

**CITY AUDITOR’S IMPARTIAL FINANCIAL ANALYSIS OF PROPOSED ORDINANCE  
CREATING A SPECIAL PARCEL TAX TO INCREASE POLICE PERSONNEL AND ADD A  
DATA MANAGEMENT SYSTEM**

SUMMARY

This measure authorizes the City of Oakland to collect a special tax on parcels in order to fund increased police staffing and to add a data management system. These funds will be used to:

1. Add 35 police officers and 25 police service technicians in each of fiscal years (FY) 2009-10, 2010-11, and 2011-12. The measure also allows the City to use the tax proceeds to fund these additional 105 officers and 75 technicians in subsequent fiscal years. The table below illustrates the total officers and technicians that will be employed each year.

	Police Officers	Technicians
FY 2009-10	35	25
<b>Year 1 Cumulative Total</b>	<b>35</b>	<b>25</b>
FY 2010-11	35	25
<b>Year 2 Cumulative Total</b>	<b>70</b>	<b>50</b>
FY 2011-12	35	25
<b>Year 3 Cumulative Total</b>	<b>105</b>	<b>75</b>

2. Fully staff the criminal investigations unit.
3. Cover costs related to employing additional police officers and police service technicians such as recruitment, training, and administrative costs.
4. Maintain a data management system to gather and analyze crime statistics.

The City cannot collect the special tax unless it employs at least 740 officers. While the Violence Prevention and Public Safety Act of 2004 (Measure Y) or a renewal of Measure Y is in effect, the City cannot collect the tax unless it employs at least 803 officers.

The measure requires an independent annual audit to assure accountability and proper disbursement of the proceeds of the taxes, and an annual evaluation which includes performance standards, the rate of crime reduction achieved, response to crime reports, and community policing.

FINANCIAL IMPACT

The City projects that it needs the following revenues each fiscal year to meet the expenditure requirements of the measure:

FY 2009-10	\$16,892,161
FY 2010-11	\$27,533,559
FY 2011-12	\$41,040,237

Each parcel will be taxed at the rates below.

<u>Parcel</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12 (and subsequent years)</u>
Single Family Residential	\$113.42	\$184.87	\$275.56
Multiple Residential Unit	\$ 77.49	\$126.30	\$188.26
Non-Residential	\$ 58.09	\$ 94.68	\$141.13

For non-residential parcels, the tax is calculated by multiplying a parcel's Single Family Residential Unit Equivalent times the tax rate.

The City cannot impose the higher tax rates to the FY 2010-11 levels unless it employs the additional 35 officers. The City cannot impose the higher tax rates to the FY 2011-12 levels unless it employs the additional 35 officers for a cumulative of 70 officers.

The measure allows the annual tax rate to be increased if City Council determines that an increase has occurred in the cost of living in the San Francisco Bay Area, as shown on the Consumer Price Index (CPI) for the San Francisco Bay Area as published by the U.S. Department of Labor. The increase is limited to the lesser of the increase in the CPI or 7%.

Based on our analysis of the data provided by City staff, the projected revenues, including cost of living increases appear reasonable to support the expenditure requirements. We relied on the best data available at this time, however actual results may vary from our estimates.

s/Courtney A. Ruby, CPA  
City Auditor