



Fees Up, Services Down in Dellums' Budget

Oakland mayor Ron Dellums submitted his first budget this month. Despite his reputation as a progressive and a change agent, the budget continues the pattern of City Hall finances – taking more money from residents while delivering less service.

Unable to increase taxes right away, the mayor proposes to raise a host of fees charged by the City for permits, licenses, documents and uses of public facilities:

Some Fee Increases in Dellums Budget

Reserve picnic table in a park for a day:	from \$10 to \$50
Dog license, required by City code (two years):	from \$120 to \$150
Pet shop or animal hospital permit:	from \$200 to \$400 per year
Fire inspection for child care center (6 kids or less):	from \$33.37 to \$76.11

Those dedicated, enterprising people (usually a woman) who want to provide much-needed child care, who play by the rules and get all the required approvals, must wonder why mayor Dellums more than doubled the fire inspection fee.

Usually progressives encourage the public common good, supporting wide access to parks, but this mayor wants to raise the charge for reserving a picnic table from \$10 to \$50.

The new Master Fee Schedule runs 95 pages! Although the above examples are among the most outlandish, hundreds of fee increases are pegged at two to three times the current inflation rate.

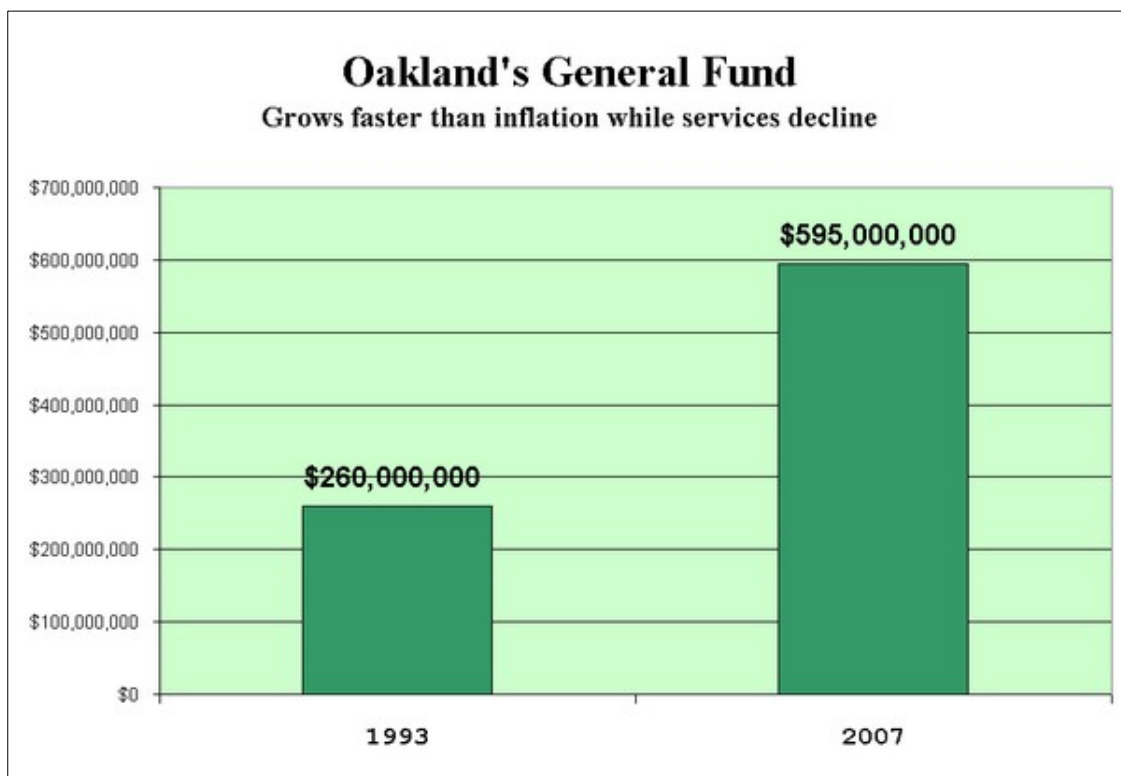
Service cuts

At the same time, City Hall under mayor Dellums is busy cutting back basic services. The city administrator informs the council of the following cutbacks in the budget: "Freezing five vacant positions: one Greenskeeper, one Gardener II, one Gardener Crew Leader and two Electricians ... 93,000 sq. feet of sidewalk replacement ... and 107,000 square feet of tree root pruning will be deferred. ... Seven \$50,000 tree pruning contracts (1 per Council district) and one \$50,000 citywide park tree pruning contract will be deferred." (Memo to council for May 29, 2007 meeting, p. 2) It is not clear

