

# Argument against Measure V

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Submitted by Laurie Capitelli, appointed by Council to author the argument against Measure V

CITY OF BERKELEY  
CITY CLERK DEPARTMENT

## **MEASURE V IS BAD FISCAL POLICY**

It could put Berkeley at financial risk because the measure is poorly written with undefined terms. There is a serious risk that disputes could delay "certification" plunging the City into a fiscal nightmare. If the required biennial report showing a 20 year projection of expenses is not "certified" on time, the City could not collect any tax or fee increase – even those approved by voters – or restructure debt.

### **THE RISK OF FISCAL CONSEQUENCES IS TOO HIGH.**

- Inevitable lawsuits surrounding "certification" would prevent the city from conducting municipal business until lawsuits are resolved.
- If certification is delayed through no fault of the City, the City cannot secure trans-financing – the short term loans the City routinely takes – at very favorable rates – to smooth cash flows.
- Inability to finance loans would negatively affect our bond rating, currently at AA+.
- Opportunities to refinance bonds at favorable rates could be delayed or missed, leading to potentially significant losses.
- There is no provision for possible need of emergency funds in the event of disasters, such as wildfires or earthquakes.

### **OTHER REQUIRED REPORTS ALREADY FULFILL THE OBJECTIVE.**

- On May 29, 2012, the City Council passed an ordinance requiring that similar reports be compiled: a report on infrastructure and asset costs covering a 5-Year projection; and a report on employee and retiree costs covering a 10-Year projection.
- Measure ~~V~~ requires reporting on the same expenses as the May 29, 2012 ordinance, but for a 20 year period, which is largely conjectural in the out years, and therefore of limited additional value.

Putting in place an onerous – and potentially dangerous – enforcement provision, for a report that is already essentially available does nothing to better plan our financial obligations and future.

**VOTE "NO" ON MEASURE V.**

**Sherry Smith, President, League of Women Voters of Berkeley, Albany & Emeryville**

**Loni Hancock, State Senator**

**Susan Wengraf, Berkeley City Councilmember**

**Judith Bloom, C.P.A.**

**Gordon Wozniak, Berkeley City Councilmember**

*Submitted by Laurie Capitelli*  
