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# AGENDA REPORT

**TO:** JOHN A. FLORES  
Interim City Administrator

**FROM:** Kiran Bawa

**SUBJECT:** Library Services Parcel Tax –  
Cost of Living Adjustment for  
FY 2015-16 (Measure Q)

**DATE:** April 20, 2015

City Administrator  
Approval

Date

5/20/15

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Staff recommends that the City Council adopt an ordinance authorizing a 2.8 percent increase for Fiscal Year (FY) 2015-16, consistent with the Consumer Price Index, to the special parcel tax for the Library Services Retention and Enhancement Act of 2004.

## OUTCOME

This adjustment to the FY 2015-16 special parcel tax for the Library Services Retention and Enhancement Act of 2004 would be consistent with the Consumer Price Index (CPI).

## BACKGROUND/LEGISLATIVE HISTORY

In March 2004, Oakland voters approved, by more than a two-thirds majority, the extension of the Library Services and Retention Act, Measure Q (formerly known as Measure O). The act re-authorized and increased a special parcel tax on residential and non-residential parcels for the purpose of raising revenue to retain and enhance library services. The term of the tax is 20 years, commencing July 1, 2004 and ending June 30, 2024.

The Measure Q legislation also authorizes the City Council to increase the tax annually, consistent with the San Francisco Bay Area CPI changes. A 2.8 percent increase to the Measure Q special parcel tax rates is proposed for FY 2015-16, reflecting the 2014 CPI increase for the San Francisco Bay Area.

The Measure Q legislation allows the City Council, upon making proper findings, to increase the tax rate based on cost-of-living changes in the San Francisco Bay Area to a maximum level of five percent over the immediately preceding fiscal year.

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The following table summarizes the historical tax rate increases that have been authorized pursuant to City Council action since the legislation was enacted:

<b>HISTORICAL MEASURE O/Q RATE INCREASES</b>		
<b>Council Action Date</b>	<b>Percent Increase</b>	<b>Effective Date</b>
June 1997	2.9%	December 1997
June 1998	2.1%	December 1998
July 14, 1999	2.7%	December 1999
July 11, 2000	2.5%	December 2000
June 5, 2001	4.5%	July 1, 2001
June 11, 2002	5.0%	July 1, 2002
June 3, 2003	1.6%	July 1, 2003
There was no cost-of living increase for FY 2004-05, since the voters approved a rate increase and extension of the special tax in March 2004.		
June 16, 2005	1.2%	July 1, 2005
June 8, 2006	2.0%	July 1, 2006
June 19, 2007	3.2%	July 1, 2007
June 17, 2008	3.3%	July 1, 2008
June 16, 2009	3.1%	July 1, 2009
June 01, 2010	0.7%	July 1, 2010
June 07, 2011	1.4%	July 1, 2011
June 19, 2012	2.6%	July 1, 2012
June 18, 2013	2.7%	July 1, 2013
June 17, 2014	2.2%	July 1, 2014

**ANALYSIS**

The proposed ordinance applies an increase of 2.8 percent to the current Measure Q special parcel tax amount, effective July 1, 2015. This increase is per the actual change in the San Francisco Bay Area CPI during calendar year 2014. The proposed increase applies on a fiscal year basis (i.e., July 1<sup>st</sup> – June 30<sup>th</sup>).

The following table summarizes the impact of the proposed increases by parcel type:

<b>PROPOSED MEASURE Q TAX INCREASES BY PARCEL TYPE</b>			
<b>PARCEL TYPE</b>	<b>CURRENT PARCEL RATE</b>	<b>PROPOSED INCREASE</b>	<b>FY 2015-16 PARCEL RATE</b>
Single Family Residential Parcels	\$93.55	\$2.62	\$96.17
Multiple Residential	\$63.90	\$1.79	\$65.69
Non-Residential Parcels	\$47.91	\$1.34	\$49.25

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**PUBLIC OUTREACH/INTEREST**

A public hearing on the proposed ordinance to increase the Measure Q special parcel tax is scheduled for Tuesday, June 2, 2015 at 6:30 p.m.

**COORDINATION**

The report was prepared in coordination with the Office of the City Attorney and Francisco & Associates, the City's Contractor, who annually administers special financing districts on behalf of the City.

