retreat sessions on March 2 and April 2.

We are fortunate that Oakland is beginning to experience modest growth as we continue to emerge from the devastating impacts of the recession and the loss of redevelopment - our principle tool for economic growth. My hope is that this initial draft of the President's budget reflects our collective commitment to make strategic investments now that strengthen the municipal corporation to better serve the communities we represent.

Respectfully Submitted,



The President's budget supports priorities established by the Mayor and includes additional investments identified by multiple Councilmembers as urgent needs of their communities to address inequity, support families, protect residents and improve the quality of life for Oakland residents. The President's Budget also augments revenue collections to ensure taxpayers realize the strength of the local economy.

HIGHLIGHTS

❖ *EQUITY*

- Invests over **\$500k** to establish an Equity Agenda, including planning and staffing the Office of Race, Human Rights and Equity
- Provides **\$150k** to protect workers by enforcing the voter-approved minimum wage ordinance

❖ *HOUSING*

- Adds funding to expand staff in the Rent Adjustment program to enforce the Council-approved Tenant Protection Ordinance
- Invests **\$520k** to fund the top 3 PATH report priorities to address affordable housing, displacement and homelessness

❖ *WORKFORCE & JOBS*

- Invests **\$350k** to establish an enterprising re-entry Job Corps to give those returning home meaningful work
- Adds **\$100k** to support the existing Equal Opportunity Program department to ensure fair treatment for all city workers
- Maintains funding for day laborer centers
- Adds GPF investment in Workforce Investment system

❖ *CARING FOR YOUTH & ELDERLY*

- Supports expanded hours for the Oakland Public Library
- Increases access to Oakland Parks & Recreation Centers to ensure safe places for our children to learn and play
- Adds funding for Youth Employment programming
- Creates "Preschool for All" training and support to ensure training for Headstart teachers
- Funding to reduce chronic absenteeism of school-aged youth

❖ *HOLISTIC COMMUNITY SAFETY*

- Establish a mattress redemption program to address blight
- Promote justice by adding crime analysts and evidence technicians to help solve crimes

Other policy recommendations for non-GPF funds

- Redirect funds for street paving and repair and improve the City's infrastructure
- Unfreeze 3 positions in Fund 1720 for illegal dumping and to conduct litter abatement throughout the City through the Keep Oakland Clean and Beautiful fund
- Increase investment in blight using innovative tools and strategies
- Re-align existing resources before establishing new departments in transportation, workforce, equity and public access



REVENUE

Item #	Dept.	Purpose	Description	FY 2015 - 16	FY 2016 - 17	One-Time	Totals	Notes
1	GPF	REV	ADD: Local Agency Mandate Reimbursement	\$ -	\$ -	\$ 3,248,900	\$ 3,248,900	Pending State budget and confirmed by CA Dept. of Finance
2	GPF	REV	ADD: Business License Tax (Correction)	\$ 1,000,000	\$ 1,051,300	\$ -	\$ 2,051,300	Restores a portion of Administration's errata cut to biz tax revenue (\$2.8 million per year).
3	GPF	REV	ADD: Enhanced collections of delinquent revenue	\$ 330,000	\$ 660,000	\$ -	\$ 990,000	Additional staff support required. Each TEO generates \$220,000 per year in collected taxes
4	GPF	REV	ADD: Litigation Payment(s)			\$ 500,000	\$ 500,000	Results of Tow Audit
5	GPF	REV	ADD: Real Estate Transfer Tax - RETT (revised)	\$ -	\$ -	\$ 250,000	\$ 250,000	One-time voluntary RETT payment
6	GPF	REV	ADD: Revenue from Medical Cannabis production	\$ -	\$ 225,000	\$ -	\$ 225,000	Policy: Tax growers/manufacturers for community safety, consistency
7	GPF	REV	ADD BACK: Reduction in Dispensary Revenue	\$ 125,000	\$ 125,000	\$ -	\$ 250,000	Sales revenue is up in permitted clubs and economic projections show continued growth.
8	GPF	REV	ADJUST: Balancing Reserves - Rainy Day	\$ -	\$ -	\$ 212,891	\$ 212,891	As required
9	GPF	REV	LESS: Balancing Reserves - OFCY	\$ -	\$ -	\$ (105,489)	\$ (105,489)	As required
Subtotal of Additional Revenues				\$ 1,455,000	\$ 2,061,300	\$ 4,106,302	\$ 7,622,602	

