

COUNTY OF ALAMEDA

Sample Ballot and Voter Information Pamphlet City of Oakland Special Vote by Mail Municipal Election

TUESDAY, NOVEMBER 15, 2011

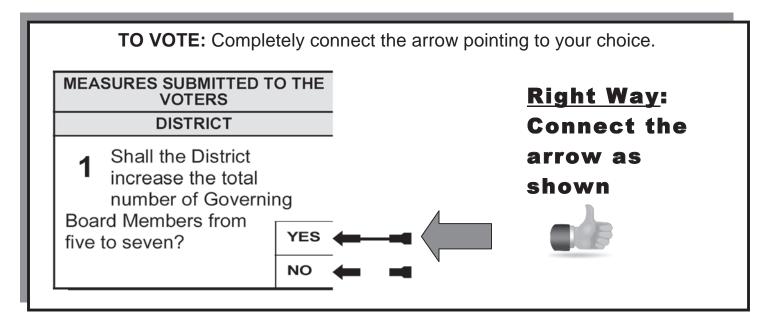


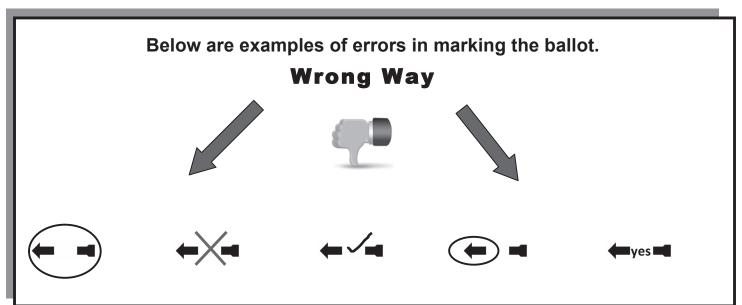


~ Instructions On How To Make Your Vote Count ~

Follow These Easy Steps To Ensure Your Vote Counts:

- Use black or blue ballpoint pen Only
- To vote on the measure, <u>Completely</u> connect the arrow pointing to your "YES" or "NO" choice
- > Make sure you clearly mark your ballot





IMPORTANT!

Your vote by mail ballot must be returned to the Registrar of Voters Office no later than 8:00 p.m. on Election Day. Postmarks are not acceptable.

GO GREEN AND SAVE TAX DOLLARS!

OPT-OUT OF RECEIVING YOUR SAMPLE BALLOT AND VOTER INFORMATION PAMPHLET BY MAIL

Beginning January 1, 2011, State Law (AB 1717) allows voters to "go green" by choosing to opt-out of receiving their sample ballot and voter information pamphlet by mail and accessing it online instead. Choosing the online option will help reduce County costs and save tax dollars.

If you would like to opt-out of receiving your Sample Ballot and Voter Information Pamphlet by mail, simply complete the Opt-Out/Opt-In Form on our website at: www.acgov.org/rov/sampleballotopt.htm

Sample Ballot and Voter Information Pamphlets are available online approximately 40 days before an election.



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SERVE YOUR COMMUNITY

BILINGUAL POLL WORKERS ARE NEEDED FOR

JUNE AND NOVEMBER 2012 ELECTIONS



Bilingual Poll Workers Must:

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APPLICATION FORMS ARE AVAILABLE ONLINE AT:

www.acgov.org/rov/workers.htm

FOR MORE INFORMATION

E-MAIL: rov_pollworker@acgov.org CALL: (510) 272-6971

EARN EXTRA MONEY AND BE PART OF THE ELECTION PROCESS

INSPECTOR

- Person in-charge
- Must have own vehicle
- · Mandatory 3 hour training class
- Must be a registered voter

EARN \$180

JUDGES

- Mandatory 3 hour training class
- · Must be a registered voter

EARN \$125

CLERKS

- Mandatory 2 hour training class
- Must be a registered voter

EARN \$110

STUDENTS

- Must be at least 16 years of age
- A U.S. citizen
- Have a G.P.A. of 2.5 or higher

EARN \$95

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OFFICIAL BALLOT BALOTA OFICIAL

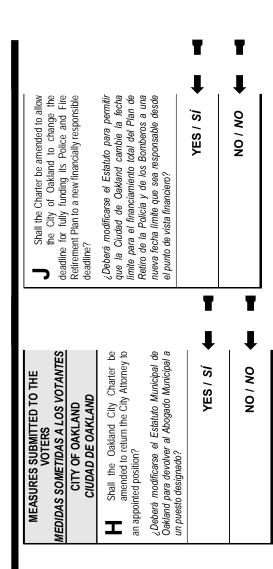
CITY OF OAKLAND SPECIAL VOTE BY MAIL MUNICIPAL ELECTION CIUDAD DE OAKLAND ELECCIÓN ESPECIAL MUNICIPAL DE VOTACIÓN POR CORREO ALAMEDA COUNTY, NOVEMBER 15, 2011 CONDADO DE ALAMEDA, 15 DE NOVIEMBRE DE 2011

INSTRUCTIONS TO VOTERS: USE BLACK OR BLUE

BALLPOINT PEN ONLY. To vote on any measure, complete the arrow after the word "Yes" or "No."

INSTRUCCIONES PARA LOS VOTANTES: USE UN BOLÍGRAFO CON TINTA NEGRA O AZUL SOLAMENTE. Para votar por

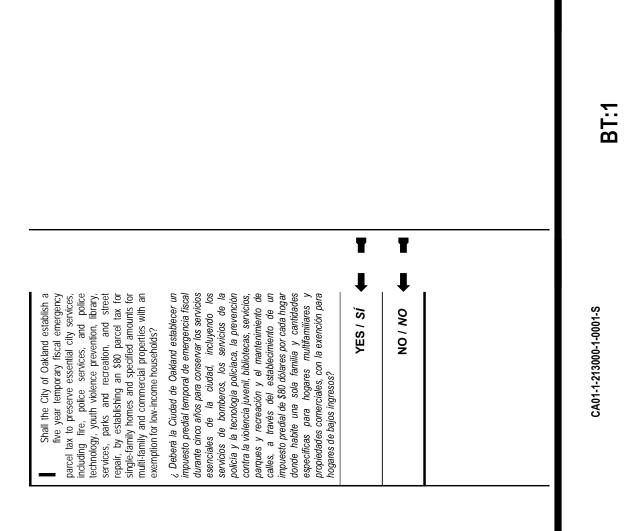
BOLIGRAFO CON TINTA NEGRA O AZUL SOLAMENTE. Para votar por cualquier medida, complete la flecha después de la palabra "Si" o "No."



Sample Ballot

CA01-1-213000-1-0001-S

Sample Ballot



CITY OF OAKLAND SPECIAL VOTE BY MAIL MUNICIPAL ELECTION

- No polling places will be utilized for this election.
- No postage is necessary to return the ballot.
- October 17, 2011 First day of mailing ballots to voters.
- October 31, 2011 Last day to register to vote for this election.
- Voted ballots must be received by the Registrar of Voters Office no later than 8:00 p.m. on Election Day, November 15, 2011. Postmarks do not count.

VOTER'S PAMPHLET

The following pages contain

MEASURE INFORMATION

ARGUMENTS IN SUPPORT OF OR IN OPPOSITION OF THE PROPOSED LAWS ARE THE OPINIONS OF THE AUTHORS

Shall the Oakland City Charter be amended to return the City Attor-	YES
ney to an appointed position?	NO

BALLOT TITLE

Proposed Charter Amendment Changing the City Attorney from an Elected Position to an Appointed Position

BALLOT SUMMARY

This measure would change the Oakland City Charter to make the City Attorney an appointed position instead of an elected position, by amending Article IV, Sections 401(1) and 401(2) and deleting Article IV, Sections 401(3), (4), and (5). The City Council would have the sole discretion to appoint and remove the City Attorney and to set the City Attorney's salary.

A "YES" VOTE on this measure supports the Charter Amendment that would allow the City Council to appoint and remove the City Attorney.

A "NO" VOTE on this measure supports retention of the current Charter provision, which requires the election of the City Attorney.

s/DENNIS J. HERRERA Special Outside City Counsel

CITY ATTORNEY'S IMPARTIAL LEGAL ANALYSIS OF MEASURE H

Currently, the City Charter provides that City Attorney is an elected position with a four-year term of office. If the Office of City Attorney becomes vacant, the City Council must fill the vacancy by appointing a new City Attorney or calling a special election to fill the vacancy for the remaining term of office.

The City Charter includes salary guidelines for the City Council to use in setting the City Attorney's salary. Under these guidelines, the City Attorney's salary must be between 70% and 90% of the average salaries of City Attorneys in California cities with populations similar in size to Oakland's population. The Charter prohibits the City Council from reducing the City Attorney's salary during the City Attorney's term of office except as part of a general salary reduction for all City officers and employees.

Under the City Charter, the City Attorney serves as a legal advisor to the Mayor, City Council, and each City department, agency, board and commission. The City Attorney drafts all ordinances, resolutions, contracts and other legal documents for the City Council. The City Attorney also acts as legal representative for the City in lawsuits. The City Attorney may file lawsuits on the City's behalf, subject to the City Council's approval, or when the City Council directs the City Attorney to do so.

