

CITY AUDITOR’S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE CC

Measure CC is a Charter Amendment to provide the Oakland Public Ethics Commission (PEC) with greater independence, enforcement authority, responsibilities and to establish a minimum staffing level.

The PEC was formed in 1996 with the goal of ensuring “fairness, openness, honesty, and integrity” in City government. However, it has been noted that the PEC currently has insufficient resources and authority to adequately fulfill its mission of administering and enforcing campaign finance, lobbying, transparency, and governmental ethics laws.

Financial Impact

There are two main costs to the City of Oakland (City) that will result from Measure CC passing: 1) staffing costs, and 2) operations & maintenance (O&M) costs.

Measure CC increases the current PEC staffing level from 2 Full Time Employees (FTEs) to a minimum staffing level of 6 FTEs, effective July 1, 2015. However, the Measure also includes a provision that allows the minimum staffing level to be suspended for one to two years if the City Council declares, by resolution, an extreme fiscal necessity.

Passing this Measure will cost the City an additional \$487,697 to \$519,866 annually, as detailed below.

Cost Component	Current FY 2014-15 Budget (2 FTEs)	Additional Measure CC Costs per FY (+4 FTEs) ^A	Total Annual Cost (6 FTEs)
Staffing	\$302,666	\$451,697 to \$483,866	\$754,363 to \$786,532
O&M	\$60,300	\$36,000 ^B	\$96,300
Total	\$362,966	\$487,697 to \$519,866	\$850,663 to \$882,832

^A Staffing cost based on FY 2014-15 staff salaries and benefit rates
^B The original estimated O&M costs were adjusted by the Auditor to reflect the approved addition of four FTEs

Additionally, there are two potential, financial impacts that cannot be quantified at this time, but are noted below:

- Staff salaries and benefit rates may increase over time which would increase the cost to the City
- Fines levied by the PEC for ethics-related violations may generate some revenue for the City

Based on our analysis of the data provided by City staff, the estimated costs appear accurate. This analysis relied on the best data available at the time; however, actual results may vary from these estimates.

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