



CITY OF OAKLAND

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AGENDA REPORT

TO: HENRY L. GARDNER
INTERIM CITY

FROM: Katano Kasaine

SUBJECT: FISCAL YEAR 2014-2015
VOTER APPROVED INDEBTEDNESS

DATE: July 30, 2014

Interim City Administrator
Approval

Date

7-31-14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt a resolution fixing the rate of property tax and levying a tax on real and personal property in the City of Oakland for Fiscal Year 2014-2015 for voter-approved indebtedness.

EXECUTIVE SUMMARY

A resolution has been prepared to set the property tax rates for fiscal year (FY) 2014-2015 for voter-approved indebtedness, including the City's general obligation bonds and pension obligation bonds. The proceeds generated from these property tax rates will be used towards paying debt service on the City's voter-approved indebtedness.

The resolution is submitted during summer recess in order to meet the schedule for property tax rate submittal established by the County of Alameda (the "County"). All tax rates must be submitted to the County by August 31, 2014 for inclusion in FY 2014-2015 property tax bill.

In the event of any changes to the County's assessed valuation data, the proposed resolution allows the Interim City Administrator or his designee to approve any necessary adjustments in the rates for the General Obligation Bonds, Series 2005, 2006, 2009B, and 2012 Bonds prior to the County's preparation of the tax bills. Council will be notified of any significant changes to the rates estimated in this report.

OUTCOME

Approval of the recommendation will result in establishment of the property tax rates for FY 2014-2015 for voter-approved indebtedness, including the City's general obligation and pension

Item: _____

Mayor's Summer Recess Agenda
August 12, 2014

obligation bonds. Revenues generated from property tax collections will be used to pay the required debt service on the City's general obligation and pension obligation bonds.

BACKGROUND/LEGISLATIVE HISTORY

In order to provide for the debt service for the City's general obligation and pension obligation bonds, the City must annually set levy rates based on the assessed valuation subject to taxation, and must inform the County of these rates by August 31st for inclusion on that year's property tax bill.

The resolution has been prepared pursuant to California Government Code and Article VIII, Section 802, of the Oakland City Charter, setting the FY 2014-2015 property tax rate for voter-approved indebtedness. Article XIII A of the California Constitution (Proposition 13) precludes the adoption of a City-wide property tax rate. A County-wide one percent (1%) property tax rate is assessed by Alameda County and apportioned to cities and special districts in accordance with state law.

ANALYSIS

For the City's general obligation bonds, the levy rates are calculated each year to yield the necessary debt service amount based on the assessed valuation of property within the City.

The following property tax rates are required to satisfy the City of Oakland's 2014-2015 voter-approved indebtedness for the indicated general obligation bond series, based upon the current assessed valuation as reported by the County of Alameda:

Bond Issue	Property Tax Rate
\$122,476,014 General Obligation Refunding Bonds, Series 2005	0.02212%
\$21,000,000 General Obligation Bonds (Measure G), Series 2006	0.00265%
\$64,545,000 General Obligation Bonds (Measure DD), Series 2009B	0.00914%
\$83,775,000 General Obligation Refunding Bonds, Series 2012	0.01282%

For the City's Police and Fire pension liability, the property tax rate required to satisfy the City's 2014-2015 voter-approved indebtedness for the indicated pension obligation bonds is 0.1575%.

PUBLIC OUTREACH/INTEREST

This item did not require any additional public outreach other than the required posting on the City's website.

Item: _____
 Mayor's Summer Recess Agenda
 August 12, 2014

COORDINATION

This report has been prepared by the Treasury Bureau in coordination with City Attorney's Office, and Budget Office.

COST SUMMARY/IMPLICATIONS

Passage of this resolution will permit the City to collect the FY 2014-2015 revenues included in the FY 2014-15 Adopted Policy Budget for the payment of debt service for the outstanding general obligation and pension obligation bonds.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no impacts to environmental opportunities associated with this report.

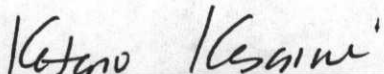
Social Equity: There are no impacts to social equity opportunities associated with this report.

CEQA

This report is not a project under CEQA.

For questions regarding this report, please contact Katano Kasaine, Treasurer, at (510) 238-2989.

