



# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine

**SUBJECT:** Fiscal Year 2016-2017 Voter Approved  
Indebtedness

**DATE:** July 25, 2016

---

City Administrator  
Approval

Date

8/2/16

## RECOMMENDATION

**Staff Is Recommending 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 2016-2017 For Voter-Approved Indebtedness.**

## EXECUTIVE SUMMARY

A resolution has been prepared to set the property tax rates for FY 2016-2017 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, 2016 for inclusion in FY 2016-2017 property tax bill.

In the event of any changes to the County's assessed valuation data, the proposed resolution allows the City Administrator or designee to approve any necessary adjustments in the rates for the General Obligation Bonds, Series 2012 and 2015A 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.

Item: \_\_\_\_\_  
Mayor's Summer Recess Agenda  
August 16, 2016

## **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 31<sup>st</sup> 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 2016-2017 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's FY 2016-2017 voter-approved indebtedness for the indicated general obligation bond series, based upon the current assessed valuation as reported by the County of Alameda:

<u>Bond Issue</u>	<u>Property Tax Rate</u>
\$83,775,000 General Obligation Refunding Bonds, Series 2012	0.01294%
\$128,895,000 General Obligation Refunding Bonds, Series 2015A	0.02562%

For the City's Police and Fire pension liability, the property tax rate required to satisfy the City's FY 2016-2017 voter-approved indebtedness for the indicated pension obligation bonds is 0.15750%.

## **PUBLIC OUTREACH/INTEREST**

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

## **COORDINATION**

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

**COST SUMMARY/IMPLICATIONS**

Passage of this resolution will permit the City to collect the FY 2016-2017 revenues included in the FY 2016-17 Adopted 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 environmental opportunities associated with this report.

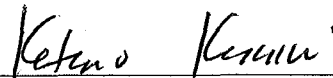
***Social Equity:*** There are no social equity opportunities associated with this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Is Recommending 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 2016-2017 For Voter-Approved Indebtedness.

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

Respectfully submitted,



KATANO KASAINÉ  
Treasurer, Treasury Bureau

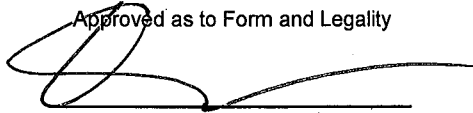
Reviewed by:  
Dawn Hort, Principal Financial Analyst  
Treasury Bureau

Prepared by:  
Jackie Lee, Financial Analyst  
Treasury Bureau

City of Oakland  
General Obligation Bonds

Levy Calculations for Fiscal Year 2016-17

Bond Description		Series 2015 (Refunding)	Series 2012 (Refunding)	GOB TOTAL
Fund Number		6064	6312	
<b>Cash available for debt service as of</b>	<b>6/30/2016</b>			
Cash held by Treasury		4,880,375	2,062,167	6,942,542
Cash held by Trustee		-	-	-
<b>Total cash as of</b>	<b>6/30/2016</b>	<b>4,880,375</b>	<b>2,062,167</b>	<b>6,942,542</b>
<b>Debt service payments through</b>	<b>12/31/2017</b>			
DS payments for	FY 2016-17	14,731,725	6,659,475	21,391,200
DS payment for	7/15/2017	2,844,463	1,765,238	4,609,700
DS payment for	12/31/2017	-	-	-
Bank and Bond expenses for	FY 2016-17	8,500	12,000	20,500
<b>Total debt service through</b>	<b>12/31/2017</b>	<b>17,584,688</b>	<b>8,436,713</b>	<b>26,021,400</b>
<b>Total DS Shortfall</b>		<b>12,704,312</b>	<b>6,374,546</b>	<b>19,078,858</b>
Add: Reserve of DS at	6.00%	883,904	399,569	1,283,472
Add: Projected delinquencies, unsecured roll at	4.71%	10,225	3,797	14,022
Less: Unitary Tax collected as of	6/30/2016	670,875.09	249,147	920,023
<b>Balance to be levied on tax roll</b>		<b>12,927,566</b>	<b>6,528,764</b>	<b>19,456,330</b>
<b>Secured tax rate <sup>(1)</sup></b>		<b>0.02562%</b>	<b>0.01294%</b>	<b>0.03856%</b>
<b>Assessed Valuation <sup>(2)</sup></b>		<b>50,462,822,319</b>	<b>50,462,822,319</b>	<b>50,462,822,319</b>
<b>Prior year's secured tax rate</b>		<b>0.00552%</b>	<b>0.00205%</b>	<b>0.00757%</b>
<b>Variance</b>		<b>0.02010%</b>	<b>0.01089%</b>	<b>0.03099%</b>
Note: Totals may not add up due to rounding.				
<sup>(1)</sup> Expected Unitary Tax Revenue for FY 2016-17 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2017-18 tax roll once the monies from County are received.				
<sup>(2)</sup> AV is net of 1.89% in secured roll delinquencies				
<b>Delinquency Calculation</b>				
Unsecured roll (Net AV plus Homeowner's Exemptions)		3,932,787,995	3,932,787,995	3,932,787,995
Prior year's tax rate		0.00552%	0.00205%	0.00757%
		217,090	80,622	297,712
Prior year's delinquency rate, unsecured roll		4.71%	4.71%	4.71%
<b>Projected delinquencies, unsecured roll</b>		<b>10,225</b>	<b>3,797</b>	<b>14,022</b>
<b>Projected Unitary Tax Calculation</b>				
Unitary Tax for	FY 2015-16	670,875	249,147	920,023



City Attorney

# 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 2016-2017 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 31<sup>st</sup> 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 2016-2017 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 2016-2017 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 0.01294% is hereby fixed and levied for Fiscal Year 2016-2017 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 an estimated tax of 0.02562% is hereby fixed and levied for Fiscal Year 2016-2017 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 2015A, as approved by the voters of the City of Oakland; and be it

**FURTHER RESOLVED**: that if the estimated General Obligation Bond rates of 0.01294% and 0.02562% for Series 2012 and 2015A respectively, need to be adjusted to reflect the actual figures for the assessed valuations, the City Administrator or her 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, \_\_\_\_\_, 2016

**PASSED BY THE FOLLOWING VOTE:**

AYES – BROOKS, GALLO, GUILLEN, KALB, KAPLAN, REID, WASHINGTON, AND PRESIDENT MCELHANEY

NOES –

ABSENT –

ABSTENTION –

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