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CITY OF OAKLAND



ONE FRANK OGAWA PLAZA • 2ND FLOOR • OAKLAND, CALIFORNIA 94612

Council President Ignacio De La Fuente
City Council Member, District 5

(510) 238-7005
FAX:(510) 238-6129
TTY/TDD:(510) 839-6451

October 23, 2008

HONORABLE CITY COUNCIL
CITY OF OAKLAND

Re: AN ORDINANCE AUTHORIZING TRANSFER OF FUNDS FROM THE
ELECTION CAMPAIGN FUND TO THE GENERAL FUND

Dear Members of the City Council:

In 1999, the City Council enacted the Limited Public Financing Act and created the Election Campaign Fund (Chapter 3.13 of the Oakland Municipal Code).

On October 21st, 2008, the City Council approved a resolution amending the fiscal year 2008-09 budget deficit. The approved resolution included a one-time transfer of \$226,000 from the Public Campaign Finance Program.

The City of Oakland presently faces a \$42 million budget deficit for fiscal year 2008-09 which has resulted in the elimination of 139 positions and reductions in many programs. A transfer of \$226,000 from the Election Campaign Fund helps to preserve critical services such as community policing, recreation and library services which would otherwise have to be cut from the General Fund budget. The \$226,000 is in excess of the total disbursements and costs needed to implement the Limited Public Financing Act for the 2008 primary and runoff municipal elections.

In July 2003 the City Council suspended Oakland's Limited Public Financing Program for 2004 Elections due to the severe budget crisis during the 2003-2005 fiscal years. This ordinance does not suspend the Limited Public Financing Program.

Respectfully submitted,

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INTRODUCED BY COUNCILMEMBER DE LA FUENTE

DRAFT
City Attorney

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE AUTHORIZING TRANSFER OF FUNDS FROM THE ELECTION CAMPAIGN FUND TO THE GENERAL FUND

WHEREAS, in 1999, the City Council enacted the Limited Public Financing Act and created the Election Campaign Fund (Chapter 3.13 of the Oakland Municipal Code); and

WHEREAS, the City is currently facing a severe budget crisis during the 2008-09 fiscal year including a \$42 million dollar budget deficit and the elimination of 139 positions; and

WHEREAS, a transfer of funds from the Election Campaign Fund helps to preserve critical services such as Community Policing, Recreation Programs and Library services which would otherwise have to be cut from the General Fund budget; and

WHEREAS, the City Council wishes to transfer funds from the Election Campaign Fund, beyond those disbursements and costs necessary to implement the Limited Public Financing Act for the 2008 primary and runoff municipal elections; and

WHEREAS, on October 21st, 2008, the City Council approved a resolution amending the 2008-09 fiscal year budget deficit and the approved resolution included a one-time transfer of funds from the Public Campaign Finance program; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this ordinance.

SECTION 2. The Oakland Municipal Code is hereby amended as set forth below, additions are indicated by underscoring and deletions are indicated by ~~strike-through type~~; portions of ordinances not cited or not shown in underscoring or strike-through type are not changed:

3.13.050 Election campaign fund.

There is established an account within a special revenue fund of the city to be known as the "election campaign fund."

3.13.060 Appropriation of funds.

A. The City Council shall appropriate to the election campaign fund, under the city's current two-year budget cycle, an amount sufficient to fund all candidates eligible to receive limited matching funds for the following city offices: District City Councilmembers and School Board Director. Notwithstanding this or any other provision of law, this Act shall not apply to the elected office of School Board Director until the first election after the Oakland Unified School District regains all of its rights, duties and powers upon the completion of the conditions set forth in 2003 Cal. Stats., Chapter 14, Section 5(e).

B. The Public Ethics Commission shall provide in the form and at the time directed by the Mayor and City Manager a written estimate of the amount necessary to be appropriated for any two-year budget cycle according to the provisions of this Act for all eligible candidates. The amount of funds to be allocated to the election campaign fund shall be based on a consideration of anticipated campaign activity, anticipated administrative costs, and existing unspent funds within the account. The amount of funds to be allocated to the election campaign fund shall not exceed four hundred sixty thousand dollars (\$460,000.00) for any two-year budget cycle, except that the allocation may exceed four hundred sixty thousand dollars (\$460,000.00) to reflect changes in the consumer price index. The Public Ethics Commission may limit the allocation of funds for any primary election to assure that sufficient funds remain available for the general election.

C. The election campaign fund shall be established as an interest bearing account. Unspent funds in the election campaign fund at the end of a two-year budget cycle shall remain in the fund and accrue for disbursement to candidates eligible for matching funds in future elections and for administrative costs pursuant to subsection D of this section. In no event shall additional allocations to the fund be made to cause the available balance in the fund to exceed five hundred thousand dollars (\$500,000.00), to include allocations made to the Public Ethics Commission pursuant to subsection D of this section.

D. Up to 7.5 percent of the amount allocated to the election campaign fund pursuant to subsections A and B of this section may be utilized by the Public Ethics Commission to cover the anticipated cost of administering the provisions of this Act. The Public Ethics Commission shall make a sufficient proportion of such funds available to the City Auditor to conduct compliance reviews as provided in Section 3.13.100.

3.13.290 Transfer of funds to general fund

Notwithstanding any other ordinance, for the fiscal year 2008-2009, \$226,000 of the election campaign fund shall be transferred to the City's General Fund.

SECTION 3. Severability. If any article, section, subsection sentence, clause or phrase of this ordinance or exhibit is held to be invalid or unconstitutional, the offending portion shall be severed and shall not affect the validity of remaining portions which shall remain in full force and effect.

SECTION 4. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the
Council of the City of Oakland, California

DATE OF ATTESTATION: _____