when the tree service reductions would go into effect, this year or next year.

Actual and threatened service cutbacks are part of City Hall's campaign to frighten Oakland voters into approving "LLAD_B02.htm">an increase in the Landscape and Lighting Assessment (LLAD). In language repeated in document after document, City officials assert: "The current assessment rate structure for the LLAD has been in place since its inception in 1993. With the rates held constant, revenues have been flat at about \$17.0 million annually. Meanwhile, personnel, utilities and other costs have steadily increased. During the last budget deliberations, the LLAD incurred shortfalls totaling \$3.0 million in FY 2005-06 and \$4.3 million in FY 2006-07. These funding shortfalls were covered by one-time funding from the General Purpose Fund." (City administrator's transmittal letter with proposed 2007-09 budget, p. 14-15).

There is no "funding shortfall." No law requires that park, tree, and street light maintenance be paid entirely out of the LLAD tax. Until 1989 when the LLAD began, the City provided these basic services out of the general fund, as it should. Certainly, costs have risen – but so have general fund revenues. From the same year that the current LLAD rates began, 1993, look at the increase:



If the general fund had grown with inflation from 1993, it would have only \$372 million, but in fact it has \$595 million to spend. There is plenty of money to pay for what should be the top priorities of city government: bringing the roster of police up to at least 1,100 and maintaining infrastructure like sidewalks, trees, and those parks where the mayor and council are going to price picnic tables out of reach.

Questions on budget for city officials

City officials pretend to practice democracy. Endless meetings are held at which you can provide your "input," which City Hall cheerfully ignores after explaining how you are misinformed. For readers who might wind up at one of the budget meetings held in the next month, here are some pointed questions to ask:

- Councilmembers often tell us that if we want something in the budget, we should identify something else we would give up in order to provide funding. Last December the council added four bureaucrats to its staff at a cost of nearly half a million dollars a year. What did the council give up in return?
- City Hall has a budget director, Jim Smith, but the mayor's office has a budget director, too, Dan Lindheim. Why does Oakland, unlike other cities, need two high-paid managers in charge of the same budget?
- The total budget and the general fund grow every year, as fast or faster than the expense for maintaining parks, street lights, and sidewalk trees. The general fund is available to help pay for these services. So why does the City keep asking for an increase in the Landscape and Lighting Assessment?
- Redevelopment districts take money away from basic services. Property tax receipts above a baseline go to the redevelopment district instead of into the general fund. Considering that we have too few police and other basic services, why did the council put much of Oakland into redevelopment districts over the last few years?
- Measure Y and its additional taxes were sold in 2004 with a promise that we would get 802 police. Two and half years later, we are still dozens of officers below this inadequate target. Oakland has trouble recruiting officers because the City refuses to set a goal of at least 1,100 police, enough to make a difference on our streets. Similarly, the promises of Measure DD around Lake Merritt will never be fulfilled; at most, two-thirds of the projects might get done. Why should we approve any additional tax when the City has such a disappointing record of not delivering the promised results?
- The City gave social agency Youth UpRising a grant of \$1.5 million over five years. When the City claims it has a budget deficit, is this grant open to review, or has Youth UpRising won a five-year exemption from the fiscal discipline imposed on basic services?
- When the City claims it has a budget deficit and must cut services, are any of the grants given to favored developers, such as some \$61 million in subsidies for Phil Tagami's Forest City project, subject to similar tightening of the belt? Or are developers exempt from fiscal discipline?

– May 25, 2007