



Office of the City Manager

CONSENT CALENDAR
June 11, 2013

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Robert Hicks, Director, Finance Department
Subject: FY 2014 Tax Rate: Fund Disaster Fire Protection (Measure Q)

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2014 tax rate for funding the procurement of disaster fire equipment at \$0.0125 (1.25 cents) per square foot of improvements.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of \$0.0125 per square footage will result in estimated total collections of \$985,734 for the Measure Q fund.

CURRENT SITUATION AND ITS EFFECTS

The Disaster Fire Protection Tax (Measure Q) does not allow an increase based on the annual change in the Bay Area Consumer Price Index. FY 2014 expenditures for disaster fire protection are expected to total approximately \$100,000 and the debt service on the bonds will be \$755,429. The tax proceeds of approximately \$985,734 will be enough to cover the projected project expenditures and the debt service payments. It is recommended that the City Council authorize the levy of a special tax of \$0.0125 per square foot of all improvements in the City of Berkeley. The tax will result in a cost to taxpayers in the following average amounts during FY 2014, as compared to FY 2013:

Square Feet	Annual Tax	
	FY 2014	FY 2013
1,200	\$ 15.00	\$ 15.00
1,500	18.75	18.75
1,900	23.75	23.75
3,000	37.50	37.50
3,900	48.75	48.75
10,000	125.00	125.00

BACKGROUND

In the November 2000 election, Berkeley voters approved Measure Q, which established a Community Facilities Special District for Disaster Fire Protection and authorized the levying of a special tax. The District was specifically designed to finance the purchase of \$8,000,000 in equipment, supplies and storage facilities to provide enhanced response to natural disasters such as urban wildfires and earthquakes.

The tax will raise approximately \$985,734 in FY 2014, which will be used to provide for the purchase of equipment, supplies and storage facilities (totaling \$100,000) and to pay \$755,429 in debt service. The rate proposed for FY 2014 (\$0.0125 per square foot), is the maximum allowable rate under the approved measure.

CONTACT PERSON

Robert Hicks, Director, Finance Department, 981-7301

Attachments:

1: Ordinance

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2014 SPECIAL TAX RATE TO FUND THE
PROCUREMENT OF DISASTER FIRE EQUIPMENT FOR THE CITY OF BERKELEY

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. The FY 2014 Tax Rate for the procurement of disaster fire equipment is set at \$0.0125 per square foot of taxable improvements.

Section 2. The cost to taxpayers during FY 2014 will be \$15.00 for a 1,200 square foot home and \$37.50 for a 3,000 square foot home.

Section 3. This tax rate will result in estimated total collections of \$985,734

Section 4. The tax imposed by this ordinance does not apply to any property owner whose total personal income, from all sources for the previous calendar year, does not exceed that level which shall constitute a very low income, as established by resolution of City Council.

Section 5. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of Old City Hall, 2134 Martin Luther King Jr. Way. Within fifteen days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

