



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: Henry Oyekanmi, Director, Finance Department

Subject: FY 2018 Tax Rate: Fund Emergency Services for the Severely Disabled
(Measure V1)

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2018 tax rate for funding the provision of emergency services for the disabled at \$0.01519 (1.519 cents) per square foot of improvements.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.01519 will result in estimated collections of \$1,209,625 for the fund. The increase in the tax rate of \$0.00055 per square foot will result in a \$1.04 annual increase for the citywide average 1900 square foot home.

CURRENT SITUATION AND ITS EFFECTS

The FY 2017 tax of \$0.01464 is being adjusted by the cost of living increase in California of 3.789% as the voters approved the greater of that COLA increase or the personal income growth of 3.69% in the immediate San Francisco Bay Area (or \$0.00055).

It is recommended that the City Council authorize the levy of a special tax of \$0.01519 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 Fiscal Year 2018, as compared with amounts for FY 2017:

Square Feet	Annual Tax	
	FY 2018	FY 2017
1,200	\$18.23	\$17.57
1,500	22.78	21.96
1,900	28.86	27.82
3,000	45.57	43.92
3,900	59.24	57.10
10,000	151.90	146.40

BACKGROUND

The Emergency Services for the Severely Disabled Tax (Measure E) was passed by the voters in November 1998. The tax is used to provide emergency services and incidental case management for severely physically disabled persons. The City Council is authorized to increase the tax rate by the greater of the cost of living in the immediate San Francisco Bay Area or personal income growth in the state.

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 emergency services for the severely disabled tax.

ALTERNATIVE ACTIONS CONSIDERED

The City Council may consider maintaining the current tax rate of \$0.01464 with projected revenue of \$1,152,175 and no increase to property owners. Or, the City Council may consider increasing the tax rate by the personal income growth of 3.69% in the immediate San Francisco Bay Area. This would result in projected revenue of \$1,194,690, and an increase of \$1.02 for the citywide average 1900 square foot home.

ENVIRONMENTAL SUSTAINABILITY

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

CONTACT PERSON

Henry Oyekanmi, Director, Finance Department, 981-7301

Attachments:

1: Ordinance

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

SETTING THE FISCAL YEAR 2018 SPECIAL TAX RATE TO FUND EMERGENCY SERVICES FOR THE SEVERELY DISABLED 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 fund emergency services for severely disabled persons is set at \$0.01519 per square feet of improvements.

Section 2. The cost to taxpayers during FY 2018 will be \$18.23 for a 1,200 square foot home and \$45.57 for a 3,000 square foot home.

Section 3. This tax rate will result in estimated total collections of \$1,209,625.

Section 4. 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.