**COST SUMMARY/IMPLICATIONS**

The FY 2015-16 estimated parcel tax revenue from Measure Q is \$14,570,210, including the proposed rate increase. The proposed rate increase represents approximately \$396,854 of the FY 2015-16 estimated revenue. This additional funding is needed to account for increases in personnel costs.

**SUSTAINABLE OPPORTUNITIES**

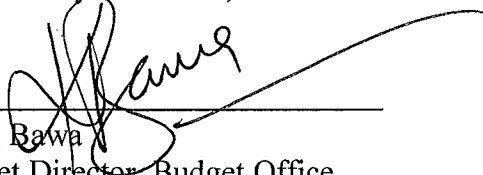
***Economic:*** Essential City services that serve the public greatly rely upon revenues generated from the Measure Q special tax.

***Environmental:*** There are no direct environmental impacts associated with the City Council action requested in this report.

***Social Equity:*** The funding provided by Measure Q allows the City to have the resources to provide quality library services throughout the city.

For questions regarding this report, please contact Chantal Cotton Gaines at (510) 238-7587.

Respectfully submitted,

  
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Kiran Bawa  
Budget Director, Budget Office

Reviewed by:  
Osborn Solitei, Controller

Prepared by:  
Chantal Cotton Gaines, Asst. to the City Administrator

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City Council  
June 2, 2015

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Approved as to Form and Legality

*Kathleen Salas-Badley*  
Oakland City Attorney's Office

## OAKLAND CITY COUNCIL

Ordinance No. \_\_\_\_\_ C.M.S.

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**ORDINANCE AUTHORIZING A FISCAL YEAR 2015-16 INCREASE TO A SPECIAL TAX IMPOSED FOR LIBRARY SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE LIBRARY SERVICES RETENTION AND ENHANCEMENT ACT OF 2004 (MEASURE Q)**

**WHEREAS**, the voters of Oakland in 2004 approved Measure Q, the Library Services Retention and Enhancement Act of 2004, which extended the original Measure O Library Services Retention and Enhancement of 1994, through June 30, 2024; and

**WHEREAS**, Measure Q continued imposition of this special tax on all parcels in the City of Oakland, except where the parcels are otherwise exempt from taxation by Section 6 of the ordinance; and

**WHEREAS**, the Measure Q legislation allows the City Council to increase the tax annually upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown on the Consumer Price Index (CPI) for all items, has increased since the 1994 index year; and

**WHEREAS**, the Measure Q legislation further provides that any tax rate adjustment imposed by the City Council pursuant to the ordinance shall not exceed five percent of the tax rate imposed during the immediately preceding fiscal year; and

**WHEREAS**, a public hearing on this ordinance to increase the Measure Q special parcel tax was held on Tuesday, June 2, 2015 at 5:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

1. The City Council of the City of Oakland hereby determines that the preceding recitals are true and correct and hereby adopts and incorporates them into this Ordinance.

2. The Oakland City Council hereby finds that the Consumer Price Index for all items in the San Francisco Bay Area was 245.02 for calendar year 2013 and 251.99 for calendar year 2014.

3. The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 2.8 percent from calendar year 2013 to calendar year 2014.

4. The Measure Q special tax rate upward adjustment shall be 2.8 percent, effective July 1, 2015.

5. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2015 for FY 2015-16:

PROPOSED MEASURE Q TAX INCREASES BY PARCEL TYPE			
PARCEL TYPE	CURRENT PARCEL RATE	PROPOSED INCREASE	FY 2015-16 PARCEL RATE
Single Family Residential Parcels	\$93.55	\$2.62	\$96.17
Multiple Residential	\$63.90	\$1.79	\$65.69
Non-Residential Parcels	\$47.91	\$1.34	\$49.25

6. This Ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and  
PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

## NOTICE AND DIGEST

### **ORDINANCE AUTHORIZING A FISCAL YEAR 2015-16 INCREASE TO A SPECIAL TAX IMPOSED FOR LIBRARY SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE LIBRARY SERVICES RETENTION AND ENHANCEMENT ACT OF 2004 (MEASURE Q)**

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This Ordinance would authorize an increase of the special tax imposed for library services pursuant to Measure Q for Fiscal Year 2015-2016 in the amount 2.8%, which represents the cost-of-living increase based on the San Francisco Bay Area Consumer Price Index from calendar year 2013 to calendar year 2014.