REDUCTIONS

Item #	Dept.	Purpose	Description	FY 2015 - 16	FY 2016 - 17	One-Time	Totals	Notes
10	CAO	REV	REDUCE: OPEB contribution	\$ (1,347,773)	\$ -	\$ -	\$ (1,347,773)	Maintain \$20 million total commitment to long-term liabilities. This reduces the additional amount proposed for allocation in the Errata.
11	CAO	REV	Swap one-time with Ongoing OPEB funds	\$ (1,350,476)	\$ -	\$ 1,350,476	\$ -	Release on-going funds from OPEB allocations
Subtotal of Reductions/Reallocations				\$ (2,698,249)	\$ -	\$ 1,350,476	\$ (1,347,773)	

Funds Available for Programming**\$ 4,153,249 \$ 2,061,300 \$ 2,755,826 \$ 8,970,375**

ADDITIONS/TRADE-OFFS/COUNCIL PRIORITIES

Item #	Dept.	Purpose	Description	FY 2015 - 16	FY 2016 - 17	One-Time	Totals	Notes
12	CAO	Trustworthy / Responsive Gov't	ADD: CAO Discretionary Pool for Labor Negotiations	\$ -	\$ 147,901	\$ -	\$ 147,901	Compensation consideration
13	CAO	Trustworthy / Responsive Gov't	ADD: CAO Discretionary Pool for TPT conversion	\$ 375,000	\$ 350,000	\$ -	\$ 725,000	Additional funding to reduce temporary positions
14	CAO	Trustworthy / Responsive Gov't	ADD: Increase Oakland Animal Shelter staffing	\$ 194,630	\$ 197,416	\$ -	\$ 392,046	Improve public service; reduce need for euthanasia
15	CAO	Promote Equity & Inclusion	ADD: Establish a Dept. of Race, Human Rights & Equity with 2 FTE (1 Director and 1 Analyst)	\$ 154,077	\$ 312,566	\$ -	\$ 466,643	Augments \$150k in Mayor's budget for Director & Admin Assistant to create work plan for establishment of a permanent office
17	FIN	Trustworthy / Responsive Gov't	ADD: (1) Revenue Assistants	\$ 87,000	\$ 88,100	\$ -	\$ 175,100	Improved efficiency and customer service
18	FIN	Trustworthy / Responsive Gov't	7.5% GPF Emergency Reserve	\$ -	\$ -	\$ 335,400	\$ 335,400	In accordance with the Consolidated Fiscal Policy
19	FIN	Trustworthy / Responsive Gov't	ADD: (3) Tax Enforcement Officers	\$ 170,000	\$ 345,000	\$ -	\$ 515,000	TEO to begin January 2016
20	HSD	Holistic Community Safety	ADD: City/County Neighborhood Initiative (CCNI)	\$ -	\$ -	\$ 50,000	\$ 50,000	Critical support for a public health and safety initiative focused on impoverished neighborhoods.
21	HSD	Holistic Community Safety	ADD: Quality Preschool for all	\$ -	\$ -	\$ 200,000	\$ 200,000	For training to enhance teacher quality; part of a collaborative effort with philanthropic partners to increase Head Start slots and improve outcomes
22	HSD	Holistic Community Safety	ADD: Matching funds to establish City/County Re-entry Job Corps Pilot Program	\$ -	\$ -	\$ 350,000	\$ 350,000	Funds to be used to establish a direct-pay program for probation/parole, formerly incarcerated persons in partnership with the County.
23	HSD	Holistic Community Safety	ADD: Funding to reduce chronic absenteeism to strengthen partnership with OUSD	\$ 84,000	\$ 112,000	\$ 196,000	\$ 392,000	Fund two social workers starting in October 2015. OUSD will match these funds; will reduce likelihood of delinquencies: interrupts school-to-prison pipeline. \$260,000 to fulfill PATH recommendations 1, 2, and 3
24	HSD	Protect Vulnerable	ADD: Homeless/PATH report high priority areas	\$ 260,000	\$ 260,000	\$ -	\$ 520,000	
25	HSD	Protect Vulnerable	ADD: Housing services for Commercial Sexual Exploited Children	\$ 110,000	\$ 110,000	\$ -	\$ 220,000	Transitional housing for exploited youth with case management services. These funds will be issued through the Measure Z RFP Process
26	OCA	Holistic Community Safety	ADD: (1) Deputy City Atty III and (1) Paralegal	\$ 321,000	\$ 325,798	\$ -	\$ 646,798	To support Code Enforcement services
27	OCC	Trustworthy / Responsive Gov't	RESTORE: prior-year staffing cuts for each Council office (.14 FTE), increase Administrative OH (10%); add (.44 FTE) Administrative Support for Office of President	\$ 293,775	\$ 294,834	\$ -	\$ 588,609	Improve constituency services and legislative analysts; commensurate with citywide restorations of staffing in the Administration and Mayor's offices
28	OFD	Holistic Community Safety	RESTORE: Wildfire Prevention Funding	\$ -	\$ -	\$ 500,000	\$ 500,000	Fire prevention inspection staff and mitigation efforts, and/or vegetation management plan; OFD will report to the Public Safety Committee no later than January 2016 on spending for 2015 and plans for 2016 spending

