



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Jestin D. Johnson
City Administrator

SUBJECT: SUPPLEMENTAL – City Auditor’s
Report Of Measure Q Performance
Audit

DATE: February 29, 2024

City Administrator Approval

Date:

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report Of Measure Q Performance Audit: Budget Transparency, Performance Management, And Stronger Oversight Needed To Ensure Oaklanders Benefit From The 2020 Parks And Recreation Preservation, Litter Reduction, And Homelessness Support Act.

REASON FOR SUPPLEMENTAL

On December 21, 2023, the Office of the City Auditor issued a [performance audit](#) of the 2020 Oakland Parks and Recreation Preservation, Litter Reduction, & Homelessness Support Act (the Act), which was approved by Oakland voters as Measure Q in March 2020 ([Resolution No. 87919 CMS](#)) and requires an audit be performed by the City Auditor every two years. The goals of the performance audit were to assess the oversight of Measure Q funds, affirm whether the City has appropriated and spent Measure Q funds in accordance with the requirements of the Act, and if this has positively improved the condition of City parks. The audit report provides 16 recommendations to improve budgeting for Measure Q funds, create outcomes-based performance measures for park conditions and homelessness services around parks, and strengthen oversight of Measure Q-funded programs.

In response to the audit report, the City Administrator’s Office prepared a Recommendation Implementation Plan (**Attachment A**) in coordination with Oakland Public Works (OPW), the Human Services Department (HSD) and Finance Department. The Implementation Plan includes management’s response and the actions that will be taken to address each recommendation, as well as the responsible department and target completion date. The City Administrator’s Office looks forward to working closely with the departments to execute the Implementation Plan and continue to improve the performance, budgeting and oversight of Measure Q funds.

Jestin D. Johnson, City Administrator

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ACTION REQUESTED OF THE CITY COUNCIL

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For questions regarding this report, please contact Betsy Lake, Assistant City Administrator or LaTonda Simmons, Assistant City Administrator at (510) 238-3302.

Respectfully submitted,

JESTIN D. JOHNSON
City Administrator



Budget Transparency, Performance Management, and Stronger Oversight Needed to Ensure Oaklanders Receive Full Benefits from the 2020 Parks and Recreation Preservation, Litter Reduction, and Homelessness Support Act | City Administration’s Recommendation Implementation Plan

Recommendation	City Auditor’s Recommendations	Management Action Plan	Responsible Party	Target Date for Completion
1	To prevent misallocated carryforwards, we recommend the Budget Bureau create a procedure to reconcile the appropriations with encumbrances and actuals once the fiscal year is closed. The procedure should check that the carryforwards are not greater than the balance of appropriations and encumbrances plus actuals, so that the carryforwards do not skew categorical spending allocations. The Budget Bureau should cross reference this procedure with the appropriate budget policies.	Management agrees with recommendation and has modified its procedures to ensure accuracy in the carryforward appropriations.	Finance Department	Completed
2	We recommend the City Administrator develop and propose to the City Council for its consideration, a policy for establishing future maintenance of effort thresholds that are simple, easy to interpret, and represent minimum service levels from base levels.	Management partially agrees. The Finance Department will develop a policy for City Administrator signature that provides guidance to Council on maintenance of effort (MOE) thresholds, guidelines on the calculation of MOE, outlines requirements for City special tax programs, including baseline, measurement assessment and annual reporting to Council.	City Administrator’s Office /Finance Department	By March 2025, prior to next election cycle
3	To ensure consistency in interpretation and application, we recommend the Budget Bureau document its methodology for calculating the maintenance of efforts for Measure Q.	Management partially agrees; the maintenance of effort (MOE) language is codified in the Measure. Legal interpretation is exercised by the Office of City Attorney, and the Finance Department, Budget Bureau publishes the	Finance Department	Completed



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		methodology used to calculate the MOE in the Adopted Budget Book.		
4	For future special tax programs, we recommend the Budget Bureau create a maintenance of effort methodology and guidelines prior to developing the measures’ first budgets.	See response to Item 2 above.	Finance Department	See response to Item 2 above.
5	We recommend the Budget Bureau adjust its budgeting for costs associated with administering the Measure Q ballot measure to reflect the County’s collection fee amount of 1.7 percent of revenue.	Management agrees; the Finance Department, Budget Bureau will update the County collection fee to reflect its accurate cost in the budget exercise.	Finance Department	Completed, Budget adjustment/ transfer added to administrative project.
6	To track the effectiveness of Measure Q funds in reaching voter-approved objectives, we recommend the City Administrator’s Office, in conjunction with the Public Works and Human Services departments, at a minimum, set a baseline for parks maintenance conditions and the number of people experiencing homelessness in or adjacent to City parks for measurement going forward.	Management agrees. To support tracking effectiveness of Measure Q funds in meeting voter-approved objectives, subject to budget availability, Oakland Public Works will issue a Request for Proposals (RFP) for a consultant to complete a comprehensive assessment of City parks and parks maintenance. As part of this assessment, the consultant will be tasked with recommending an established baseline for parks maintenance conditions, including the number of people experiencing homelessness in or adjacent to City parks.	Oakland Public Works and Human Services Department	Staff anticipate the selected consultant’s work will commence by Summer of 2024



