

**Measure HH
GANN Limit**

CITY OF BERKELEY MEASURE HH	
<p>Shall the appropriation limit under Article XIII B of the California Constitution (or ceiling on city expenditures) be increased to allow for the expenditure of taxes previously approved by voters for parks maintenance; libraries; emergency medical services (EMS), and emergency services for severely disabled persons for fiscal years 2009 through 2012?</p> <p><u>Financial Implications:</u> Not a tax increase, authorizes expenditure of existing voter-approved taxes.</p>	YES
	NO

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE HH

A MEASURE TO INCREASE THE APPROPRIATION LIMIT UNDER ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION TO ALLOW FOR EXPENDITURE OF TAXES PREVIOUSLY APPROVED BY THE VOTERS FOR PARKS MAINTENANCE, LIBRARIES, AND EMERGENCY MEDICAL SERVICES (EMS), AND EMERGENCY MEDICAL SERVICES FOR SEVERELY DISABLED PERSONS FOR FY 2009 THROUGH FY 2012

This measure would authorize the City to continue to spend the proceeds of the Parks Maintenance Tax, Library Relief Tax, Emergency Medial Services Tax, and the Emergency Services for Severely Disabled Personal Tax, all of which were previously approved by the voters. Under Article XIII B of the California Constitution a city is limited to appropriating (i.e. authorizing expenditure of) the amount of taxes (adjusted by inflation) that it spent in the 1986-1987 fiscal year. This limit may only be exceeded if the voters approve the excess expenditures by a majority vote. This constitutional restriction on appropriations (expenditures) is in addition to the constitutional requirement that special taxes must be approved by a two-thirds (2/3) vote of the people. Although the appropriations (expenditure) limit was raised by the voters to allow continued expenditure of the proceeds of these taxes when the taxes were approved, voter authorization to raise the spending limit must be renewed every four years. A city has two years to obtain voter approval on this expenditure. After that, the tax increase would have to be returned to the taxpayers within two years. Submitting the measures individually would cost \$5,000 per measure and could confuse voters since the net effect of the measures is to raise the City's expenditure limit by the amount of taxes previously approved by the voters. For this reason, a single measure would raise the City's expenditure limit by the aggregate amount of the taxes raised by prior voter-approved tax measures.

Financial Implications

The measure would not increase taxes nor adopt a new tax. It would authorize the City to continue to spend tax funds previously approved by the voters for the purposes specified in those voter-approved tax measure for fiscal years 2009 through 2012.

ARGUMENT IN FAVOR OF MEASURE HH

Join a unanimous Berkeley City Council in voting YES ON MEASURE HH.

The State of California requires that cities ask voters every four years for permission to spend tax revenues previously approved. Over the last two decades, more than two-thirds of Berkeley voters have approved several tax measures to fund the City's libraries (1988), parks (1997), Emergency Medical Services (1997), and Emergency Services for Severely Disabled Persons (1998). Measure HH will allow City of Berkeley Departments to continue to provide these important community services.

Measure HH **does not** create a new tax.

Measure HH only authorizes the City to continue using already approved tax dollars to fund Berkeley's libraries, parks, and emergency medical services.

If Measure HH does not pass, the City will lose tens of millions of dollars in already approved tax revenue – forcing dramatic reductions in city services.

Join the League of Women Voters in supporting Measure HH.

s/TOM BATES

Mayor, City of Berkeley

s/DARRYL MOORE

Councilmember, Dist 2

s/THERESE POWELL

individually and on behalf of, Chair, Board of Library Trustees

s/JAN GARRETT

Executive Director, Center for Independent Living

s/ZACHARY WEINER

Chair, City of Berkeley Disaster & Fire Safety Commission

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE HH

Fortunately, our State doesn't allow special taxes to last forever. Governments *must* get voter RE-authorization. We get to say NO if our money isn't well spent.

Berkeley used to pay for basic services from its general fund without "special taxes". Council now demands extra taxes to pay for these services, so that it can divert the general fund to non-essentials.

By a simple majority vote, Council could maintain Measure HH services by de-funding wasteful City expenditures that would never pass muster at the ballot box. Council is shouting fear to herd you into voting for these extra taxes. Don't believe them.

Proponents of HH say a "No" vote will cause the loss of "tens of millions of dollars" and force "dramatic reductions in City services". This is misleading. **HH provides for about \$25,000,000 annually, a small fraction of the City's \$345,000,000 budget.**

Our basic taxes are more than enough to pay for basic services. Our City's budget has increased by \$121,000,000 or over 60%, in the last 10 years. At the same time, residents' incomes have barely kept up with inflation.

A young family buying a typical Berkeley home faces a tax bill of more than \$10,000 annually plus a 1.5% transfer tax. We're losing middle income and working families and freezing out young families.

Voting NO on this measure would save the average struggling taxpayer approximately \$900 annually.

