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OAKLAND
2015 AUG -6 AM 11:32

AGENDA REPORT

TO: Sabrina B. Landreth
CITY ADMINISTRATOR

FROM: Katano Kasaine

SUBJECT: Fiscal Year 2015-2016 Voter Approved
Indebtedness

DATE: July 27, 2015

City Administrator
Approval

Date

8/6/15

COUNCIL DISTRICT: City-Wide

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 2015-2016 For Voter-Approved Indebtedness.

OUTCOME

Approval of the recommendation will result in establishment of the property tax rates for Fiscal Year ("FY") 2015-2016 for voter-approved indebtedness, including the City's general obligation and pension 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.

EXECUTIVE SUMMARY

A resolution has been prepared to set the property tax rates for FY 2015-2016 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, 2015 for inclusion in FY 2015-2016 property tax bill.

In the event of any changes to the County's assessed valuation data, the proposed resolution allows the City Administrator or her 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

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the tax bills. Council will be notified of any significant changes to the rates estimated in this report.

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 2015-2016 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 2015-2016 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	0.00552%
\$128,895,000 General Obligation Refunding Bonds, Series 2015A	0.00205%

For the City's Police and Fire pension liability, the property tax rate required to satisfy the City's FY 2015-2016 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.

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COST SUMMARY/IMPLICATIONS

Passage of this resolution will permit the City to collect the FY 2015-2016 revenues included in the FY 2015-17 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 environmental opportunities associated with this report.

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

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, Financial Analyst
Treasury Bureau

Prepared by:
Jackie Lee, Financial Analyst
Treasury Bureau

**City of Oakland
General Obligation Bonds**

Levy Calculations for Fiscal Year 2015-16

Bond Description	Series 2015 (Refunding)	Series 2012 (Refunding)	GO TOTAL
Fund Number	6064	6312	
Cash Available for DS as of 6/30/15			
Cash Held by Treasury	5,555,636	6,866,555	12,422,190
Cash Held by Trustee	-	-	-
Total Cash	5,555,636	6,866,555	12,422,190
Debt Service Payments through 12/31/16			
FY 2015-16 DS Payments	5,627,521	6,656,225	12,283,746
DS Payment in 07/15/16	3,018,363	1,839,738	4,858,100
DS Payment in 12/15/16	-	-	-
Bank & Bonds	8,500	5,000	13,500
Total DS Payments through 12/31/16	8,654,384	8,500,963	17,155,346
Total Debt Service Shortfall	3,098,748	1,634,408	4,733,156
Add: Reserve (6% of FY 15/16 DS)	337,651	399,374	737,025
Add: Projected Delinquencies (Unsecured Roll: 9.56%)	112,661	42,593	155,253
Less: Unitary Tax Collected FY 14-15	995,019.84	1,128,530	2,123,550
Balance to be levied on Tax Roll	2,554,040	947,844	3,501,884
Secured Tax Rate ⁽¹⁾	0.00552%	0.00205%	0.00757%

Assessed Valuation ⁽²⁾	46,280,926,410	46,280,926,410	46,280,926,410
Last Year's Secured Tax Rate	0.00000%	0.01282%	0.01282%
DIFFERENCE	0.00552%	-0.01077%	-0.00525%

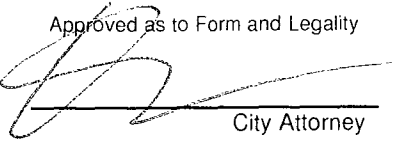
Note: Totals may not add up due to rounding

(1) Expected Unitary Tax Revenue for FY 2015-16 not factored into the secured tax rate given the uncertainty of the value of receipt; it will be taken into account for FY 2016-17 tax roll once the monies from County are received.

(2) AV is net of 3.43% in secured roll delinquencies

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OAKLAND

Approved as to Form and Legality



City Attorney

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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 2015-2016 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 2015-2016 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 2015-2016 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 0.00205% is hereby fixed and levied for Fiscal Year 2015-2016 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 0.00552% is hereby fixed and levied for Fiscal Year 2015-2016 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 0.00205% and 0.00552% 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, _____, 2015

PASSED BY THE FOLLOWING VOTE:

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

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California