The City Charter requires the City Attorney to be a citizen of the United States who lives in Oakland and has been eligible to register to vote in Oakland for at least 30 days before the election. The City Charter also requires the City Attorney to be licensed to practice law in California while holding office and for at least 10 years before becoming City Attorney.

This measure would amend the City Charter to provide that the City Attorney would be appointed by the City Council, instead of being elected by the City's voters for a four-year term. The City Council could remove the City Attorney from office at any time. If the City Council members are evenly divided on a vote to appoint or remove the City Attorney, then the Mayor would cast the deciding vote.

The measure would eliminate the guidelines for setting the City Attorney's salary and allow the City Council to set the City Attorney's salary as it chooses. The measure would also delete Charter sections that relate to selecting and removing an elected City Attorney because those provisions would no longer be relevant. The measure would not change the City Attorney's duties or the qualifications for a person to hold the Office of City Attorney.

s/DENNIS J. HERRERA

Special Outside City Counsel

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE H

Measure H allows the City of Oakland's City Council to appoint a City Attorney. Since 2001, the City Attorney has been an elected position with four year terms. Prior to 2001 the City Charter provided that the City Council or the Mayor had the authority to appoint a City Attorney.

Further, Measure H eliminates the provision in the City Charter that defines the formula to calculate the City Attorney's salary and instead allows the City Council to determine the salary. Currently, Charter provision 401(1) provides that the City Attorney's salary "shall be not less than 70% nor more than 90% of the average salaries of the City Attorneys of California cities within the three immediate higher and the three immediate lower cities in population to Oakland."

Financial Impact

There are three main costs that should be considered as it relates to fiscal impact for Measure H. These are as follows:

- The City Attorney's salary would no longer be set according to current Charter provision 401(1). Instead, other factors such as market rate may need to be considered when determining a salary. The difference in salary between an appointed versus elected City Attorney is not anticipated to be significant.
- Recruitment costs associated with appointing a qualified City Attorney may need to be considered and is estimated to be approximately \$30,000.
- Special election costs <u>would not be incurred</u>. The cost of a special election ranges from approximately \$812,000 to \$1.5 million. Polling place elections range in cost from \$6 to \$8 per registered voter, whereas mail-in ballot elections range in cost from \$4 to \$5 per registered voter. However, it should be noted that the electorate may be voting on more than one issue or elected office during any election, therefore spreading the cost across all the issues and elected offices on the ballot.

We relied on the best data available at this time; however, actual results may vary from staff estimates.

s/COURTNEY A. RUBY, CPA, CFE City Auditor

ARGUMENT IN FAVOR OF MEASURE H

The City of Oakland deserves to be represented by a professional attorney whose focus is entirely on the job.

Running in a citywide election requires raising big money, and often making promises to big money interests. Being a good lawyer requires a different set of skills. A good lawyer for the City should be hired for the same reasons any business or non-profit hires legal counsel-based on professional qualifications. The best lawyers are not likely to even choose to run, knowing they will have to raise at least \$300,000 to do so.

Do you want a city attorney focused on fundraising or providing sound legal advice?

The facts show that elected city attorneys routinely use the position to run for higher office, like the four city attorneys in Los Angeles from 1973-2009. The current elected City Attorney in SF is running for mayor. Oakland's only elected city attorney ran for State Assembly while he was serving as city attorney.

Do you want a city attorney focused on the next elected seat or providing sound legal advice?

Only 2.5% of CA cities have elected attorneys. Albany had an elected attorney and just returned to an appointed attorney system. Oakland is not the only city re-thinking this issue.

Oakland needs unbiased legal advice from a lawyer who is not worried about re-election or the next elected step up. The potential conflict of interest inherent in an attorney who will seek re-election undermines the attorney/client relationship. The City should be represented by an attorney of the highest professional qualifications. Legal advice should be based on law, not politics.

Let's take personal political goals out of legal advice. Vote Yes on Measure H.

s/Naomi B. Schiff s/Harold R. Mayberry Senior Pastor s/Emilene J (Emmy) Fearn s/Ming Ho s/Patricia Kernighan Oakland City Councilmember

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE H

A majority of City Council members want to take away your right to elect the City Attorney, allegedly because elections cost money and elected officials sometimes run for other offices.

That's an argument against democracy. Historically, we know that when voting rights are taken away, the consequences are always negative.

The Council says it will do a better job of picking a City Attorney than voters will because their selection won't be political. Actually, as the Oakland Tribune put it in an editorial against this measure, if anything the City Attorney would be even more subject to the whims of the highly political Council members, who would hire and have the power to fire the City Attorney.

The Council asserts that few cities elect City Attorneys, and that therefore Oakland should follow suit. This is misleading. In many larger cities voters elect the City Attorney to provide a key check on the power of City Council. Moreover, Oakland should never limit itself to policies that a majority of other cities have enacted.

Eleven years ago, Oakland residents voted to elect their City Attorney in one of the highest turnout elections ever held. This year, explaining why she supports Measure H, one Councilmember argued that voters didn't know what they were doing. This kind of arrogance is leading the Council to take away your right to vote for City Attorney.

The Tribune concluded by arguing that voters should not tolerate this naked power grab. We agree. Vote NO on Measure H.

s/Joe Tuman Professor, SFSU s/Robert L. Jackson Bishop, Acts Full Gospel Church s/Salvador Garcia III Firefighter/Paramedic-Oakland Resident s/Joe DeCredico Architect & Planner s/Ronile Lahti Piedmont Avenue Neighborhood Activist

ARGUMENT AGAINST MEASURE H

The Oakland City Council majority wants to take away your right to vote. Oakland residents currently elect the Oakland City Attorney. This measure, placed on the ballot by the City Council, would eliminate that right and give permanent appointment power to City Council.

Elected City Attorneys are common in big California cities, including Los Angeles. Half of the largest cities in California elect, not appoint, their City Attorney.

City Council wants to appoint the City Attorney to ensure it has control. If Council has the right to hire and fire the City Attorney, Oakland's top lawyer becomes beholden to a few elected insiders, not Oakland residents.

The Oakland City Attorney's job is to provide high quality, independent legal advice to City Council, the Mayor and each department within the City Administration. The City Attorney is also charged with ensuring that the laws City Council passes protect our constitutional rights and are legally sound.

An appointed City Attorney is loyal to those who make the appointment, no one else. An appointed City Attorney will not prevent scandal or lawlessness. Indeed, the appointed City Attorney of the City of Bell, California did little to prevent city officials there from paying themselves exorbitant salaries and betraying the public trust.

An appointed City Attorney will not rigorously scrutinize Council's actions and provide independent legal advice to the entire city government. A City Attorney elected by the people will.

Don't be fooled. This is not a good government measure; it is a City Council power play. If this measure passes you lose your right to elect our City Attorney and City Council gets exactly what it desires: an appointed City Attorney that will bend to its will.

Protect your right to vote. Say no to this City Council power play. No on Measure **H**

s/Joe Tuman Professor, SFSU s/Josie Camacho Executive Secretary-Treasurer, Alameda Labor Council s/Jane Brunner Oakland City Councilmember s/Walter Miles Chair, Market Street Corridor Neighborhood Association s/Ignacio De La Fuente President Pro Tem of the City Council

REBUTTAL TO ARGUMENT AGAINST MEASURE H

The opponents of Measure H would have you believe that they want to take the politics out of the position of City Attorney. The truth is just the opposite.

The signers of the argument against Measure H include two of Oakland's most powerful Politicians--both past Presidents of the Council--one of whom has already announced that she is running for City Attorney.

Why do these career politicians want to keep the City Attorney an elected position? Because winning elections is what they are good at!

Oakland would be better served by selecting its lawyer based on who has the best legal credentials. You deserve to have a professional vetting process for the best legal advisor the City can get. If Measure H passes, Council will lead a transparent search process for an excellent City Attorney with the appropriate qualifications.

The problem with using an election to fill this professional position is that 95% of the best attorneys in Oakland won't enter the competition! You, the voters, won't get the best pool to select from, because most good candidates are deterred by the prospect of raising huge sums of money and taking six months of their life to campaign.

Let's ensure that the council, mayor, city staff, and ultimately you, get the best skilled legal services available, not the politician who can raise the most money to win an election campaign.

