

Office of the City Manager

ACTION CALENDAR June 11, 2013

To: Honorable Mayor and Members of the City Council

From: (V) Christine Daniel, City Manager

Submitted by: Robert Hicks, Director, Finance Department

Gil Dong, Interim Fire Chief, Fire Department

Subject: FY 2014 Tax Rate: Fund Fire Protection and Emergency Response and

Preparedness (Measure GG)

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2014 tax rate for funding Fire Protection and Emergency Response and Preparedness in the City of Berkeley at \$0.04659 (4.659 cents) per square foot of improvements for dwelling units and setting the rate for all other property at \$0.07051 (7.051 cents) per square foot of improvements.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.04659 per square foot of improvements for dwelling units and \$0.07051 per square foot of improvements for all other properties will result in estimated collections of \$4,095,987 for the fund. The increase in the tax rate of \$0.000227 per square foot of improvements for dwelling units and \$0.00343 for all other property, will result in a \$4.31 annual increase for the citywide average 1900 square foot dwelling and \$6.52 for all other property.

At the April 2, 2013 City Council meeting, Fire Department staff provided Measure GG revenue projections for FY 2014 and FY 2015 that included CPI projections of 2%. If Council does not approve at least the CPI increase, the net effect will be a reduction of \$76,000 annually to the FY 2014 Measure GG budget.

CURRENT SITUATION AND ITS EFFECTS

The FY 2013 tax of \$.04432 for dwelling units and \$.06708 for all other property are being adjusted by the per capita personal income growth in California of 5.12%, as the voters approved the greater of that growth or the annual cost of living increase of 2.381% in the immediate San Francisco Bay Area.

It is recommended that the City Council authorize the levy of a special tax of \$0.04659 per square foot of for dwelling units and \$0.07051 for all other property in the City of Berkeley. The tax will result in a cost to taxpayers in the following average amounts during Fiscal Year 2014, as compared with amounts for FY 2013:

FY 2014

Square Feet	Dwelling Units	All Other Properties
		•
1,200	\$ 55.91	\$ 84.61
1,500	69.89	105.77
1,900	88.52	133.98
3,000	139.77	211.53
3,900	181.70	274.99
10,000	465.90	705.10

FY 2013

		All Other
Square Feet	Dwelling Units	Properties
1,200	\$ 53.18	\$ 80.50
1,500	66.48	100.62
1,900	84.21	127.45
3,000	132.96	201.24
3,900	172.85	261.61
10,000	443.20	670.80

The Disaster and Fire Safety Commission (DFSC) voted on May 22, 2013 to recommend no increases to the Measure GG tax rate for FY 2014. The DFSC also recommended on April 2, 2013 to increase staffing and program elements for disaster preparedness using Measure GG funds. The estimated cost for two additional staff members and program elements is \$645,000 annually.

Staff is scheduled to report back at the June 25, 2013 council meeting with an updated Measure GG budget report and recommendations for FY 2014 and FY 2015.

BACKGROUND

In the November 2008 election, Berkeley voters approved Measure GG, which authorized the levying of a special tax. The tax proceeds will be used first to eliminate rotating closures of operating fire stations, and to provide advanced life support personnel (paramedics) and equipment on all first responder vehicles (ambulances, fire engines and ladder trucks). The funds would also be used to (1) hire a training officer to provide Emergency Medical Service training for first responders; (2) hire staff to conduct Community Emergency Response Training and other similar public disaster training and preparedness efforts and for neighborhood emergency preparedness caches; and (3) to acquire and maintain equipment to enhance emergency preparedness, including

equipment to allow compatible radio communications throughout the City and with outside public safety agencies. On November 6, 2012, over 89% of Berkeley voters approved Measure P to re-authorize the City, for a period of four (4) years through FY 2016, to spend the Fire Protection and Emergency Response and Preparedness tax.

ALTERNATE CONSIDERATIONS

The City Council may consider increasing the Measure GG tax rate by the Consumer Price Index increase of 2.381% in the immediate San Francisco Bay Area, which will result in a revenue increase of \$95,000 on an annual basis and a taxpayer cost of \$2.01 annually for a 1,900 square foot dwelling or \$3.04 annually for a 1,900 square foot non-dwelling unit.

CONTACT PERSON

Robert Hicks, Director, Finance Department, 981-7301 Gil Dong, Interim Fire Chief, 981.5500

Attachments:

1: Ordinance

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2014 SPECIAL TAX RATE TO FUND FIRE PROTECTION AND EMERGENCY RESPONSE AND PREPAREDNESS (MEASURE GG) IN 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 Emergency Medical Services is set at:

\$0.04659 per square foot of improvements for dwellings \$0.07051 per square foot of improvements for all other properties

<u>Section 2.</u> The cost to taxpayers during FY 2014 will be \$55.91 for a 1,200 square foot dwelling and \$139.77 for a 3,000 square foot dwelling.

Section 3. This tax rate will result in estimated total collections of \$4,095,987.

<u>Section 4</u>. 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.

<u>Section 5.</u> 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 15 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.