



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 Disaster Fire Protection (Measure Q)

RECOMMENDATION

Adopt first reading of an Ordinance setting the FY 2018 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 2018 expenditures for disaster fire protection are expected to total approximately \$100,000 and the debt service on the bonds will be \$754,908. The tax proceeds of approximately \$985,734 will be enough to cover the projected project expenditures, debt service payments, and the amount set aside for equipment replacement. 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 the same cost to taxpayers in the following average amounts during FY 2018, as compared to FY 2017: (no change)

Square Feet	Annual Tax	
	FY 2018	FY 2017
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

ENVIRONMENTAL SUSTAINABILITY

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

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 2018, which will be used to provide for the purchase of equipment, supplies and storage facilities (totaling \$100,000) to pay \$754,908 in debt service and for the equipment replacement fund. The rate proposed for FY 2018 (\$0.0125 per square foot), is the maximum allowable rate under the approved measure.

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 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 2018 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 2018 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.