Oakland's City Attorney should be the best attorney, not the best politician. Yes on Measure H.

s/Nancy Nadel City Councilmember s/Judith Cox s/Corinne Jan

FULL TEXT OF MEASURE H

WHEREAS, City Charter Article IV Section 401 (1) created an elected City Attorney position that had been previously an appointed position; and

WHEREAS, the purpose of this resolution is to return that position to an appointed position; and

WHEREAS, 97.5% of California cities appoint their City Attorneys and only 2.5% have elected City Attorneys¹; and

WHEREAS, the responsibility of a City Attorney is to serve as counsel to the City Council, Mayor, and each department of the City, and to render legal advice; and

WHEREAS, the City Attorney is not the lawyer for the general public or any individual or group within the City²; and

WHEREAS, the ability of a client, namely the City acting through its elected legislature, to hire and fire its legal counsel is critical to a proper attorney-client relationship; and

WHEREAS, the *Ethical Principles for City Attorneys* adopted by the City Attorneys Department of the League of California Cities states that "the city attorney should provide legal advice that avoids the appearance that the advice is based on political alignment or partisanship," and

WHEREAS, the City Attorney should be able to assist a client in choosing wisely from a range of lawful discretionary actions and must not be influenced by personal interest in the political or other external consequences of any such decision, and the City Attorney's advice must be perceived as being free of these influences; and

WHEREAS, selecting a City Attorney through an electoral rather than an appointive process creates a significant potential for such conflicts and perceptions of conflict; and

WHEREAS, an elected City Attorney chooses his or her own boundaries, and can become involved with various aspects of any issue, ranging from legal to policy to politics, which impacts the ability of the client to distinguish between legal, policy and political advice; and

WHEREAS, City Charter Article IV Sections 401 (3), (4) and (5) all relate to that position as an elected position; and therefore, be it

RESOLVED: That the City Council of the City of Oakland does hereby submit to the voters at the next special or general municipal election, that City Charter Article IV Sections 401(3), (4) and (5) be put forward for elimination; and be it

FURTHER RESOLVED, That City Charter Article IV, Sections 401(1), and 401(2) be amended as follows: Section 401(1). City Attorney. The City Attorney shall be nominated and elected in the same manner and at the same election as the Councilmember at large appointed by the City Council and serve at the sole discretion of the City Council. If the Councilmembers are evenly divided, the Mayor shall have a vote pursuant to Section 200 of this Charter. The City Attorney shall receive the salary set by the Council, which shall be not less than 70% nor more than 90% of the average salaries of City Attorneys of California cities within the three immediate higher and the three immediate lower cities in population to Oakland and may not be reduced during the City Attorney's term of office, except as part of a general reduction of salaries of all officers and employees in the same amount or proportion.

Section 401(2). Qualifications, the City Attorney. No person shall be eligible for or continue to hold the Office of City Attorney either by election or appointment, unless he or she is a citizen of the United States, a qualified elector and resident for at least 30 days of the City or a territory lawfully annexed or consolidated, licensed to practice law in all courts of the State of California and so licensed for at least ten years preceding his or her selection.

Section 401(3). Term of Office, the City Attorney. The City Attorney shall be elected to a term of four years beginning at 11:00 a.m. on the Monday following January 1 following his or her election.

Section 401(4). Vacancy, Filling of. Upon the declaration of vacancy in the Office of the City Attorney, the Office of the City Attorney shall be filled by appointment by the majority vote of the members of the Council; provided, that if the Council shall fail to fill a vacancy by appointment within sixty days after such office shall become vacant, the City Council shall cause an election to be held to fill such vacancy pursuant to the manner and method as provided for in Article II, Section 205 of the Charter. An appointment or the person elected to the Office of City Attorney for the balance of an unexpired term shall hold office until the next general election for the Office of the City Attorney.

Section 401(5). Vacancy, What Constitutes. The Office of City Attorney shall be declared vacant by the Council when the person elected or appointed thereto fails to qualify within ton days after his or her term is to begin, dies, resigns, ceases to be a resident of the City or absents himself or herself continuously from the City for a period of more than thirty days without permission from the Couneil, absents himself or herself from any ten consecutive regular meetings except on account of own illness or when absent from the City by permission of the Council, is convieted of a felony, is judicially determined to be an incompetent, is permanently so disabled as to be unable to perform the duties of his or her office, forfeits his or her office under any provision of this Charter, or is removed from office by judicial procedure. A finding of disability shall require the affirmative vote of at least six members of the Council after considering competent medical evidence bearing on the physical or mental capabilities of the City Attorney.

¹ California League of Cities website accessed June 9, 2011: <u>http://www.cities.org</u>

² This perspective is reflected in the Mode City Charter of the National Civic League Section 4.03b.

CITY OF OAKLAND MEASURE I

Shall the City of Oakland establish a five year temporary fiscal emergency parcel tax to preserve essential city services, including fire, police services, and



police technology, youth violence prevention, library, services, parks and recreation, and street repair, by establishing an \$80 parcel tax for single-family homes and specified amounts for multi-family and commercial properties with an exemption for low-income house-holds?

BALLOT TITLE:

A Proposed Ordinance Creating A Temporary Fiscal Emergency Special Parcel Tax To Restore City Fire And Police Services, Youth Violence Prevention, Park Maintenance And Recreational Services, Library And Senior Services, And Street And Infrastructure Repair

BALLOT SUMMARY:

This measure would authorize the City of Oakland to impose a five-year "special" parcel tax. This is a "special" parcel tax because the City can use the tax revenue only for the following purposes specified in the measure: to fund the costs of restoring police and fire services, police technology, park maintenance and recreational services, library services, including technology, youth violence prevention, street and infrastructure repair, and senior services.

An annual review is required to ensure the proper use of parcel tax revenue. The tax will be imposed through fiscal year 2015-2016.

For each single family residential parcel, the parcel tax will be \$80.00. For multiple unit residential parcels, the parcel tax will be \$54.66 per unit. For non-residential parcels, the parcel tax will vary depending on the frontage and square footage of the parcel, based on the formula specified in Part 2, Section 2(C) of the ordinance. An exemption from the parcel tax is available to qualifying low income households.

Passage of this measure requires approval by two-thirds of the electorate. A "yes" vote will approve the parcel tax for the uses specified in the ordinance; a "no" vote will reject the parcel tax.

s/BARBARA J. PARKER City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE I

This measure creates a five-year "special" parcel tax to address the fiscal needs of the City. A "special" tax is a tax that the City can use only for the purposes specified in the tax measure. The tax would be effective for fiscal year ("FY") 2011-2012 through FY 2015-2016. The tax rates in this measure comply with the California Constitution. The measure must be approved by two-thirds of Oakland voters.

Purpose of Tax

The tax revenue may be used only to restore City:

Police services and police technology

Fire services

Parks maintenance and recreational services

Library services, including technology

Youth violence prevention

Street and infrastructure repair

Senior Services.

The City Council is obligated to ensure that revenue generated by this special parcel tax is used only for the purposes specified above. The City Council has discretion to decide how to allocate the funds among the listed categories.

Cost of Tax

The tax will cost an owner of a single family residential parcel \$80.00 annually. Multiple unit residential parcels will be taxed at \$54.66 per unit. The tax for nonresidential parcels will be based on frontage and square footage of the parcel, in accordance with the formula specified in Part 2, Section 2(C) of the ordinance. Hotels' taxes will depend upon the percentage of transient occupancy, in accordance with the formula specified in Part 2, Section 2(E) of the ordinance.

The ordinance directs City Council to amend the Rent Adjustment Ordinance to allow owners of rental units to pass through one-half of the tax to their tenants in the form of a rent increase.

Tax Exemptions and Reductions

The measure exempts the following:

1) Low Income Households: An owner who lives on the parcel in question and whose income qualifies the owner for public housing under federal law as a "very low income" individual.

2) Undeveloped parcels: An owner of an undeveloped parcel is exempt from the tax if the parcel was undeveloped for at least six months of the year.

The measure reduces the tax as follows:

1) Affordable housing projects:

Rental housing projects for senior, disabled and lowincome households that are owned by nonprofits and exempt from ad valorem property tax are liable for only 50% of the tax.

2) Rebates to tenants in foreclosed single family homes:

The City will provide a rebate of one-half of the tax and any subsequent increases if a tenant (i) lived in the unit before foreclosure proceedings commenced; and (ii) is at or below the income considered "very low income" so that the tenant qualifies for public housing under federal law. Annual Review and Report

This measure also requires an annual review by an independent firm. It further requires that the chief fiscal officer prepare an annual report stating the amount of funds the City has collected and expended. The measure authorizes the City to use tax proceeds to pay the cost of the report.

s/BARBARA J. PARKER

City Attorney

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE I

Measure I authorizes the City of Oakland to impose a temporary parcel tax on residents in the City of Oakland for five years, beginning fiscal year (FY) 2011-12 and ending FY 2015-16. The tax proceeds will be deposited into a special account and may be used to pay for any costs and expenses related to or arising from City:

- Police Services and Police technology
- Fire Services
- Parks and Recreational Services
- · Library Services, including technology
- Youth Violence Prevention
- Street and infrastructure repair

The tax rates may not be increased by action of the City Council without the applicable voter approval but the City Council may make any other changes to this Ordinance as are consistent with its purpose. An annual review shall be performed by an independent firm to ensure accountability and proper disbursement of the proceeds in accordance with the objectives stated within the measure. The chief fiscal officer shall prepare an annual report, setting forth the amount of fund collected and expended. Tax proceeds may be used to pay for the audit and annual report.

Under the proposed parcel tax increase, Single-Family Residential Parcels will incur an annual rate of \$80 per parcel; Multiple-Family Residential Unit Parcels will incur an annual tax of \$54.66 per unit; Non-Residential Parcels are calculated by multiplying the annual tax rate of \$40.97 by the total number of Single Family Equivalents (determined by the frontage and square footage).

