



Jenny Wong
Berkeley City Auditor

July 29, 2022

Asha Reed, Interim City Clerk
1 Frank H. Ogawa Plaza
Oakland, CA 94612

RE: FINANCIAL ANALYSIS OF OAKLAND'S GOOD GOVERNANCE CHARTER REFORM MEASURE

Dear Interim City Clerk Reed:

I am pleased to submit an impartial analysis of the "Good Governance Charter Reform" measure. If passed, this measure would amend the City Charter to establish term limits for councilmembers, revise council meeting procedures for ballot measures and the Mayor's tie-breaking votes, and authorize the Public Ethics Commission to set the salaries of the City Attorney and City Auditor, as well as change the formula for determining councilmember salaries. Additionally, this measure would clarify the duties of the City Auditor and set minimum staffing levels for the office.

The Berkeley City Auditor's Office prepared this analysis in accordance with Municipal Code Section 3.08.210, which requires the Oakland Office of the City Auditor to prepare an impartial financial analysis of each measure qualifying for ballot placement. This measure includes language related to staffing and vacancies in the office of the Oakland City Auditor. To avoid a conflict of interest, the Oakland City Auditor Courtney Ruby requested my office prepare this independent analysis.

If you have any questions, please contact me at 510-981-6750.

Sincerely,

Jenny Wong
Berkeley City Auditor

BERKELEY CITY AUDITOR’S IMPARTIAL FINANCIAL ANALYSIS OF THE GOOD GOVERNANCE CHARTER REFORM BALLOT MEASURE

If passed by more than fifty percent of the voters, the Measure would amend the City Charter to establish term limits for councilmembers, require a minimum of two council hearings before certain council-proposed ballot measures for placement on the ballot, and count councilmember abstentions and absences as a no vote on council motions, resolutions, and ordinances to determine whether the Mayor is eligible to cast a tie-breaking vote. Further, the Measure would change the formula for the Public Ethics Commission (PEC) to set councilmember salaries, authorize the PEC to set the salaries of the City Auditor and City Attorney, and clarify the duties of and provide minimum staffing for the City Auditor.

Financial Impact

This Measure will cost the City an estimated additional \$858,199 annually in staffing costs, as detailed in the tables below.

The staffing level in the Auditor’s office will increase from 11 Full Time Employees (FTEs) to a minimum staffing level of 14 FTEs, effective July 2023. City Council may suspend the minimum staffing level for a fiscal year or two-year budget cycle, in the event of extreme fiscal necessity.

Cost Component	Current FY 2023 Budget (11 FTEs)	Estimated Additional Annual Cost (+3 FTEs)^A
Staffing	\$2,568,489	\$638,229

^A Estimate is based on FY 2023 staff salaries and benefit rates.

The measure will authorize the PEC to set the salary of the City Attorney and the City Auditor annually. These salaries may not be reduced during their terms of office, except as part of a general reduction of salaries for all officers and employees. The estimated additional annual costs in the table below are based on an assessment of salaries within both departments, salaries of department heads within the City of Oakland, and salaries of comparable positions in California cities.

Cost Component	Current FY 2023 Salary and Benefits	Estimated Additional Annual Costs (Salary and Benefits)
City Attorney	\$420,637	\$120,145
City Auditor	\$332,471	\$99,826

Limits to this financial analysis are noted below:

- Staff salaries and benefit rates may increase over time which would increase the cost to the City.
- The PEC is authorized to set the salaries for the City Auditor and the City Attorney. As such, the PEC’s methodology may vary from our estimates.
- Should a vacancy occur in the Office of the City Auditor at a time that cannot be consolidated with a municipal or statewide election, a special election may be held. As of July 2022, the County of Alameda Registrar of Voters’ costs for special elections range from \$9 to \$11 per registered voter for vote-by-mail to \$19 to \$21 per registered voter for in-person voting.

Our independent analysis represents the best information available at the time. Actual costs may vary from these estimates.

s/JENNY WONG
Berkeley City Auditor