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7	We recommend the City Administrator’s Office identify baseline performance related to objectives of City special tax programs and establish outcome measures to periodically report to the City Council.	See response to Item 2 above.	Finance Department	See response to Item 2 above.
8	We recommend the Public Works Department develop outcomes-based park condition standards for all City parks and use those standards to inform its routine maintenance schedule based on the condition standards and what condition levels it can achieve.	Management agrees. As part of the assessment described in item 5, The assessment will also include an analysis of the current achievability of baseline standard conditions, (i.e., can those conditions be met, not met, or improved upon with existing resources), and identify additional needs, as applicable.	Oakland Public Works	This effort is a key component of the Park Assessment commencing Summer of 2024.
9	We recommend the Public Works Department implement an annual parks condition assessment informed by park condition standards, and report on that annually to the Parks and Recreation Advisory Commission.	Management agrees. As part of the assessment described in item 5, OPW will also develop an implementation and monitoring program with achievable milestones. This will include an annual assessment that will be reported to the Parks and Recreation Advisory Commission (PRAC).	Oakland Public Works	This effort is a key component of the Park Assessment commencing Summer of 2024.
10	We recommend the Human Services Department, in conjunction with the City Administrator’s Homelessness Division, develop performance measures, with an emphasis on reducing the number of people experiencing homelessness in	Management partially agrees. The City Administrator’s Office will work with Oakland Public Works, Human Services Department and Oakland Police Department to implement and enforce a	City Administrator’s Office, Human Services Department with	June 2024. The CAO in collaboration with OPW, will include a budget



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	<p>or adjacent to City parks, and report on those measures to the Commission on Homelessness.</p>	<p>“no re-encampment policy” in City parks. To support this policy, the City Administrator and the other Departments will expand the Encampment Management Team to create another team that includes public outreach staff, a small illegal dumping removal team, and Police resources, to ensure compliance with the Encampment Management Policy if a park closed within the last 6 months is re-encamped so that people are removed within 72 hours, subject to availability of funding, shelter beds and in compliance with the law.</p>	<p>Oakland Public Works support.</p>	<p>request in the proposed fiscal year 2024-25 Midcycle budget.</p>
<p>11</p>	<p>We recommend the Public Works Department assign staff to report on the progress of stormwater quality projects funded by Measure Q to the Parks and Recreation Advisory Commission.</p>	<p>Management agrees. The Assistant Director of OPW’s Bureau of Design and Construction, or their designee, will provide regular progress reports on stormwater quality projects funded by Measure Q to the Parks and Recreation Advisory Commission (PRAC).</p>	<p>Oakland Public Works</p>	<p>Progress reports on the stormwater quality projects to PRAC will commence March 2024.</p>
<p>12</p>	<p>We recommend the City Administrator’s Office periodically evaluate and report on special tax programs’ ongoing performance and outcome measures against baseline performance.</p>	<p>See response to Item 2 above.</p>	<p>City Administrator’s Office</p>	<p>See response to Item 2 above.</p>



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13	To facilitate citizen oversight of homelessness efforts, we recommend the City Administrator’s Office bring regular operational and expenditure reports to the Commission on Homelessness, and that the Commission establish a regular agenda item for this purpose.	Management agrees. CAO staff will work with the Commission on Homelessness to agendize these reports as a recurring item, and to affirm the specific data sets and information to be included in each report.	City Administrator’s Office	Summer 2024.
14	We recommend the Commission on Homelessness fulfill its statutory obligation by publishing an annual report, pursuant to Oakland Municipal Code Section 4.56.060, including a section on Measure Q.	This recommendation is directed to a commission rather than an Administrative body, the City Administrator will coordinate with the Chair and recommend agendizing at a future Commission meeting.	City Administrator’s Office	December 2024
15	We recommend the City spend its budget allocation for an annual audit of Measure Q funds collected and expended, as required by California Government Code sections 50071.1 and 50075.3.	Management agrees. The Finance Department, Controllers Bureau will add Measure Q to the scope of the independent auditor’s contract to include Measure Q in the annual audit, beginning in 2025.	Finance Department	January 2025
16	We recommend that for future special tax programs, the City Administrator’s Office initiate a best practice policy requiring an annual report on revenues, expenditures, and the status of open projects, to make sure that the City satisfies California Government Code sections 50075.1 and 50075.3.	See response to Item 2 above.	Finance Department	See response to Item 2 above.