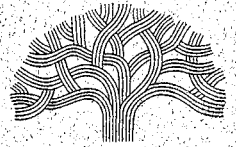


CITY OF OAKLAND



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December 4, 2019

LaTonda Simmons, City Clerk
1 Frank H. Ogawa Plaza
Oakland, CA 94612

RE: Financial Analyses of “Newspaper Requirement” and “Appropriations Limit Increase” Ballot Measures

Dear City Clerk Simmons:

I am pleased to submit our impartial analyses of the “Newspaper Requirement” and “Appropriations Limit Increase” ballot measures. The first measure amends the City Charter to eliminate obsolete requirements for designating the City’s official newspaper and for the City Council to establish, by ordinance, requirements for designating the City’s official newspaper(s). The second measure increases the City’s appropriation limit.

The Office of the City Auditor prepared this analysis in accordance with Municipal Code Section 3.08.210, which requires the Office to prepare an impartial financial analysis of each ballot measure qualifying for ballot placement.

If you have any questions, please contact Mike Edmonds, Assistant City Auditor at 510-238-7609.

Sincerely,

Courtney A. Ruby, CPA, CFE
City Auditor

Summary

This measure would authorize the City to continue spending the proceeds of voter-approved City taxes, including Measure M (Emergency Medical Services), Measure N (Paramedic Services), Measure Q (Library Services), Measure C (Hotel Tax), Measure Z (Public Safety and Violence Prevention Services), Measure HH (Sugar Sweetened Beverages), Measure D (Public Libraries Preservation), Measure W (Vacant Properties), as well as other taxes received by the City such as, Property Tax, State Tax, Business License Tax, Utility Consumption Tax, Real Estate Transfer Tax, Transient Occupancy Tax, and the Parking Tax.

In 1979, California voters approved Proposition 4, which added Article XIII B to the State Constitution and requires local governments, including the City of Oakland, to adopt an annual appropriations limit (the amount of tax revenues the City may spend in a fiscal year). This limit, referred to as the “Gann Limit,” caps the amount that governments may appropriate and spend in a given fiscal year. The original method for calculating the appropriation limit was changed by Proposition 111, which the voters approved in June 1990. Proposition 111 allows the City to increase the appropriation limit based on the population growth in either the City or the County and the increase in the cost of living. The voters may change the appropriation limit for a period not to exceed four years.

Fiscal Impact

This measure does not approve or impose any new taxes or increase any existing taxes. It raises the tax appropriation limit therefore authorizing the City to continue spending tax revenues previously approved by the voters or the City Council for Fiscal Year 2020-21 through Fiscal Year 2023-24.

The City would not be able to appropriate and spend all available tax monies if the City’s tax revenues exceed the appropriation limit, unless the voters approve this measure. Tax revenues exceeding the appropriation limit would have to be returned to the taxpayers by revising the tax rates or fee schedules within the following two fiscal years.

References to information in our independent analysis represents the best information at the time of this analysis.