Join neighbors voting "No" on Measure HH. Our basic taxes should pay for our basic services.

s/MARIE BOWMAN

individually and on behalf of, President, Berkeley Alliance of Neighborhood Associations (BANA), individually and on behalf of, Steering Committee Chair, Berkeleyan's Against Soaring Taxes (BASTA!), Former Chair and Commissioner, City of Berkeley Housing Advisory Commission (HAC)

s/DAVID KRASNOR

individually and on behalf of, Co-Treasurer, Tyler King NA, Vice-President, CNA, Former Delegate Alameda Central Labor Council, Parent 2 Children BUSD K-12

s/GREGORY HARPER

individually and on behalf of, Neighbors of Staton Street Block Captain and Former Chair & Commissioner, Housing Advisory Commission (HAC)

s/ROBERT C. BAUM

individually and on behalf of, Co-Block Captain, Blake and California Streets Neighborhood Association (BCNA)

s/JAMES KILPATRICK

individually and on behalf of, President, Berkeley Property Owners Association (BPOA)

ARGUMENT AGAINST MEASURE HH

State law requires property taxes to be ratified periodically by the voters.
This should not be a rubber stamp process.

The City has vast discretionary General Fund revenues to pay for essential services:

County Tax \$39 million
Sales Tax \$14.7 million
Transfer Tax \$12.5 million
Utility Users Tax (cable, phone, cell, electricity) \$14.6 million
Interest Income \$4.8 million
Transient Occupancy Tax \$3.8 million
Franchise Fees \$1.8 million
And the list goes on.....Totaling \$141,000,000 annually!

GANN "initiatives" are a re-authorization of previously approved "special" taxes, having automatic annual increases. These taxes include essential services, once funded by our General Fund:

STREET LIGHTING
LANDSCAPE
PARK MAINTENANCE
REFUSE COLLECTION
LIBRARY
PARAMEDIC SUPPLEMENT
PHYSICALLY DISABLED SUPPLEMENT
CLEAN STORM WATER

A portion of these funds, is more than enough to fund the GANN initiatives, saving the average struggling taxpayer approximately \$900 annually.

Over the past 25 years, City population has remained about 100,000 but staffing has increased 31%. Annual average City employee compensation is \$159,000, so these 393 FTE cost us an extra \$62,500,000 annually.

Yes, we approved these taxes in the past, but we were deceived. We thought we could get improved streets, parks, EMT and other services. Instead, what the City did, **was for every penny we added as additional taxes, the City took away City funding.** SO the amount of funding for these essential services has not increased. **This is why, although we are paying for more taxes, we don't receive better services.** Council has used our regular tax dollars to pay for pet projects, and then asked us to pay for essential services.

Do you feel better served by our City? If not, let's help the City to reform by voting NO. It's time to tell the City to prioritize essential services, and to live within it's means.

s/MARIE BOWMAN

individually and on behalf of, President, Berkeley Alliance of Neighborhood Associations (BANA), individually and on behalf of, Steering-Committee Chair, Berkeleyan's Against Soaring Taxes (BASTA!), Former Chair, City of Berkeley Housing Advisory Commission (HAC)

s/LAURIE BRIGHT

individually and on behalf of, President, Council of Neighborhood Associations (CNA)

s/DEAN METZGER

individually and on behalf of, President, Claremont Elmwood Neighborhood Association (CENA), Former City of Berkeley Commissioner Transportation and Zoning Advisory Board

s/KARL J. REEH

individually and on behalf of, President, Le Conte Neighborhood Association

s/BETTY J. HICKS

individually and on behalf of, Oregon Street Neighborhood Watch, Former Treasurer, San Pablo Neighborhood Council & Former City of Berkeley Planning Commissioner

REBUTTAL TO ARGUMENT AGAINST MEASURE HH

With the passage of Prop 13 in 1978, property tax revenues and city service levels were substantially reduced. To restore service levels for the Library and city parks and to *provide new* emergency services, voters passed four replacement taxes by two-thirds majorities. The *opponents* of Measure HH *do not accept the will of an overwhelming majority of Berkeley voters* and are now *attempting to overturn* their decisions by denying the reauthorization of these voter-approved revenues.

The opponents falsely claim that funding for essential services has not increased where in reality annual Public Safety (Police & Fire) expenditures have increased 60% from \$47 million to \$76 million from FY2000 to FY2009. Second, the opponents claim that city staffing is out of control, whereas for the last eighteen years, Berkeley's total number of employees has been roughly constant at about 1,600. The opponents falsely claim that taxpayers are paying more for no additional services, whereas Berkeley is providing many new services, such as new emergency medical, recycling of green waste, and extensive health services. Finally, Berkeley actively seeks and receives tens of millions in State & Federal funding.

Measure HH **does not create a new tax**. Measure HH only authorizes the City to continue using already voter-approved tax dollars to fund Berkeley's libraries, parks, and emergency medical services.

Reject this backdoor attempt to subvert the will of the voters. Join a unanimous

Berkeley City Council and the League of Women Voters in supporting Measure HH.

s/TOM BATES

Mayor

s/LAURIE CAPITELLI

City Council Dist 5

s/GORDON WOZNIAK

Berkeley City Council

s/THERESE POWELL

individually and on behalf of, Chair, Board of Library Trustees

s/BARBARA ALLEN

North Berkeley Hills Neighborhood Leader