



Proposition H

**“The Police and Fire Public Safety Oil Production
Tax Act of 2007”**

Seven Years Later

Presented by Laura L. Doud, City Auditor

Tuesday, September 2, 2014

BACKGROUND

- In 2006 the City Auditor's Office (CAO) conducted an audit of the City Oil Production Tax (OPT) fund.
- The audit found that the OPT had not been updated since inception 17 years prior and the rate was significantly below neighboring cities.
- CAO recommended City Council place OPT increase of .25 cent per barrel on the ballot for voter approval.

BACKGROUND - *Continued*

- City Council placed Proposition H on the May 1, 2007 special election ballot directing all new funds to support public safety.
- City Council also required an annual audit by the CAO of Proposition H income and expenditures.
- Proposition H required a two-thirds vote to pass – it received over 70% of the vote.

SUMMARY

- Proposition H revenues average \$3.5 million per year.
- Over \$22 million for Public Safety has been generated over the past seven years.
- 87% of the \$22 million (\$19 million) has been dedicated to maintaining Police and Fire staffing levels.
- The funds paid for 12 police officers and 11 firefighters protecting citizens for 7 years.

SUMMARY *Continued*

- Balance of \$2.8 million used for:
 - Fire Truck Acquisition/Retrofit
 - Data Center
 - Technology
 - Uniforms
 - Other Public Safety Necessities
- Proposition H expenditures were found to comply with approved uses set forth in the City's Municipal Code.

CONCLUSION

Proposition H has been very successful and important to the City.

Proposition H has played a critical role in improving public safety and bringing greater fiscal stability to the City.



Office of the City Auditor

Laura L. Doud, CPA

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