



Office of the City Manager

CONSENT CALENDAR

June 13, 2017

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Heidi Dolamore, Director of Library Services
Henry Oyekanmi, Director of Finance

Subject: FY 2018 Special Tax Rate: Fund the Provision of Library Services (Measure V1)

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2018 tax rate for funding the provision of Library Services in the City of Berkeley at \$0.2107 (21.07 cents) per square foot for dwelling units and \$0.3186 (31.86 cents) per square foot for industrial, commercial, and institutional buildings.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.2107 for dwelling units and \$0.3186 for industrial, commercial, and institutional buildings will result in estimated collections of \$18,786,687 for the Library Tax Fund. The increase in the tax rate of \$0.0077 for dwelling units and \$0.0116 for industrial, commercial, and institutional buildings will result in an increase of \$14.62 for the citywide average 1900 square foot dwelling and \$22.10 for all other property of similar size.

CURRENT SITUATION AND ITS EFFECTS

The FY 2018 tax of \$0.2107 for dwelling units and \$0.3186 for all other property are being adjusted by the Consumer Price Index in the immediate San Francisco Bay Area of 3.789%, as the voters approved the greater of that or the per capita Personal Income Growth factor in California of 3.69%. In addition, the Board of Library Trustees recommends that the City Council adjust the tax rate by 3.789%.

It is recommended that the City Council authorize the levy of a special tax of \$0.2107 per square foot for dwelling units and of \$0.3186 for all other property in the City of Berkeley. The tax will result in a cost to taxpayers in the following average amounts during FY 2018, as compared with amounts for FY 2017:

Square Feet	Annual Tax – Dwelling Units		Annual Tax – All Other Properties	
	FY18	FY17	FY18	FY17
1,200	\$252.88	\$243.65	\$382.31	\$368.35
1,500	316.10	304.55	477.89	460.45
1,900	400.39	385.77	605.33	583.23
3,000	632.19	609.11	955.78	920.89
3,900	821.85	791.85	1,242.51	1,197.15
10,000	2,107.30	2,030.37	3,185.94	3,069.63

BACKGROUND

The Central Library and neighborhood branch libraries received approximately 99% of their FY 2017 funding through a citywide special tax (referred to as the Library Relief Act of 1980) of \$0.2030 per square foot on all improvements to residential real property in the City of Berkeley, and \$0.3070 per square foot on all improvements to industrial, commercial, and institutional real property. The purpose of this voter-approved tax is to provide a stable revenue source to assure the provision of library services at the level which permits library operations six days a week at branch libraries, seven days a week at the Central Library, and which permits the purchase of library materials at levels which are commensurate with the libraries’ hours of service, staffing and patron needs.

On November 8, 2016, over 87% of Berkeley voters approved Measure V1 to re-authorize the City, for a period of four (4) years through FY 2020, to spend the Library Services tax as approved by the voters.

RATIONALE FOR RECOMMENDATION

Adopting the Consumer Price Index in the immediate San Francisco Bay Area would contribute an incremental increase of approximately \$18,230 to projected FY 2018 revenue over that of the per capita Personal Income Growth factor in California.

ALTERNATIVE ACTIONS CONSIDERED

The fiscal impact on the Library Tax Fund of adopting the per capita Personal Income Growth factor in California of 3.69% instead of the Consumer Price Index in the immediate San Francisco Bay Area of 3.789% would be a reduction of \$18,230 in projected FY 2018 library tax receipts.

ENVIRONMENTAL SUSTAINABILITY

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

CONTACT PERSON

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FY 2018 Special Tax Rate:
Fund the Provision of Library Services

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Attachments:
1: Ordinance

ORDINANCE NO. #,###-N.S.

SETTING THE FISCAL YEAR 2018 SPECIAL TAX RATE TO FUND LIBRARY
SERVICES TAX IN THE CITY OF BERKELEY

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

Section 1. The FY 2018 Tax Rate to support usual and current expenses of operating library services is set at \$0.2107 per square foot for dwelling units and \$0.3186 per square foot for industrial, commercial and institutional buildings.

Section 2. The cost to taxpayers during FY 2018 will be \$316.10 for a 1,500 square foot dwelling and \$477.89 for all other property of similar size.

Section 3. This tax rate will result in estimated total collections of \$18,786,687.

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.