Item #	Dept.	Purpose	Description	FY 2015 - 16	FY 2016 - 17	One-Time	Totals	Notes
29	OPD	Holistic Community Safety	RESTORE: Funding for NCPC Community Engagement and Outreach and West Oakland Biz Alert	\$ -	\$ -	\$ 85,000	\$ 85,000	<i>\$80,000 divided evenly throughout the police beats for outreach and events that increase engagement in our community policing organizations, \$5,000 for merchant watch in West Oakland which was not funded in baseline. This reflects a 20% reduction from the original proposal in the President's budget to adjust for the adequate increases in OPD personnel (2 Crime Analysts and 2 Police Evidence Technicians - lines 25 and 26)</i>
30	OPD	Holistic Community Safety	ADD BACK: Neighborhood Services Coordinator	\$ 102,000	\$ 104,000	\$ -	\$ 206,000	<i>To restore critical representation in Chinatown community</i>
31	OPD	Holistic Community Safety	ADD: (2) Police Evidence Technicians	\$ 206,666	\$ 209,534	\$ -	\$ 416,200	<i>Improves OPD responsiveness to help solve crimes</i>
32	OPD	Holistic Community Safety	ADD: (2) Crime Analyst	\$ 232,956	\$ 236,296	\$ -	\$ 469,252	<i>To improve solve rate; expand capacity to investigate crimes</i>
33	OPL	Holistic Community Safety	ADD: Expand library hours	\$ -	\$ 500,000	\$ -	\$ 500,000	<i>Additional service hours effective July, 2016; additional hours to be prioritized for branches that serve the greatest number of youth from under-served and disadvantaged communities. Effort should be made to add hours among branches that are geographically dispersed throughout the city</i>
34	OPR	Improve Quality of Life	RESTORE: OPR subsidy for Feather River Camp	\$ -	\$ -	\$ 40,000	\$ 40,000	<i>One-time grant</i>
35	OPR	Improve Quality of Life	ADD: Administrative Grant to OPR Foundation	\$ -	\$ -	\$ 50,000	\$ 50,000	<i>For capacity building & increased fundraising capabilities for the non-profit organization that raises critical funds for Oakland Parks and Recreation</i>
36	OPR	Improve Quality of Life	ADD: Grants and scholarships for low income youth to participate in OPR programs	\$ -	\$ -	\$ 79,426	\$ 79,426	<i>Camperships for low income youth to participate in OPR Programs; This should include additional outreach to youth who may not have participated in OPR camps or programs due to lack of resources.</i>
37	OPW	Improve Quality of Life	ADD: Parks Prioritization study and conceptual plans	\$ 15,000	\$ 15,000	\$ 170,000	\$ 200,000	<i>Creates the opportunity for OPR to receive grants and in-kind services for needed repairs and upgrades to neighborhood playgrounds and community parks. Such plans clearly depict our needs to potential funders.</i>
38	OPW	Improve Quality of Life	ADD: Lake Merritt Maintenance Money to maintain Measure DD Investment	\$ -	\$ -	\$ 400,000	\$ 400,000	<i>Support's the Mayor's maintenance fund but begins in Year 1</i>
39	OPW	Improve Quality of Life	Mattress recycling pilot program grant match	\$ -	\$ -	\$ 100,000	\$ 100,000	<i>Collaborative effort with Stop Waste to reduce illegal dumping</i>
40	WIB	Holistic Community Safety	ADD: GPF investment in Workforce Investment Strategies & Programs to leverage additional support	\$ -	\$ -	\$ 200,000	\$ 200,000	<i>Ongoing funds to WIB for service providers and employee training and placement</i>
Subtotal of Additional GPF Investments				\$ 2,606,104	\$ 3,608,445	\$ 2,755,826	\$ 8,970,375	
Surplus (Deficit) after modifications				\$ 1,547,145	\$ (1,547,145)	\$ -	\$ -	