Financial Impact

Under the proposed new parcel tax, the City is projecting to receive \$12,052,379 in parcel taxes for FY 2011-12. The parcel tax under each classification is shown below:

Classification	No. of Parcels	# Units Per Single Family <u>Residential</u> <u>Unit</u> <u>Equivalents</u>	Proposed Assessment FY 11-12	<u>Proposed</u> <u>Assessment</u> FY 11-12
Single-Family	80,855	80,855	\$80.00	\$6,468,400
Multi-Family	16,723	79,071	\$54.66	\$4,322,021
Non-Residential	8,129	<u>30,802</u>	<u>\$40.97</u>	<u>\$1,261,958</u>
Total	105,707	190,728	-	\$12,052,379

Office of the City Administrator's Analysis

The total amount in parcel tax revenue projected for all five years is \$60,261,894. However, the projected net revenue after exemptions and fees is \$55,590,793, as illustrated below.

Office of the City Administrator's Analysis

Year	<u>Fiscal Year</u>	Estimated Revenue prior to low income exemption, delinquency factor & County collection fee	<u>Net Estimated</u> <u>Revenue after</u> exemptions & fees
1	FY 2011-12	\$12,052,379	\$11,118,159
2	FY 2012-13	\$12,052,379	\$11,118,159
3	FY 2013-14	\$12,052,379	\$11,118,159
4	FY 2014-15	\$12,052,379	\$11,118,159
5	FY 2015-16	\$12,052,379	\$11,118,159
	Total	\$60,261,894	\$55,590,793

In its analysis, the City Administration did not factor in taxes imposed on Residential Hotels and tax exemptions for Affordable Housing Projects and Foreclosed Single Family Homes. The City Administration did factor in low income exemptions, delinquencies and the county collection fee.

Based on our analysis of the data provided by City staff, the projected revenues appear accurate. We relied on the best data available at this time, however actual results may vary from City staff estimates.

s/COURTNEY A. RUBY, CPA, CFE City Auditor

ARGUMENT IN FAVOR OF MEASURE I

Fair Share Parcel Tax

Oakland is making progress, and we need to keep moving forward. We can't afford to go back. Over the past five years, Oakland has cut more than \$170 million in urgently needed services, eliminated 528 positions, and cut its budget by 25%.

Measure I, for 25 cents per day, will provide \$11 million a year for the next five years, and give Oakland the ability to recover from the worst recession since the depression.

Measure I will:

- · Restore longer-day services at senior centers
- Support public safety technology
- · Add crews to fix potholes
- Restore park maintenance staff
- Support youth violence intervention programs
- And other urgently needed city services.

This is the final step in the City's Fair Share Budget process. After tough decisions, painful cuts and employee give backs of an additional 9% on top of previous year contributions, we ask the community to vote yes on Measure I to prepare Oakland to be poised to take off when the economy recovers.

A coalition of community advocates, business leaders, seniors, library patrons, parks supporters and Oaklanders from every district support the Measure.

Oakland is beginning to make progress in many areas. Let's help keep moving forward.

s/Jean Quan Mayor s/Anthony Batts Chief of Police s/Mark Hoffmann Fire Chief s/Carmen Martinez Director Library Services s/Susan Montauk

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE I

Continuously asking Oaklanders to pay more taxes is not the solution to getting Oakland back on track. We say this tax is the wrong solution.

Here we are again facing another regressive property tax of \$80 per parcel, being told that the City's budget has been cut by 25% and that's why we should pay more taxes. There's nothing indicating these funds will be handled any more wisely or efficiently than the last parcel tax we agreed to. To this day we don't get what we were promised in 2004 under Measure Y, yet we still pay that tax.

Proponents claim that this measure will restore or support numerous services and programs, but the measure DOES NOT require any improvements and has no accountability. The money could easily, and legally, be used to pay for pensions or salaries that are currently bankrupting the City. It does nothing to address the City's structural problems, including a \$450 million pension debt that the City has no plan on how to repay. Proponents should focus their time addressing the debt associated with our current pension system rather than asking Oaklanders to pay higher taxes.

\$80 is a lot of money (\$400 over five years), particularly for homeowners who are on the brink of foreclosure, and others who can barely make their monthly rent payments.

This is another tax-grab without proof that our tax dollars will be spent wisely or efficiently. Demand real reform; don't give the City another blank check. Vote NO.

s/Frank Castro Chair, Greater Rockridge NCPC s/Maria J. Vermiglio San Antonio, NCPC, Member & Senior s/Marleen Sacks Attorney/Public Safety Advocate s/Gloria Jeffery Chair of MacArthur NCPC s/Mimi Rohr Montclair NCPC Vice-Chair

ARGUMENT AGAINST MEASURE I

This measure would add a new property tax of \$80 per parcel in Oakland and has no accountability. This would bring the current fixed taxes to \$820 annually representing a 27% increase on Oakland Specific Taxes. This tax does-n't take into account your income level or property value; and it can be passed onto renters. This is a regressive tax and should be defeated.

There's NO guarantee that more money will translate into increased service levels. This measure doesn't include specifics about how your tax dollars will be used; it only includes a laundry list of things the tax "may be used for."

Oakland has the HIGHEST property tax rate in Alameda County. In 2008, Oakland homeowners paid \$7,300 in property taxes on a home worth \$500,000; the average in Alameda County was \$6,300. Oakland's unemployment rate of 15% has led to thousands of foreclosures. In the last three years over 12,000 properties in Oakland have gone into foreclosure proceedings, with rates this high, it's unfathomable that homeowners be asked to pay more taxes. In fact, the authors of this tax themselves recognize the City of Oakland is being impacted by the Global, National, State, and Regional recession, yet they want to ask you to pay more taxes as if the recession has not impacted your checkbook.

What Oakland needs is structural change, change that can be achieved without increasing taxes; Government needs to do more with less just like everyone else in this down economy.

Let's not resort to quick fixes on the backs of struggling homeowners and renters. Let's demand implementation of systems that show efficient use of resources, measure workloads and ensure accountability.

We urge a NO Vote. This is another tax-grab without proof that our tax dollars are spent wisely or efficiently.

s/Ignacio De La Fuente President Pro-Tempore s/Desley Brooks Vice Mayor s/Jill Broadhurst East Bay Housing Association, Director of Community Affairs and Advocacy s/Judith Ghidinelli Oakland Homeowner s/John Protopappas Oakland Business Owner/Resident

REBUTTAL TO ARGUMENT AGAINST MEASURE I

Check the facts, then join us in voting YES on Measure I the 25-cent, temporary measure to restore services.

- We're voting YES on Measure I because it restores essential services like full-day senior centers, street repair, public safety, library and literacy programs, and park maintenance.
- We're voting YES because it costs homeowners less than 25-cents per day, shares costs between landlords and tenants, assesses commercial properties based on square footage, and provides an exemption for lowincome families.
- We're voting YES because it requires the City to submit to annual reviews by an independent authority to ensure accountability, and it expires in 5 years.
- We're voting YES because it's part of the "Fair Share" budget, with <u>all</u> City employees contributing to retirement savings and taking cuts up to 10%.

This year's budget slashes bureaucracy and collapses departments while preserving as many front-line jobs as possible. Measure I means restoration of park maintenance, library and literacy programs, and full day activities at senior centers, plus other essential services.

Oakland is <u>already</u> doing more with less: the City has cut 25% from its general fund over the past five years, eliminated 528 positions, and put major reforms in place.

We are a diverse coalition of people who love Oakland. We don't agree on everything, but we agree that this crisis demands a balanced approach, not a Tea Party style, allcuts approach.

Join us in Voting YES on Measure I to keep Oakland moving forward.

s/Laurence Reid City Councilmember s/Gordon "Don" Link Past Chair Community Policing Advisory Board s/Patricia Kernighan City Councilmember s/Allene Warren Past Chair Beat 35Y NCPC s/Donna Griggs-Murphy Chair, City of Oakland Commission on Aging

FULL TEXT OF MEASURE I

WHEREAS, the City of Oakland faces an unprecedented budget deficit in its General Purpose Fund due to impacts from the global, national, state, and regional recession; and

WHEREAS, the General Fund is the primary source of funding for functions such as police, fire, parks and libraries; and

WHEREAS, state and federal budget takeaways as well as declining local revenues put many of these vital City services and programs at risk of being eliminated; and

WHEREAS, the City of Oakland has already made large cuts to essential services, eliminated hundreds of positions, and reduced employee compensation by 15% for almost all positions; and

WHEREAS, as a result of investments made to reduce crime and violence in the City of Oakland, crime has declined three years in a row, and the City needs to stabilize funding so this progress continues; and

WHEREAS, the City Council determines it is in the best interests of the City of Oakland to submit to the voters this proposed ordinance imposing a temporary 5-year parcel tax for the purpose of protecting vital City services including public safety, youth violence prevention, library services, parks and recreation services, and street repair; and

WHEREAS, at the general election of November 2, 1996, the voters of the State of California amended the state constitution, adding Article XIII C, which requires that all new or increased special taxes be submitted to the voters prior to becoming effective; now, therefore be it

RESOLVED: That the City Council of the City of Oakland does hereby submit to the voters at the November 15, 2011 special election, an Ordinance, which reads as follows:

PART 1. GENERAL

Section 1. PURPOSE

The City will use the proceeds of the special tax imposed under this Ordinance to pay for any costs and expenses related to or arising from restoring City:

- a. Police services and police technology
- b. Fire services
- c. Parks maintenance and recreational services
- d. Library services, including technology
- e. Youth violence prevention
- f. Street and infrastructure repair
- g. Senior services

Section 2. FINDINGS

1. This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq., as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

2. Nothing in this Ordinance is intended to preclude owners from recovering the tax from the occupant. Whether the occupant is charged depends on the occupancy agreement and the requirements of the City's Residential Rent Adjustment Program. (Oakland Municipal Code Chapter 8.22)

Section 3. EFFECTIVE DATE

The tax imposed by this Ordinance shall become effective upon passage.

