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City of Oakland Meeting Minutes

*Finance & Management Committee

Office of the City Clerk
Oakland City Hall
1 Frank H. Ogawa Plaza
Oakland, California 94612
LaTonda Simmons, City Clerk

Oakland City Hall, 1 Frank H. Ogawa Plaza, Oakland, California 94612

City of Oakland Website: <http://www.oaklandnet.com>

Tuesday, July 22, 2014

9:30 AM

Sgt. Mark Dunakin Room - 1st Floor

Roll Call / Call To Order

Councilmember Present: 4 - Member Brooks, President Pro Tempore Kaplan, Council President Kernighan and Chair Schaaf
The Oakland City Council Finance And Management Committee convened at 9:34 a.m, with Councilmember Schaaf presiding as Chairperson.

COMMITTEE MEMBERSHIP:

Desley Brooks, District 6; President Pro Tempore Rebecca Kaplan, At-Large; Council President Patricia Kernighan, District 2; Chairperson: Libby Schaaf, District 4

1 Approval Of The Draft Minutes From The Committee Meeting Held On July 8, 2014

A motion was made by President Pro Tempore Kaplan, seconded by Council President Kernighan, to * Approve as Submitted. The motion carried by the following vote:

Votes: Councilmember Aye: Member Brooks, President Pro Tempore Kaplan, Council President Kernighan and Chair Schaaf

2 Determination Of Schedule Of Outstanding Committee Items

A motion was made by Council President Kernighan, seconded by President Pro Tempore Kaplan, to * Approve as Submitted. The motion carried by the following vote:

Votes: Councilmember Aye: Member Brooks, President Pro Tempore Kaplan, Council President Kernighan and Chair Schaaf

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3 Subject: State and Federal Budget Status Report
From: Office Of The City Administrator
Recommendation: Receive An Informational Report Regarding The Status Of The State And
Federal Budget Development And Its Potential Impacts On The City Of Oakland [TITLE
CHANGE]
[09-0439-64](#)

**A motion was made by President Pro Tempore Kaplan, seconded by
Council President Kernighan, that this matter be * Received and Filed.**

The motion carried by the following vote:

Votes: Councilmember Aye: Member Brooks, President Pro Tempore Kaplan, Council
President Kernighan and Chair Schaaf
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4 Subject: Rainy Day Fund & Excess RETT Policy
From: Office Of The City Administrator
Recommendation: Receive A Report And Adopt Recommendations On Establishing A Rainy Day Fund And Changing The Definition Of Excess Real Estate Transfer Tax, And Related Amendments To The City's Financial Policies
[13-0614-1](#)

A motion was made by Chair Schaaf, seconded by Council President Kernighan, that this matter be * Approve as Amended the Recommendation of Staff, and Forward to the * Special Meeting of the Oakland City Council, due back on July 29, 2014 There were 4 speakers on this item The motion carried by the following vote:

Votes: Councilmember Aye: Member Brooks, President Pro Tempore Kaplan, Council President Kernighan and Chair Schaaf

The Committee directed staff to draft an Ordinance amending Ordinance No. 13170 and establishing a Rainy Day Policy for Funding Debt and Unfunded Liabilities, as well as funding a newly established Vital Services Stabilization Reserve, with the following features:

1. *Amend the definition of Excess RETT to the amount exceeding fourteen percent (14%) of that year's general tax revenues.*
2. *Add the creation of a new Rainy Day Policy with the following features:*
 - a. *When projected Real Estate Transfer Tax (RETT) exceeds fourteen percent (14%) of projected total general tax revenues, twenty-five percent of that Excess RETT shall be allocated through the budget process: half to a newly established Vital Services Stabilization Reserve and half to pay down debt or unfunded liabilities.*
 - b. *Fifty percent (50%) of any unallocated General Fund balance, as projected by the 3rd Quarter Revenue and Expenditure Report shall be allocated in the following budget as follows: half to the Vital Services Stabilization Reserve and half to pay down debt or unfunded liabilities.*
 - c. *With regard to allocating funds to pay down debt or unfunded liabilities, which shall be clearly defined, as part of the budget process, staff shall present its analysis and recommendations to the Council that it believes are in the best long-term financial interest of the city.*
 - d. *Funding the Vital Services Stabilization Reserve may be reduced once it has accumulated a balance that exceeds 15% of general fund revenues.*
 - e. *In years when the city projects that total General Purpose Fund revenues for the upcoming fiscal year will be less than the current year's revenues, or anytime service reductions (such as layoffs or furloughs) are contemplated, use of this fund must be considered to mitigate such cuts, and the adopted budget may appropriate funds from the Vital Services Stabilization Reserve to preserve city operations; however, the budget may not appropriate more than sixty percent of the reserve balance in any year.*
 - f. *Any deviations from this policy, including the need to address unusual and temporary increases in baseline expenditures, must be made by Resolution*

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requiring a minimum of 6 votes. The Resolution must include (1) a statement explaining the necessity for the deviation and (2) a plan for replenishing the reserve.

Bring back recommendations for maintaining and/or investing the Vital Services Stabilization Reserve, other relevant policies such as repayment of negative fund balances, and alternatives for paragraph 2b above.

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- 5 Subject: Extend Contract With GRM
From: Office Of The City Clerk
Recommendation: Adopt A Resolution Authorizing The City Administrator To: 1) Extend The Contract With GRM Information Management Services For Records And Information Management Services On A Month To Month Basis Until Execution Of A New Contract And The City's Records Inventory Is Transferred To The New Records Management Contractor For A Period No Later Than March 31,2015 In An Amount Not To Exceed \$162,500.00; And 2) Waive The Advertising And Request For Proposals/Qualifications (RFP/Q) Process For The Agreement Extension With Current Contractor GRM Information Management Services; And 3) Proceed With Contract Negotiations And Return To Council Within 90 Days To Award Contract For Records And Information Management Services
[13-0729](#)

*** Approve the Recommendation of Staff, and Forward to * Special Meeting of the Oakland City Council on 7/29/2014**

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Open Forum (TOTAL TIME AVAILABLE: 15 MINUTES)

Adjournment

There being no further business, and upon the motion duly made, the Oakland City Council Finance And Management Committee adjourned the meeting at 10:36 a.m.

- * In the event of a quorum of the City Council participates on this Committee, the meeting is noticed as a Special Meeting of the City Council; however no final City Council action can be taken.

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MATERIALS RELATED TO ITEMS ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKETS MAY BE VIEWED IN THE OFFICE OF THE CITY CLERK, 1 FRANK H. OGAWA PLAZA, 1ST AND 2ND FLOOR, OAKLAND, CA 94612 FROM 8:30 A.M. TO 5:00 P.M.

City Clerk and Clerk of the Council