NON-GENERAL PURPOSE FUND ADJUSTMENTS

Item #	Dept	Purpose	Description	FY 2015 - 16	FY 2016 - 17	One-Time	Totals	Notes
1	OPD	Holistic Community Safety	ADD: Funding for Crossing Guards at schools with most significant pedestrian safety and traffic, safety problems	\$ 200,000	\$ 200,000	\$ -	\$ 400,000	Funded using Traffic Safety Fund Balance (one-time funds)
2	OPW	Vibrant Sustainable Infrastructure	Alternative CIP Plan - --Reduce allocations fro non-paving projects and reprogram funds for paving projects	\$ -	\$ (1,950,000)	\$ -	\$ (1,950,000)	See detail in Budget Q&A batch 4; p.23, With 2 excptions 1) Maintain traffic calming and 2) Maintain school area pedestrian safety. These savings must be re-directed to street repaving. Paving projects include pothole blitz overtime; pothole/seam sealing; road repairs and miscellaneous paving projects.
3	OPW	Vibrant Sustainable Infrastructure	Reduce Department of Transportation increase and reprogram to paving projects	\$ (250,000)	\$ (500,000)	\$ -	\$ (750,000)	The \$250,000/\$500,000 reduction in non-GPF (BB) funds for Dept. of Transportation should say in the notes section that these BB funds shall be re-programmed into streets and road repaving.
4	OPW	Vibrant Sustainable Infrastructure	ADD to amount of work on pothole blitz with overtime	\$ 50,000	\$ 50,000	\$ -	\$ 100,000	
5	OPW	Vibrant Sustainable Infrastructure	ADD pothole/seam sealing crew	\$ 462,000	\$ 462,000	\$ -	\$ 924,000	
6	OPW	Vibrant Sustainable Infrastructure	ADD road repairs (seam sealing) weekends OT	\$ 30,000	\$ 30,000	\$ -	\$ 60,000	
7	OPW	Vibrant Sustainable Infrastructure	ADD funds for paving projects	\$ -	\$ 1,616,000	\$ -	\$ 1,616,000	
8	OPW	Vibrant Sustainable Infrastructure	ADD Front-load revolving fund for sidewalk repair which then bill private property owner	\$ -	\$ -	\$ 400,000	\$ 400,000	Use CIP Fund Balance using carryforward funds for cash flow purpose
9	OPW	Improve Quality of Life	UNFREEZE: (3) Positions in Fund 1720 for illegal dumping and to conduct litter abatement throughout the City through the Keep Oakland Clean and Beautiful Program	\$ 347,434	\$ 351,353	\$ -	\$ 698,787	Funded using Comprehensive Clean-up Fund Balance (1720)
10	OPW	Improve Quality of Life	HVAC Improvements to City-owned facility OACC	\$ -	\$ -	\$ 100,000	\$ 100,000	Use Central District Bond Funds (5612)
11	OCA	Protect Vulnerable	ADD BACK: (1) Paralegal in Rent Adjustment Program	\$ 122,898	\$ 125,878	\$ -	\$ 248,776	Funded using Rent Adjustment Program Fund Balance (2413)
12	DHS	Protect Vulnerable	ADD: Provide admin grant for Meals-on-Wheels	\$ -	\$ -	\$ 50,000	\$ 50,000	Funded using CDBG Fund (2108)