Section 4. TERM OF TAX IMPOSITION

The taxes shall be imposed fiscal year 2011-2012 through, and including, fiscal year 2015-2016. For the fiscal year 2011-2012, the tax is imposed on November 15, 2011. Thereafter, tax is imposed on July 1 each year. The City shall place delinquencies on a subsequent tax bill.

Section 5. SAVINGS CLAUSE

If any provision, sentence, clause, section or part of this Ordinance is found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, section or part of this Ordinance and shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance. It is hereby declared that the City would have adopted this Ordinance had such unconstitutional, illegal or invalid provision, sentence, clause, section or part thereof not been included herein.

If any tax imposed by this Ordinance is found to be unconstitutional, illegal or invalid by a court of competent jurisdiction, the amounts, services, programs and personnel required to be funded from such tax shall be reduced proportionately by any revenues lost due to such unconstitutionality, illegality or invalidity.

Section 6. REGULATIONS

The City Administrator is hereby authorized to promulgate such regulations as it shall deem necessary in order to implement the provisions of this Ordinance.

Section 7. NO AMENDMENT

The tax rates may not be increased by action of the City Council without the applicable voter approval but the City Council may make any other changes to this Ordinance as are consistent with its purpose.

Section 8. INDEPENDENT ANNUAL REVIEW

An annual review shall be performed by an independent firm to ensure accountability and proper disbursement of the proceeds in accordance with the objectives stated herein. In accordance with Government Code sections 50075.1 and 50075.3, the chief-fiscal officer shall prepare an annual report, setting forth the amount of funds collected and expended. Tax proceeds may be used to pay for the audit and annual report.

Section 9. SPECIAL ACCOUNT

The City shall deposit into a special account all funds collected by the City from the taxes imposed by this Ordinance and shall appropriate and expend such funds only for the purposes authorized by this Ordinance.

PART 2. PARCEL TAX

Section 1. DEFINITIONS

For purposes of this Ordinance, the "following terms shall be defined as set forth below:

(A) "Additional" shall mean an increase in the existing number.

(B) "Administrative Costs" shall mean overhead costs, including central services, departmental and/or divisional.

(C) "Building" shall mean any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel or property of any kind. The word "Building" includes the word "structure."

(D) "Family" shall mean one or more persons related by blood, marriage, domestic partnership, or adoption, who are living together in a single residential unit and maintaining a common household. Family shall also mean all unrelated persons who live together in a single Residential Unit and maintain a common household.

(E) "Hotel" shall mean as defined by Oakland Municipal Code section 4.24.020.

(F) "Multiple Residential Unit Parcel" shall mean a parcel zoned for a Building, or those portions thereof, which accommodates or is intended to contain two or more residential units.

(G) "Non-Residential" shall mean all parcels that are not classified by this Ordinance as Residential Parcels, and shall include, but not be limited to, parcels for industrial, commercial and institutional improvements, whether or not currently developed.

(H) "Occupancy" shall be as defined by Oakland Municipal Code section 4.24.020.

(I) "Operator" shall be as defined by Oakland Municipal Code section 4.24.020.

(J) "Owner" shall mean the Person having title to real estate as shown on the most current official assessment roll of the Alameda County Assessor.

(K) "Parcel" shall mean a unit of real estate in the City of Oakland as shown on the most current official assessment roll of the Alameda County Assessor.

(L) "Person" shall mean an individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

(M) "Possessory Interest" as it applies to property owned by any agency of the government of the United States, the State of California, or any political subdivision thereof, shall mean possession of, claim to, or right to the possession of, land or Improvements and shall include any exclusive right to the use of such land or Improvements.

(N) "Residential Unit" shall mean a Building or portion of a Building designed for or occupied exclusively by one Family.

(O) "Single Family Residential Parcel" shall mean a parcel zoned for single family residences, whether or not developed.

(P) "Transient" shall mean any individual who exercises Occupancy of a hotel or is entitled to Occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any individual so occupying space in a Hotel shall be deemed to be a Transient until the period of thirty (30) consecutive days has elapsed.

Section 2. IMPOSITION OF PARCEL TAX

There is hereby imposed a tax on all Owners of parcels in the City of Oakland for the privilege of using municipal services and the availability of such services. The tax imposed by this Section shall be assessed on the Owner unless the Owner is by law exempt from taxation, in which case, the tax imposed shall be assessed to the holder of any Possessory Interest in such parcel, unless such holder is also by law exempt from taxation. The tax is imposed as of July 1 of each year on the person who owned the parcel on that date. The tax shall be collected at the same time, by the same officials, and pursuant to the same procedures as the one percent property tax imposed pursuant to Article XIII A of the California Constitution.

Base Amount of Tax. The tax hereby imposed shall be set as follows subject to adjustment as provided in Section 5 below:

(A) For owners of all Single Family Residential Parcels, the tax shall be at the annual rate of \$80 per parcel.

(B) For owners of all Multiple Residential Unit Parcels, the tax shall be at the annual rate of per Residential Unit of \$54.66.

(C) The tax for Non-Residential Parcels is calculated using both frontage and square footage measurements to determine total Single Family Residential Unit Equivalents (SFE). A frontage of 80 feet for a commercial/industrial parcel, for example, is equal to one (1) single family resident unit equivalent. (See matrix.) An area of 6,400 square feet for the commercial industrial parcel is equal to one (1) single family resident unit equivalent. The tax is the annual rate (\$40.97) multiplied by the total number of Single Family Equivalents (determined by the frontage and square footage).

LAND USE CATEGORY	FRONTAGE	AREA (SF)
Commercial/ Institutional	80	6,400
Industrial	100	10,000
Public Utility	1,000	100,000
Golf Course	500	100,000
Quarry	1,000	250,000

Example: assessment calculation for a Commercial Institutional Parcel with a Frontage of 160 feet and an Area of 12,800 square feet:

Frontage 160 feet $\div 80 = 2$ SFE <u>Area</u> 12,800 square feet $\div 6,400 = 2$ SFE 2 SFE + 2 SFE = 4 SFE 4 SFE x \$40.97 = \$163.88 tax (D) <u>An Owner of An Undeveloped Parcel</u> is exempt from this parcel tax if the owner can prove that the parcel was undeveloped for at least six months of the year in question.

(E) The tax imposed by this Ordinance shall be imposed on each Hotel within the City as follows:

1. <u>Residential Hotels</u> Rooms in a Hotel occupied by individuals who were not Transients for 80% or more of the previous Fiscal Year shall be deemed Residential Units and the parcel on which they are located shall be subject to the Parcel tax imposed on Multiple Residential Unit Parcels. The remainder of the Building shall be subject to the applicable tax computed in accordance with the Single Family Residential Unit Equivalent formula set forth in Section 2(C).

2. <u>Transient Hotels</u> Notwithstanding the previous subsection, if 80% or more of the Operator's gross receipts for the previous Fiscal Year were reported as rent received from Transients on a return filed by the Operator in compliance With section 4.24.010 of the Oakland Municipal Code (commonly known as the Uniform Transient Occupancy Tax of the City of Oakland), such Hotel shall be deemed a Transient Hotel. The entire Building shall be deemed a Non-Residential Parcel, categorized as Commercial/Institutional, and shall be subject to the applicable tax computed in accordance with the Single Family Residential Unit Equivalent formula set forth in Section 2(C), and the parcel tax imposed on Multiple Residential Units shall not apply.

Section 3. EXEMPTIONS, REBATES, REDUCTIONS AND PASS-THROUGHS

(A) Low income household exemption. The following is exempt from this tax: an Owner of a single family residential unit (1) who resides in such unit and (2) whose combined family income, from all sources for the previous fiscal year, is at or below the income level qualifying as "very low income" for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.,) for such fiscal year. Owners must apply for the exemption provided for in this section annually by petition to the Director of the Finance and Management Agency of the City of Oakland ("Director of Finance") in the manner and time set forth in procedures established by the Director of Finance. Such petitions shall be on forms provided by the Director of Finance and shall provide such information as the Director of Finance shall require, including, but not limited to, federal income tax returns and W-2 forms of owner-occupants eligible for this exemption.

(B) Tenant pass-through. The City Council is directed to amend the Rent Adjustment Ordinance (O.M.C. 8.22.010, et seq. or successor ordinance) to provide that owners of rental units subject to the Rent Adjustment Ordinance may pass through one-half of the tax and subsequent increases thereto (as set out in Part 3, Section 2(B) to their tenants in the form of a rent increase when the Base Amount of the Tax is imposed or increased.

