



Office of the City Manager

ACTION CALENDAR

June 10, 2014

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Robert Hicks, Director, Finance Department  
Gil Dong, Fire Chief, Fire Department

Subject: FY 2015 Tax Rate: Fund Fire Protection and Emergency Response and Preparedness (Measure GG)

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2015 tax rate for funding Fire Protection and Emergency Response and Preparedness in the City of Berkeley at the rate of \$0.04752 (4.752 cents) per square foot of improvements for dwelling units and setting the rate for all other property at \$0.07192 (7.192 cents) per square foot of improvements.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.04752 per square foot of improvements for dwelling units and \$0.07192 per square foot of improvements for all other properties is an inflation adjustment of 2%, the same as that recommended by the Disaster and Fire Safety Commission (DFSC). This will result in estimated collections of \$4,186,198 for the fund. The increase in the tax rate of \$0.00093 per square foot of improvements for dwelling units and \$0.00141 for all other property will result in a \$1.77 annual increase for the citywide average 1900 square foot dwelling and \$2.68 for all other property.

CURRENT SITUATION AND ITS EFFECTS

The FY 2014 tax rates of \$.04659 for dwelling units and \$.07051 for all other property are being adjusted by 2%. The per capita personal income growth in California was reported at -.23%, and the annual cost of living increase in the immediate San Francisco Bay Area was reported at 2.7874%. However, at a meeting on April 23, 2014, the DFSC recommended an inflation adjustment at the lesser of the Consumer Price Index (CPI) or the Personal Income Growth (PIG), with a minimum of 2%. The voters approved increasing the tax rate annually by up to the greater of the annual cost of living increase in the immediate San Francisco Bay Area or the per capita personal income growth in California.

It is recommended that the City Council authorize the levy of a special tax of \$0.04752 per square foot of for dwelling units and \$0.07192 for all other property in the City of

Berkeley. The tax will result in an increase in cost to taxpayers in the following average amounts during Fiscal Year 2015, as compared with amounts for FY 2014:

**FY 2015**

<b>Square Feet</b>	<b>Dwelling Units</b>	<b>All Other Properties</b>
1,200	\$ 57.02	\$ 86.30
1,500	71.28	107.88
1,900	90.29	136.65
3,000	142.56	215.76
3,900	185.33	280.49
10,000	475.20	719.20

**FY 2014**

<b>Square Feet</b>	<b>Dwelling Units</b>	<b>All Other Properties</b>
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

The Disaster and Fire Safety Commission (DFSC) is scheduled to report at the June 10, 2014 Council meeting with an updated Measure GG budget report and recommendations for 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 adjusting the current tax rate of \$0.04659 per square foot of improvements for dwelling units and \$0.07051 per square foot of improvements for all other property by the annual cost of living increase of 2.7874% in the immediate San Francisco Bay Area with projected revenue of \$4,218,514. The increase in the tax rate of \$0.001290 per square foot of improvements for dwelling units and \$0.001965 for all other property will result in a \$2.45 annual increase for the citywide average 1900 square foot dwelling and \$3.71 for all other property.

### ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental opportunities or impacts associated with the subject of this report.

### CONTACT PERSON

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

### Attachments:

1: Ordinance

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2015 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 2015 Tax Rate for Emergency Medical Services is set at:

\$0.04752 per square foot of improvements for dwellings  
\$0.07192 per square foot of improvements for all other properties

Section 2. The cost to taxpayers during FY 2015 will be \$57.02 for a 1,200 square foot dwelling and \$142.56 for a 3,000 square foot dwelling.

Section 3. This tax rate will result in estimated total collections of \$4,186,198

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 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.