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2015-2017 Policy Directives

Proposed by Council President Lynette Gibson McElhaney,
Councilmembers Dan Kalb and Annie Campbell Washington,
and Vice Mayor Rebecca Kaplan

1. Tracking Budget Implementation:

Require a quarterly budget implementation tracking report with a line-item matrix to come to the Finance & Management Committee. This report should commence in **September 2015** and end only when agreed upon by the Committee or when all items have been implemented.

2. Code Enforcement:

This department is critical to the health and safety of our tenants, the quality of life in our neighborhoods, and the safety of all residents. This entity of the Department of Building and Planning was provided 4 FTE's in the 2013-2015 budget, however, performance levels and revenues from fines have decreased over the last two years. According to Budget Question #14, fines and penalties collected by Code Enforcement have decreased significantly, though blight is worsening. It is unclear how many Notices of Violation have been sent, if inspections are scheduled for follow up after issues are reported, and whether fines are collected or issues are ever abated.

2A. City Administration will assist the Code Enforcement Office to develop administrative systems to streamline reporting, noticing, re-inspection, and fine collection. Such systems will send a clear message to property owners, who are responsible to keep their properties safe and blight-free. An informational report on these changes should be provided during the Quarterly Report of the Code Enforcement Office to the Public Works Committee.*

2B. City Administration will bring a staff report with policy options for moving the Code Enforcement Office into the City Attorney's Office.

*(*Beginning October 2015, Code Enforcement will provide quarterly reports to the Community and Economic Development Committee, as approved by the Rules Committee in June 2015.)*

3. City-Wide "Paper Form Free" Policy:

In 2016, the City Council seeks an updated management plan from the City Administrator on her plan to maximize efficiency, reduce redundancies, and enhance customer service in every City agency. The Council believes that the inefficiencies can be reduced through the elimination of paper forms for simple transactions that our businesses and residents must make with the City of Oakland. Internally, the City relies on paper forms for many processes, including payroll. The City Administration will bring an informational report to the Finance Committee by **March 2016** with proposed changes and will work with Council offices to promote new and

improved City services to their constituents.