(C) Fifty percent reduction for affordable housing projects. Rental housing owned by nonprofit corporations and

nonprofit-controlled partnerships for senior, disabled and low income households that are exempt from ad valorem property tax pursuant California Revenue and Taxation Code 214(f), (g) and (h) shall be liable for only 50% of the parcel tax. The exemption shall apply in the same proportion that is exempted from ad valorem property tax.

(D) Rebate to tenants in foreclosed single family homes. The City will provide a rebate of one-half of the tax and subsequent increases thereto ("Foreclosure Rebate") to tenants in single family homes that have been foreclosed upon who have paid a passed through Parcel Tax. To qualify for the Foreclosure Rebate, a tenant must: (1) have lived in the unit before foreclosure proceedings commenced; and (2) be at or below the income level qualifying as "very low income" for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.,) for such fiscal year. The City will provide the Foreclosure Rebate for every month that the tax was applied and the tenant occupied the unit. The City will provide the Foreclosure Rebate at the end of each fiscal year, or when the tenant vacates the unit, whichever is earlier. The City Administrator will promulgate regulations to effectuate this Part 3, Section 3 (D).

Section 4. DUTIES OF THE DIRECTOR OF FINANCE; NOTICE OF DECISIONS

It shall be the duty of the Director of the Finance and Management Agency ("Director of Finance") to collect and receive all taxes imposed by this Ordinance. The Director of Finance is charged with the enforcement of this Ordinance and may adopt rules and regulations relating to such enforcement.

Section 5. EXAMINATION OF BOOKS, RECORDS, WITNESSES; PENALTIES

The Director of Finance or his/her designee is hereby authorized to examine assessment rolls, property tax records, records of the Alameda County Recorder and any other records of the County of Alameda deemed necessary in order to determine ownership of Parcels and computation of the tax imposed by this Ordinance.

The Director of Finance or his/her designee is hereby authorized to examine the books, papers and records of any person subject to the tax imposed by this Ordinance for the purpose of verifying the accuracy of any petition, claim or return filed and to ascertain the tax due. The Director of Finance, or his/her designee is hereby authorized to examine any person, under oath, for the purpose of verifying the accuracy of any petition, claim or return filed or to ascertain the tax due under this Ordinance and for this purpose may compel the production of books, papers and records before him/her, whether as parties or witnesses, whenever s/he believes such persons have knowledge of such matters. The refusal of such examination by any person subject to the tax shall be deemed a violation of this Ordinance and of the Oakland Municipal Code and subject to any and all remedies specified therein.

Section 6. <u>COLLECTION OF TAX; INTEREST AND</u>

The tax for the fiscal year 2011-2012 shall be levied and imposed at the full annual rate. At the option of the City,

fiscal year 2011-2012 taxes may be collected by hand billing or may be collected at the direction of the City by the Alameda County Tax Collector. Thereafter, the tax levied and imposed by this ordinance shall be due and payable on July 1 of each year, but it may be paid in two installments due no later than December 10 and April 10.

The tax shall be delinquent if the City does not receive it on or before the delinquency date set forth in the notice mailed to the Owner's address as shown on the most current assessment roll of the Alameda County Tax Collector; and the tax shall be collected in such a manner as the City Council may decide. The City may place delinquencies on a subsequent tax bill.

A one-time penalty at a rate set by the City Council, which in no event shall exceed 25% of the tax due per fiscal year, is hereby imposed by this ordinance on all taxpayers who fail to timely pay the tax provided by this Ordinance; in addition, the City Council may assess interest at the rate of 1% per month on the unpaid tax and the penalty thereon.

Every penalty imposed and such interest as accrues under the provisions of this ordinance shall become a part of the tax herein required to be paid.

The City may authorize the County of Alameda to collect the taxes imposed by this Ordinance in conjunction with and at the same time and in the same manner as the County collects property taxes for the City. If the City elects to authorize the County of Alameda to collect the tax, penalties and interest shall be those applicable to the nonpayment of property taxes.

Section 7. COLLECTION OF UNPAID TAXES

The amount of any tax, penalty, and interest imposed under the provisions of this ordinance shall be deemed a debt to the City. Any person owing money under the provisions of this Ordinance shall be liable to an action brought in the name of the City for the recovery for such amount.

<u>Section 8.</u> <u>REFUND OF TAX, PENALTY, OR INTER-</u> <u>EST PAID MORE THAN ONCE; OR ERRONEOUSLY</u> <u>OR ILLEGALLY COLLECTED</u>

Whenever the amount of any tax, penalty, or interest imposed by this Ordinance has been paid more than once, or has been erroneously or illegally collected or received by the City it may be refunded provided a verified claim in writing therefore, stating the specific ground upon which such claim is founded, is filed with the Director of Finance within 1 (one) year of the date of payment. The claim shall be filed by the person who paid the tax or such person's guardian, conservator of the executor of her or his estate. No claim may be filed on behalf of other taxpayers or a class of taxpayers. The claim shall be reviewed by the Director of Finance and shall be made on forms provided by the Director of Finance. If the claim is approved by the Director of Finance, the excess amount collected or paid may be refunded or may be credited against any amounts then due and payable from the Person from who it was collected or by whom paid, and the balance may be refunded to such Person, his/her administrators or executors. Filing a claim shall be a condition precedent to legal

action against the City for a refund of the tax.

GO GREEN AND SAVE TAX DOLLARS!

OPT-OUT OF RECEIVING YOUR SAMPLE BALLOT AND VOTER INFORMATION PAMPHLET BY MAIL

Beginning January 1, 2011, State Law (AB 1717) allows voters to "go green" by choosing to opt-out of receiving their sample ballot and voter information pamphlet by mail and accessing it online instead. Choosing the online option will help reduce County costs and save tax dollars.



If you would like to opt-out of receiving your Sample Ballot and Voter Information Pamphlet by mail, simply complete the Opt-Out/Opt-In Form online at: www.acgov.org/rov/sampleballotopt.htm Sample Ballot and Voter Information Pamphlets are available online approximately 40 days before an election.



FOR MORE INFORMATION

Visit our website at: www.acgov.org/rov or contact us at: (510) 272-6973

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SERVE YOUR COMMUNITY

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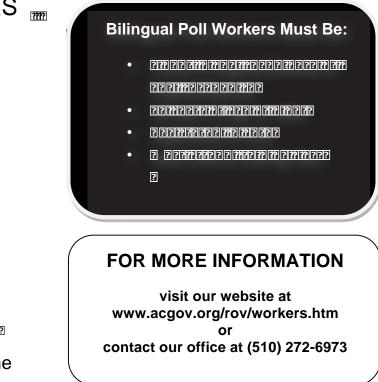
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BILINGUAL POLL WORKERS ARE NEEDED FOR

JUNE AND NOVEMBER 2012 ELECTIONS



Earn extra money and be a part of the election process



GO GREEN AND SAVE TAX DOLLARS!

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Sample Ballot and Voter Information Pamphlets are available online approximately 40 days before an election.



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CITY OF OAKLAND MEASURE J

Shall the Charter be amended to allow the City of Oakland to change	YES
the deadline for fully funding its Police and Fire Retirement Plan to a new	NO
financially responsible deadline?	

CITY ATTORNEY'S BALLOT TITLE AND SUMMARY

BALLOT TITLE:

A Proposed Charter Amendment Extending the City's Deadline for Fully Funding the Police and Fire Retirement System Plan, and Granting the Police and Fire Retirement Board the Authority to Set the Amortization Period for the Plan's Gains and Losses

BALLOT SUMMARY:

This measure would give the City of Oakland more time to fully fund the Police and Fire Retirement System ("PFRS") if (1) the PFRS Board and the City Council agree to a later full funding deadline and (2) the PFRS Board determines the new deadline will not detrimentally affect the fund's ability to pay retirement benefits and costs for PFRS members and their beneficiaries. Currently, the City is required to fund all costs, liabilities and retirement benefits for all PFRS members by July 1, 2026.

In addition, beginning ten years prior to the City's deadline for fully funding the retirement plan, this measure would grant the PFRS Board the authority to set an amortization period for the retirement plan's gains and losses. The PFRS Board would be allowed to spread significant gains and losses resulting from events, such as fluctuations in the stock market and unexpected decreases in the retirement plan's membership, over a greater number of years.

The City Charter and the California Constitution grant the PFRS Board the sole authority to manage and administer PFRS. PFRS provides retirement benefits for police officers and firefighters who were hired by the City from July 1, 1951 through June 30, 1976. The City Charter mandates that the PFRS Board obtain a study from an actuary every three years to determine the schedule and the amounts that the City is required to contribute each year to fully fund PFRS by the full funding deadline.

Implementation of the proposed Charter amendment is contingent upon findings by the PFRS Board that each proposed extension of the funding deadline and each proposed change in the amortization period and payment schedule and amounts would protect the assets of PFRS and the benefits of the retirees and beneficiaries. The findings would be the result of actuarial studies commissioned by the PFRS Board.

This measure is not a tax. It does not create a new tax or authorize the extension of any existing tax.