Respectfully submitted,



KATANO KASAINÉ
Treasurer

Prepared by:
Dawn Hort, Financial Analyst
Treasury Bureau

Item: _____
Mayor's Summer Recess Agenda
August 12, 2014

**City of Oakland
General Obligation Bonds**

Levy Calculations for Fiscal Year 2014-15

Bond Description	Series 2005 (Refunding)	Series 2006 (Measure G)	Series 2009B (Measure DD)	Series 2012 (Refunding)	GO TOTAL
Fund Number	6063 (Baby Bonds)	6311	6321	6312	
Cash Available for DS as of 6/30/14					
Cash Held by Treasury	\$ 2,326,830	\$ 503,169	\$ 2,023,650	\$ 2,648,374	\$ 7,502,023
Cash Held by Trustee	-	26	-	-	26
Total Cash	2,326,830	503,196	2,023,650	2,648,374	7,502,049
Debt Service Payments through 12/31/15					
FY 2014-15 DS Payments	11,238,648	1,323,563	4,608,131	6,645,725	23,816,067
DS Payment in 07/15/15	-	406,981	1,677,891	1,910,613	3,995,484
DS Payment in 12/15/15	1,417,655	-	-	-	1,417,655
Bank & Bonds	6,000	9,000	9,000	6,500	30,500
Total DS Payments through 12/31/15	12,662,302	1,739,544	6,295,022	8,562,838	29,259,706
Total Debt Service Shortfall	10,335,473	1,236,348	4,271,372	5,914,464	21,757,657
Add: Reserve (6% of FY 14/15 DS)	674,319	79,414	276,488	398,744	1,428,964
Add: Projected Delinquencies (Unsecured Roll: 7.73%)	55,134	6,535	22,725	27,077	111,471
Less: Unitary Tax Collected FY 13-14	1,613,752	191,260	665,424	862,234	3,332,670
Balance to be levied on Tax Roll	\$ 9,451,173	\$ 1,131,038	\$ 3,905,161	\$ 5,478,050	\$ 19,965,423
Secured Tax Rate ⁽¹⁾	0.02212%	0.00265%	0.00914%	0.01282%	0.04672%
Assessed Valuation ⁽²⁾	42,730,014,718	42,730,014,718	42,730,014,718	42,730,014,718	42,730,014,718
Last Year's Secured Tax Rate	0.02025%	0.00240%	0.00835%	0.00994%	0.04094%
DIFFERENCE	0.00187%	0.00025%	0.00079%	0.00288%	0.00579%

Note: Totals may not add up due to rounding

⁽¹⁾ Expected Unitary Tax Revenue for FY 2014-15 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2015-16 tax roll once the monies from County are received.

⁽²⁾ AV is net of 2.57% in secured roll delinquencies

FILED
OFFICE OF THE CITY CLERK
OAKLAND

Approved as to Form and Legality

Kathleen Salmon Boyd
City Attorney *K.S.B.*

2014 JUL 31 **OAKLAND CITY COUNCIL**

RESOLUTION NO. _____ C.M.S.

**RESOLUTION FIXING THE RATE OF PROPERTY TAX AND
LEVYING A TAX ON REAL AND PERSONAL PROPERTY IN THE
CITY OF OAKLAND FOR FISCAL YEAR 2014-2015 FOR VOTER-
APPROVED INDEBTEDNESS**

WHEREAS, the City of Oakland must annually set property tax levy rates, based on the assessed valuation subject to taxation, and must inform the County of Alameda of these rates by August 31st for inclusion on that year's property tax bill; and

WHEREAS, passage of this resolution will permit the City of Oakland to collect the Fiscal Year 2014-2015 revenues for the payment of debt service for the outstanding voter approved general obligation and pension obligation bonds; and now therefore be it

RESOLVED: that a tax of 0.1575% is hereby fixed and levied for Fiscal Year 2014-2015 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for payments to the Police and Fire retirement systems as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED: that an estimated tax of 0.02212% is hereby fixed and levied for Fiscal Year 2014-2015 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Refunding Bonds, Series 2005, as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED: that an estimated tax of 0.00265% is hereby fixed and levied for Fiscal Year 2014-2015 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2006, as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED: that an estimated tax of 0.00914% is hereby fixed and levied for Fiscal Year 2014-2015 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Bonds, Series 2009B, as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED: that an estimated tax of 0.01282% is hereby fixed and levied for Fiscal Year 2014-2015 on taxable property, real and personal, within the corporate limits of the City of Oakland, and the tax so levied and the money arising therefrom, when collected, shall be and is hereby identified and expended for debt service payments related to the City of Oakland, General Obligation Refunding Bonds, Series 2012, as approved by the voters of the City of Oakland; and be it

FURTHER RESOLVED: that if the estimated General Obligation Bond rates of 0.02212%, 0.00265%, 0.00914%, and 0.01282% for Series 2005, 2006, 2009B, and 2012 respectively, need to be adjusted to reflect the actual figures for the assessed valuations, the Interim City Administrator or his designee is hereby authorized to make the necessary adjustments; and be it

FURTHER RESOLVED: that this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2014

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, KALB, KAPLAN, MCELHANEY, REID, SCHAAF, AND PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California