4. Increasing Transparency and Access for City Council Agenda Material:
This Directive would require that the agenda filing system to be paperless and entirely electronic, so that filed reports must be machine readable (example: native PDFs), and that the Legistar search capacity be changed to go beyond simply the current title searches, permitting searches of agenda report contents. The goal is to have this effective as of **January 1, 2016** with an informational report to Finance and Management in **October 2015**.
5. Increasing Transparency and Access for Boards and Commissions:
This Directive would require that City bodies (including Commissions and Advisory Boards) to post their agendas and materials online and permanently archive those materials online. Additionally, persons interested in joining agenda distribution lists can make such requests electronically (e-mail rather than hardcopy, unless specifically requested). This Directive shall be effective **June 2016**.
6. Master Fee Schedule noticing:
Master Fee Schedule must be noticed at least one month prior to consideration at committee, AND be presented to Council for adoption in March of each year when there are proposed changes. (This gives the Council more time to consider fees prior to budget adoption.)
7. Addressing Gaps in Revenue Collection:
City Councilmembers have expressed concerns at many meetings about the lack of collections, particularly in Business License Tax and Rental Property Tax, and the lack of tracking systems to monitor this revenue. The City Administration will evaluate these concerns in their Quarterly Revenue and Expenditure Reports at the Finance and Management Committee, including but not limited to specific, department level information on revenue tracking systems, revenue projections and actuals by department, etc.
8. Citywide delinquent revenue collections:
 - 8A. Require all departments and bureaus that do not have a Council-approved delinquent revenue collections program shall refer all delinquent revenues to Revenue Management Bureau after 120 days. Effective as soon as possible.
 - 8B. The Administration shall provide an informational report to Council about prompt implementation of this centralized delinquent revenue tracking and collection program, beginning **October 2015**.
9. Fine/fee waiver policies:
All departments, divisions, bureaus, etc. in the City of Oakland who have fine or fee waiver policies must post such policies online as a permanent City practice. All City waivers, reductions, refunds, or reversal of issued fines/fees must be documented in writing in records maintained by the

appropriate Department, which shall issue a report about them semi-annually to the City Administrator. Effective as soon as possible.

10. Restore KTOP/Public Access to the Office of the City Clerk:
To enhance efficiency and Brown Act Compliance, the City Administrator will realign KTOP under the Office of the City Clerk, and return to City Council with a report on the progress of this no later than **January 2016**.
11. Transparency & Accountability recommendations of Budget Advisory Committee:
City Administration must follow up on Transparency & Accountability recommendations from Budget Advisory Committee and report back to Council during FY 15-16 on plans for implementation or reasons why a particular recommendation should not be implemented.
12. Implement Text-To-911:
Text capabilities provide residents an additional way by which to report emergencies. The Oakland Police Department will bring a report to Public Safety Committee in **October 2015** with:
 - A thorough description of text features, needed staff training, and analysis of how it changes responsibilities for dispatch personnel
 - Potential options for implementation with costs
 - An implementation plan with timeline for such potential options
13. Process Improvement for Small Grants
City Administration will work with Cultural Arts Department, the City Attorney's Office, Risk Management, and Contract Compliance to determine new methods for processing Cultural Arts and other small grant programs, such as reducing demands unnecessary for such grants and re-creating grant management processes that are online and paperless in order to maximize efficiency. The City Administration will provide an informational report on the changes by **January 2016**.
14. Tree services, maintenance, and plantings:
In **September 2016**, Staff will report to the Public Works Committee about the City of Oakland's Cal Fire Grant Application, including background information about existing and needed tree services, proposed use of grant funds, and status of grant application. (Grant applicants are expected to be notified in July 2015)
15. Protecting Permitted Cannabis Facilities:
Impose a ban on the use of City resources from being used to raid or assist in raids of permitted cannabis facilities. When the Federal government raided Oakland-permitted dispensaries, including Oaksterdam facilities, OPD was asked (at the last minute) to provide numerous additional police officers to help with the raid and the related logistics. This diverted crucial law

enforcement resources away from vital safety needs. This should not be allowed to happen again.

16. Regulation and Taxation of Medical Cannabis Production, as approved by voters in 2010:

Implement the system for taxing and regulating medical cannabis production, included in mid-cycle adjustment. This implements a tax which has already been authorized by Oakland voters (Measure V of 2010), and is already on the books, (which is 5% of gross receipts). It requires an implementation system and management by the City Administrator's office. The goal is to create that system during the first year, and incorporate the revenue in the second year of the budget.

17. Increasing Retention and Enhancing Recruitment for the Oakland Police Department:

The City Administrator will send an informational memo in September 2015 on the formation of the Ad-Hoc Committee on Police Recruitment (*as approved in April 2015*).