A "yes" vote will approve the changes to the Police and Fire Retirement System; a "no" vote will reject the changes.

s/BARBARA J. PARKER City Attorney

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE J

This proposed City Charter amendment would amend Charter Section 2619(6) to allow the City and the City of Oakland Police and Fire Retirement Board ("PFRS Board"), by mutual agreement, to extend the deadline for the City to fully fund the Police and Fire Retirement System ("PFRS"). PFRS provides retirement benefits for police officers and firefighters who were hired by the City from July 1, 1951 through June 30, 1976.

The current City Charter requires that the City fully fund all costs, liabilities and retirement benefits for all members of PFRS and their beneficiaries by July 1, 2026. The City must contribute sufficient amounts each year to provide retirement benefits and to fully fund PFRS by July 1, 2026.

This proposed amendment would extend the deadline for fully funding PFRS from July 1, 2026 to a later date(s) that is mutually agreeable to the City Council and the PFRS Board, which manages and administers PFRS. The extension would have to be supported by an actuarial study showing that the new deadline will not detrimentally affect the City's ability to fund retirement benefits and costs for PFRS members and their beneficiaries.

The proposed Charter amendment also authorizes the PFRS Board to adjust the way that gains and losses are amortized. The PFRS Board would be allowed to spread system gains and losses resulting from events, such as losses in the stock market and unexpected decreases in the retirement plan's membership, over a greater number of years.

Ten years from the date by which the City is required to fully fund PFRS, the PFRS Board would be allowed to set an amortization period for gains and losses based upon an actuarial study secured by the PFRS Board. Any change in the schedule or amounts must be approved by the PFRS Board and its actuary.

The implementation of the proposed Charter amendment is contingent upon a finding by the PFRS Board that the proposed extension and amortization would protect the benefits of PFRS retirees and the assets of PFRS. The findings would be based upon an actuarial study commissioned by the PFRS Board.

This is not a tax. The proposed Charter amendment would not result in the increase or extension of any tax currently levied by the City.

s/BARBARA J. PARKER City Attorney

CITY AUDITOR'S IMPARTIAL FINANCIAL ANALYSIS OF MEASURE J

SUMMARY

The Police and Fire Retirement System (PFRS) was established by Oakland City Charter Article XXVI in 1951 to provide retirement benefits for sworn Police and Fire personnel.

The PFRS fund was closed in 1976 when the City elected to utilize the California Public Employees' Retirement System (PERS) for all subsequent City employees, both for sworn Police and Fire personnel and non-sworn employees.

The City must continue to contribute to the closed PFRS Plan each year so that all PFRS financial liabilities are fully-funded by July 1, 2026 (Full-Funding Deadline), as currently defined in Article XXVI, Section 2619 (6) of the City Charter.

Voter approval of Measure J would authorize the City to extend the Full-Funding Deadline to a later date if mutually agreed upon by the PFRS Board and the City Council and <u>supported by an actuarial study</u>. Such extension(s) would reduce the City's current annual payment obligation to PFRS however it would not reduce the plan's unfunded liability.

Additionally, to mitigate market volatility, Measure J states that beginning 10 years prior to the Full-Funding Deadline, each year's gains and losses shall be amortized over a period of years from the year such gains or losses are incurred. The amortization period shall be set by the Board based on an actuarial study commissioned by the Board.

FINANCIAL IMPACT

Measure J would likely extend the City's pension obligation over a longer period of time, thereby reducing the City's annual payment obligation currently at \$45.6 million starting July 1, 2011. The current actuary projects that benefit payments to PFRS beneficiaries may extend beyond 2050.

Measure J, however, does not produce savings as the City's total obligation to fund PFRS over the life of the PFRS Plan - currently estimated to be \$494 million - remains the same. Instead, Measure J reduces the City's current obligation by spreading its annual payments to PFRS over a longer period.

The magnitude of the City's annual payment reduction depends on several factors, including market volatility and the extension of the Full-Funding Deadline. An actuarial study, as required in Measure J to reset the Full-Funding Deadline, would determine the date the plan could be extended to that assures the ability of the PFRS assets to provide for the members' retirement benefits.

Measure J would also smooth gains and losses over an actuarially sound period of time approved by the PFRS Board and the City Council beginning ten years prior to the Full-Funding Deadline. This could reduce large swings in the City's annual cash payments due to market performance as the Full-Funding Deadline nears, thereby mitigating the City's exposure to market volatility. However, actual impact on the City's cash flow from the smoothing mechanism cannot be estimated given unpredictable market conditions.

We relied on the best data available at this time; however, actual results would be dependent upon variables such as the actuarial studies, Full-Funding Deadline, and market volatility as described above.

ARGUMENT IN FAVOR OF MEASURE J POLICE AND FIRE RETIREMENT PLAN FUNDING REFORM

This Retirement Plan Reform Measure creates better financial stability for the City of Oakland, while keeping its promise to pay police and fire retirees the benefits they've earned. It could reduce the City's yearly pension contribution requirement by millions of dollars over the next few years - all without increasing taxes, adding debt or cutting City Services.

More than 25 years ago Oakland closed its Police and Fire Retirement System to new hires and over 20 years ago set the year 2026 as the system's full-funding deadline. 2026 may well be an unnecessarily early deadline, making the City's current contribution requirement higher than it needs to be – especially in times of financial hardship. Additionally, since contributions a stock market crash near the 2026 deadline could force the City into having to make unreasonably high contributions. This risk gets higher the closer we get to a fixed deadline of 2026.

This Reform Measure would replace the arbitrary deadline of 2026 with one that is flexible and reasonable. It would also spread-out impacts from the stock market, so the City's contribution payments remain smoother and more predictable. All changes under this Measure would require approval and on-going review by an independent financial expert.

Please improve Oakland's financial stability-vote "Yes" on this Retirement Plan Reform Measure.

s/Libby Schaaf Oakland City Councilmember, District 4 s/Rebecca Kaplan Oakland Councilmember At-Large s/Robert J. Muszar Retired Oakland Police Officers Association s/Jay Ashford Member, Budget Advisory Committee s/Bruce Nye

Chair, Make Oakland Better Now!

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE J

Lies, Lies, Lies, and more Lies

For obvious reasons the proponents opted not to submit a <u>Rebuttal</u> <u>Argument</u>, their claims are simply too outrageous.

Even the OPFRS actuary, Bartell and Associates questions their "*extension*" scheme, suggesting it actually <u>does add</u> <u>debt</u>.

<u>Save millions while not increasing taxes</u>. What are they smoking? The slick 1988 Measure O, <u>Pension Savings</u> <u>Act</u>, by *its* 10 year "extension" is costing Oakland taxpayers an additional \$1,000,000,000.00 (billion). Individual home owners will each pay an additional \$10,000.00.

But, the biggest "Whopper" comes from the City Attorney, Barbara Parker. She falsely proclaims Councilmember Schaaf's Charter amendment would not result in an increase or <u>extension</u> of taxes.

It is not rocket science - when payments are extended, you pay longer, resulting in more money. The payments are not reduced, they are fixed at 0.1575% and increase with your assessed property value - the tax is continually <u>increased</u> and <u>extended</u>.

<u>Truth be told</u> - this is a scheme to sell additional Pension Bonds. Oakland foolishly pioneered the Pension Bond scheme in 1985 with the sale of millions in bonds. It purchased New York Life Annuities, but rather than use the annuities to pay retirees, they are used to pay additional bond debt.

Those bonds were restructured in 1988, and three more times, 1998, 2005, and 2008. In 1998 the City entered into an interest rate "Swap" agreement, now costing \$17 mil. Compounding their mismanagement, additional bonds were sold in 1997, for \$437 mil., and restructured in 2001.

Vote NO! on Measure J.

s/David Mix Native Oaklander s/Ken Pratt Native Piedmont Pines Activist

Don't Be Fooled

This proposal, marketed as <u>Police and Fire Pension</u> <u>Reform</u>, is a HIDDEN TAX. Columnist, Daniel Borenstein authored an enlightening article, (September 5, 2010) elaborating on the deception and the enormity of this tax.

As Borenstein pointed out - this TAX is HUGE - it is more than your <u>tax assessments</u> for LLAD, the Library, Measure Y, and OUSD (\$195.00) combined. In fact, if your home value is \$520,000. This hidden tax is more than <u>the total of all the special assessments on your Tax bill</u>. The City takes in over \$62 mil. annually - more than the Library, Parks/Rec and Violence Prevention budgets combined.

This tax is quietly tucked away on your tax bill under <u>Voter Approved Debt Service</u>. The rate, 0.1575% of property value, amounts to \$787.00 on a \$500,000 home, and \$1,181.00 on a \$750,000 home.

The accompanying Resolution, by Councilwoman Schaaf, is patently false. She unabashedly states, this proposal *will not authorize collection* of this property tax beyond 2026. Originally, it would have ended in 2016. But, by a 1988 deceptive ballot measure, cleverly titled, "<u>Pension Savings Act</u>", it was extended to 2026 - ten years of additional TAXES.

Don't be fooled - the "Resolution" is not controlling, it carries no weight. Libby can make whatever outrageous statements she likes - the electorate votes on the <u>Proposed</u> <u>Charter Amendment</u>, not the <u>Resolution</u>, nor the ballot arguments. The only thing that matters is the proposed language in Section 2619(6) - nothing else.

