



Office of the City Manager

CONSENT CALENDAR
May 7, 2024

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Mark Numainville, City Clerk
Henry Oyekanmi, Director, Finance Department

Subject: Ballot Measure Increasing the City's Appropriation Limit to Allow Expenditure of Tax Proceeds for Fiscal Years 2025 through 2028

RECOMMENDATION

1. Adopt a Resolution placing the attached measure to increase the City's appropriation limit on the ballot at the November 5, 2024 General Municipal Election.
2. Designate, by motion, specific members of the Council to file ballot measure arguments on this measure as provided for in Elections Code Section 9282.

FISCAL IMPACTS OF RECOMMENDATION

The City will be authorized to appropriate and expend proceeds of taxes and income from investments of those taxes for four additional years, from FY 2025 through FY 2028. This measure would not increase taxes or impose a new tax. It would authorize the City to continue to spend the proceeds of already-approved taxes for FY 2025 through 2028.

No direct fiscal impacts related to the recommended action. Election services have seen a steep increase since 2018, with the City's first million-dollar election in 2020. In addition, the number of measures placed on the ballot, and the length of the measures, are the primary driving factors in the fluctuation of election costs.

CURRENT SITUATION AND ITS EFFECTS

The City has adopted various taxes over the years, including special taxes to fund park maintenance, City library services, emergency medical services (EMS), emergency services for severely physically disabled persons, fire protection and emergency response and preparedness, street lighting and storm drainage infrastructure and most recently fire, emergency services and wildfire prevention and tax on transportation network company trips. It has also adopted various general taxes, such as the business license tax, the utility users tax, the sugar sweetened beverage products tax, parking and transient occupancy taxes, the real property transfer tax, and the vacancy tax on residential properties.

In November 2020, voters approved the existing authorization to spend the proceeds of these taxes, expiring on June 30, 2024. Voter authorization to raise the spending limit must be renewed every four years. Accordingly, pursuant to Article XIII B of the California Constitution, in November 2024, the voters need to authorize the City to spend the proceeds of these taxes from fiscal year 2025 through fiscal year 2028.

Additionally, according to California Elections Code 9282 (b), measures placed on the ballot by the legislative body, or a member or members of the legislative body authorized by that body, or an individual voter who is eligible to vote on the measure, or bona fide association of citizens, or a combination of voters and associations, may file a written argument for or against any city measure.

BACKGROUND

Article XIII B of the California Constitution, the "Gann Appropriations Limit", limits the total annual appropriations of each local government to the prior year's appropriation, adjusted for changes in population and the cost of living. Section 4 of Article XIII B authorizes voters to increase this appropriations limit for a maximum period of four years at a time. Unless the voters do so, half of any amount collected in excess of the appropriation limit must be refunded to the taxpayers within the next two years.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental and climate effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

If voters do not authorize the City to spend the proceeds of these taxes, then the amounts that may be spent on maintaining acceptable levels of park maintenance, library services, emergency medical services, emergency services for severely physically disabled persons and fire protection and emergency response and preparedness, as well as general governmental services and infrastructure would be reduced.

ALTERNATIVE ACTIONS CONSIDERED

Not authorizing the expenditure of the funds would be fiscally imprudent.

CONTACT PERSON

Mark Numainville, City Clerk, (510) 981-6900
Henry Oyekanmi, Finance Director, (510) 981-7300

Attachments:

- 1: Resolution
Exhibit A: Text of Measure

RESOLUTION NO. ##,### –N.S.

SUBMITTING TO THE BERKELEY ELECTORATE A MEASURE TO INCREASE THE APPROPRIATION LIMIT UNDER ARTICLE XIIB OF THE CALIFORNIA CONSTITUTION TO ALLOW FOR EXPENDITURE OF PROCEEDS OF TAXES AND INCOME FROM THE INVESTMENT OF THOSE TAXES FOR FISCAL YEARS 2025 THROUGH 2028

WHEREAS, the Berkeley City Council has elected to submit to the voters at the November 5, 2024 General Municipal Election, a measure to increase the appropriation limit under Article XIIB of the California Constitution to allow for expenditure of taxes previously approved by the City, for FY 2025 through FY 2028; and

WHEREAS, the Council has requested that the Alameda County Board of Supervisors consolidate the General Municipal Election with the Presidential General Election; and

WHEREAS, the Council desires to submit all measures to be placed upon the ballot at said consolidated election.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Board of Supervisors of Alameda County is hereby requested to include on the ballots and sample ballots the measure enumerated above to be voted on by the voters of the qualified electors of the City of Berkeley.

BE IT FURTHER RESOLVED that full text of the measure and the City Attorney's analysis shall be printed in the Voter Information Pamphlet mailed to all voters in the City of Berkeley.

BE IT FURTHER RESOLVED that the above enumerated measure requires a majority vote threshold for passage.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Berkeley, the Government Code and the Elections Code of the State of California.

BE IT FURTHER RESOLVED that the Registrar of Voters of Alameda County is requested to perform services in connection with said election at the request of the City Clerk.

BE IT FURTHER RESOLVED that the City of Berkeley agrees to reimburse the County of Alameda in full for the cost of election services performed.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized to enter into any contracts necessary for election consulting services, temporary employment services, printing services, and any such other supplies and services as may be required by the

statutes of the State of California and the Charter of the City of Berkeley for the conduct of the November General Municipal Election.

BE IT FURTHER RESOLVED that said proposed measure shall appear and be printed upon the ballots to be used at said election as follows:

CITY OF BERKELEY BALLOT MEASURE	
Shall the City's appropriation limit under Article XIII B of the California Constitution be increased to allow expenditure of the proceeds of City taxes and income from the investment of those taxes for fiscal years 2025 through 2028?	YES
<u>Financial Implications:</u> This measure would not increase taxes or impose a new tax. It would authorize the City to continue to spend the proceeds of already-approved taxes for FY 2025 through 2028.	NO

BE IT FURTHER RESOLVED that the text of the measure be as shown on Exhibit A and attached hereto and made a part hereof.

Exhibits

A: Text of Measure

TEXT OF MEASURE

RESOLUTION NO. ##,###-N.S.

APPROVING INCREASE IN APPROPRIATION LIMIT FOR FISCAL YEARS 2025 THROUGH 2028

WHEREAS, Article XIIB of the California Constitution requires that the voters approve increases in the City's appropriations limit on a four year cycle; and

WHEREAS, such increases allow the City to expend funds it has already collected from previously approved ballot measures for various purposes including public safety, parks and recreation, health services, and infrastructure; and

WHEREAS, such expenditures are necessary for the continued health and well-being of City residents.

NOW THEREFORE BE IT RESOLVED by the People of the City of Berkeley that the City's appropriation limit under Article XIIB of the California Constitution is increased to allow the expenditure of the proceeds of City taxes and income from the investment of those taxes for fiscal years 2025 through 2028.