Not surprisingly, there is no language in <u>the body</u> of the "proposed amendment" indicating the tax will be terminated. More importantly, Municipalities don't terminate tax collections - they perpetuate them. This proposal is a sham - **Vote No!**

FYI, see Valentine v. City of Oakland (1983) 148 Cal. App. 3d 139.

s/David Mix Native Oaklander s/Ken Pratt Native Piedmont Pines Activist

FULL TEXT OF MEASURE J

WHEREAS, City Charter Article XXVI established the Oakland Police and Fire Retirement System ("PFRS") in 1951 to provide retirement benefits for Police and Fire Department sworn (uniformed) employees and created an independent Police and Fire Retirement Board ("PFRS Board") to manage and administer the funds of the PFRS; and

WHEREAS, pursuant to Article 16 of the California Constitution public retirement boards are independent boards and the Constitution, accordingly (1) grants the PFRS Board plenary authority and the sole and exclusive fiduciary responsibility over the assets of the PFRS and the sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries and (2) mandates that the PFRS Board discharge its duties with respect to the PFRS solely in the interest of, and for the exclusive purposes of providing benefits to participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system; and

WHEREAS, in 1976 the PFRS was closed and all subsequent sworn police and fire personnel that the City hired became members of the California Public Employees' Retirement System ("PERS"); and

WHEREAS, City Charter section 2619(6) requires that the City contribute to the PFRS, periodically during the year such amounts as may be necessary, when added to member contributions to actuarially fund all liabilities for all PFRS members by July 1, 2026, hereafter referred to as the "Full-Funding Deadline"; and

WHEREAS, while actuaries project that payments to beneficiaries of the PFRS may extend beyond 2050, the City Charter currently requires that the PFRS Plan be fully funded by 2026, resulting in the possible front-loading of the City's payment obligations to the retirement system, which may not be fiscally necessary; and

WHEREAS, use of a later date may be possible without jeopardizing the payment of future pensions from the trust; and

WHEREAS, an extension of the contribution period justified by an actuarial valuation, could result in significant savings to the City without affecting its duty and ability to fund the PFRS and pay retirement benefits to its members; and

WHEREAS, market volatility puts the City at risk of having unreasonably large contributions as the Full-Funding Deadline draws near and this risk may be reduced in a fiscally sound manner by amortizing yearly gains and losses over an actuarially sound period of time from the year such gains or losses are realized beginning ten years preceding the Full-Funding Deadline; and

WHEREAS, it is financially and administratively prudent to amend the City Charter to authorize the City and the PFRS Board to approve extensions of the Full-Funding Deadline in the future by mutual agreement, provided that such extensions are supported by actuarial reports; and **WHEREAS,** for the foregoing reasons, the City Council desires to submit to the qualified electors of the City of Oakland at it next municipal election, a proposed Charter amendment, now, therefore be it

RESOLVED: That the City Council hereby authorizes and directs the City Clerk, at least 88 days prior to the next special or general municipal election date, to file with the Alameda County Board of Supervisors and the County Clerk certified copies of this resolution; and be it

FURTHER RESOLVED: That the proposed Charter Amendment shall be contingent upon the findings of an actuarial study to be commissioned by the PFRS Board; and be it

FURTHER RESOLVED: That any extension of the Full-Funding Deadline pursuant to this proposed City Charter amendment will not authorize the collection of the property tax levied annually by the City for the purpose of funding its obligations to PFRS known as the "tax override" beyond the year 2026, unless there is a separate two-thirds vote of the people, pursuant to California Law; and be it

FURTHER RESOLVED: That the implementation of the Charter Amendment by the City, if it is approved by the voters, shall and will be contingent upon a finding by the PFRS Board that the proposed extension of the Full-Funding Deadline, which is approved by the PFRS Board and the City, would not have a detrimental or compromising effect on the members' retirement benefits or rights; and be it

FURTHER RESOLVED: That any further extensions of the Full-Funding Deadline by mutual agreement of the City and the PFRS Board, shall and will be contingent upon an actuarial report that supports each such extension; and be it

FURTHER RESOLVED: That the City Charter hereby is amended, to add, delete, or modify sections as set forth below (sections number and titles are indicated in **bold type;** additions are indicated by underscoring and deletions are indicated by strikethrough type; portion of the provisions not cited or not shown in <u>underscoring</u> or strikethrough type are not changed); and be it

FURTHER RESOLVED: That the proposed Charter Amendment text shall be as follows:

Article XXVI: POLICE AND FIRE RETIREMENT SYSTEM

Section 2619(6)

The City shall contribute to the Retirement System such amounts as may be necessary, when added to the contributions referred to in the preceding paragraphs of this Section, to provide the benefits payable under this Article and Articles XIV and XV. The City contributions made periodically during the year shall be such as when added to member contributions will actuarially fund all liabilities for all members prior to July 1, 1976, by July 1, 2026. <u>The</u> date of July 1, 2026 may be changed, provided that both the City and Board approve and provided that such fullfunding deadline is based on and supported by an actuarial study commissioned by the Board, known hereafter as "Full-Funding Deadline". Additionally, notwithstanding any other language or provision of this Article XXVI or the City Charter, the Board and the City shall have authority by mutual agreement to approve further extensions of the Full-Funding Deadline, provided that actuarial studies commissioned by the Board support each such subsequent change. The Board's and the City's approvals must be authorized by separate resolutions of the Board and the City Council. Any findings by the PFRS Board shall be consistent with their fiduciary responsibility to assure the competency of the PFRS assets and to provide the members' retirement benefits and rights conferred by the Oakland City Charter, Article XXVI. Additionally, to protect the City from market volatility, beginning ten years prior to the Full-Funding Deadline, each year's gains and losses shall be amortized over a period of years from the year such gains or losses are realized. The amortization period shall be set by the Board based on an actuarial study commissioned by the Board. Nothing in this section shall prevent the City from paying more than its minimum obligation to the Fund.

Any fund established pursuant to the 1971 amendment to this subsection and implemented by Retirement Board Resolution No. 3968 which provided for payment of improved or additional benefits shall continue only for the purposes stated herein. Any monies held in such fund as of July 1, 1976, and any interest credited thereon pursuant to Section 2602(a) shall continue to be payable to members of this system as follows: [remaining text not amended].

GO GREEN AND SAVE TAX DOLLARS!

OPT-OUT OF RECEIVING YOUR SAMPLE BALLOT AND VOTER INFORMATION PAMPHLET BY MAIL

Beginning January 1, 2011, State Law (AB 1717) allows voters to "go green" by choosing to opt-out of receiving their sample ballot and voter information pamphlet by mail and accessing it online instead. Choosing the online option will help reduce County costs and save tax dollars.

If you would like to opt-out of receiving your Sample Ballot and Voter Information Pamphlet by mail, simply complete the Opt-Out/Opt-In Form on our website at: www.acgov.org/rov/sampleballotopt.htm

Sample Ballot and Voter Information Pamphlets are available online approximately 40 days before an election.



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SERVE YOUR COMMUNITY

BILINGUAL POLL WORKERS ARE NEEDED FOR

JUNE AND NOVEMBER 2012 ELECTIONS



Bilingual Poll Workers Must:

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APPLICATION FORMS ARE AVAILABLE ONLINE AT:

www.acgov.org/rov/workers.htm

FOR MORE INFORMATION

E-MAIL: rov_pollworker@acgov.org CALL: (510) 272-6971

EARN EXTRA MONEY AND BE PART OF THE ELECTION PROCESS

INSPECTOR

- Person in-charge
- Must have own vehicle
- · Mandatory 3 hour training class
- Must be a registered voter

EARN \$180

JUDGES

- Mandatory 3 hour training class
- · Must be a registered voter

EARN \$125

CLERKS

- Mandatory 2 hour training class
- Must be a registered voter

EARN \$110

STUDENTS

- Must be at least 16 years of age
- A U.S. citizen
- Have a G.P.A. of 2.5 or higher

EARN \$95

GO GREEN AND SAVE TAX DOLLARS!

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Sample Ballot and Voter Information Pamphlets are available online approximately 40 days before an election.



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"SERVE YOUR COMMUNITY"

BILINGUAL POLL WORKERS ARE NEEDED FOR JUNE AND NOVEMBER 2012 ELECTIONS

- Earn Extra Money and Be A Part of the Election Process.
- Must be fluent in English and Chinese or English and Spanish.
- Must be a Registered Voter in Alameda County.
- Must attend the Mandatory training.



Visit our website at www.acgov.org/rov/workers.htm or contact our office at 510-272-6971 TO:

To request a sample ballot in English, Chinese or Spanish, please contact us at:

ENGLISH - (510)272-6973

CHINESE - (510)208-9665

SPANISH - (510)272-6975

OR EMAIL US AT: rov_outreach@acgov.org

如想索取這選票樣本的中文版,請致電我們:

中文- (510)208-9665

或電郵至: rov_outreach@acgov.org

PARA SOLICITAR UNA BALOTA DE MUESTRA EN ESPAÑOL, POR FAVOR LLAME AL:

(510)272-6975

0 MANDE UN CORREO ELECTRÓNICO AL: rov_outreach@acgov.org