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OAKLAND

2015 MAY 21 AM 11:33

AGENDA REPORT

TO: JOHN A. FLORES
Interim City Administrator

FROM: Kiran Bawa

SUBJECT: Emergency Medical Services
Parcel Tax Cost-of-Living
Adjustment for FY 2015-16 (Measure M)

DATE: April 20, 2015

City Administrator
Approval

Date

4/20/15

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt the proposed ordinance authorizing a 2.8 percent increase for Fiscal Year (FY) 2015-16, consistent with the Consumer Price Index (CPI), for the tax imposed pursuant to the 1997 Emergency Medical Services Retention Act (Measure M).

OUTCOME

This adjustment of the FY 2015-16 special parcel tax for the 1997 Emergency Medical Services Retention Act would be consistent with the Consumer Price Index (CPI).

BACKGROUND/LEGISLATIVE HISTORY

In June 1997, Oakland voters approved, by more than a two-thirds majority, the Emergency Medical Services Retention Act (Measure M). Measure M imposed a parcel tax for the purpose of raising revenue necessary to retain and enhance emergency dispatch and medical services in the City of Oakland and to replace funding from a previous assessment imposed by the City that was invalidated by Proposition 218. The Measure M legislation authorizes the City Council to increase the tax rates by a cost-of-living factor beginning in Fiscal Year 1998-99 and continuing each fiscal year thereafter. A 2.8 percent increase for the Measure M special parcel tax rate is proposed for FY 2015-16, consistent with the Consumer Price Index (CPI) increase for the San Francisco Bay Area during calendar year 2014. At no time, however, may the rates be increased by more than 5.0 percent of the tax rates imposed by ordinance during the immediate preceding fiscal year.

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The following table summarizes the historical tax rate increases that have been authorized pursuant to City Council action since the legislation was enacted.

HISTORICAL MEASURE M RATE INCREASES		
Council Action Date	Percent Increase	Effective Date
July 11, 2000	4.2%	July 1, 2000
June 5, 2001	4.5%	July 1, 2001
June 11, 2002	5.0%	July 1, 2002
June 19, 2003	1.6%	July 1, 2003
June 10, 2004	1.8%	July 1, 2004
June 16, 2005	1.2%	July 1, 2005
June 8, 2006	2.0%	July 1, 2006
June 19, 2007	3.2%	July 1, 2007
June 17, 2008	3.3%	July 1, 2008
June 16, 2009	3.1%	July 1, 2009
June 1, 2010	0.7%	July 1, 2010
June 1, 2011	1.4%	July 1, 2011
June 19, 2012	2.6%	July 1, 2012
June 18, 2013	2.7%	July 1, 2013
June 17, 2014	2.2%	July 1, 2014

ANALYSIS

The proposed ordinance applies an increase of 2.8 percent to the current Measure M special parcel tax amount, effective July 1, 2015. This increase is per the actual change in the San Francisco Bay Area CPI during calendar year 2014. The proposed increase applies on a fiscal year basis (i.e., July 1st – June 30th).

Note: The Consumer Price Index – All Urban Consumers is based on the San Francisco-Oakland-San Jose, CA index

The following table summarizes the impact of the proposed increases by parcel type:

PROPOSED MEASURE M TAX INCREASES BY PARCEL TYPE			
PARCEL TYPE	CURRENT PARCEL RATE	PROPOSED INCREASE	FY 2015-16 PARCEL RATE
Single Family Residential Parcels	\$13.27	\$0.37	\$13.64
Multiple Residential (2 to 4 units)	\$26.52	\$0.74	\$27.26
Multiple Residential (5 or more units)	\$66.32	\$1.86	\$68.18
Commercial	\$26.52	\$0.74	\$27.26
Industrial	\$53.04	\$1.49	\$54.53
Rural	\$13.27	\$0.37	\$13.64
Institutional	\$13.27	\$0.37	\$13.64

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PUBLIC OUTREACH/INTEREST

A public hearing on the proposed ordinance to increase the Measure M special parcel tax is scheduled for June 2, 2015 at 6:30 p.m.

COORDINATION

The report was prepared in coordination with the Office of the City Attorney, the Controller's Bureau, and Francisco & Associates, the City's Contractor, who annually administers special financing districts on behalf of the City.

COST SUMMARY/IMPLICATIONS

The FY 2015-16 estimated revenue from Measure M is approximately \$1,962,151, including the proposed rate increase. The proposed annual rate increase of 2.8 percent translates to \$53,444 of the total FY 2015-16 estimated revenue. This additional funding is needed to account for increases in personnel costs.

SUSTAINABLE OPPORTUNITIES

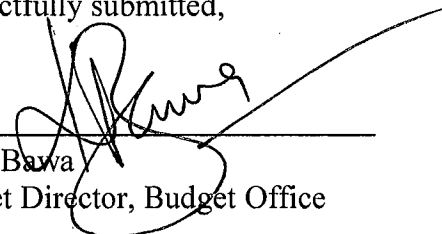
Economic: Essential City services that serve the public greatly rely upon revenues generated from the Measure M special tax.

Environmental: There are no direct environmental impacts associated with the City Council action requested in this report.

Social Equity: Adequately staffed dispatch allows the City to properly respond to emergency situations all throughout the city.

For questions regarding this report, please contact Chantal Cotton Gaines at (510) 238-7587.

Respectfully submitted,



Kiran Bawa
Budget Director, Budget Office

Reviewed by:
Osborn Solitei, Controller

Prepared by:
Chantal Cotton Gaines, Asst. to the City Administrator

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June 2, 2015

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Approved as to Form and Legality

Kathleen Salena Boyd
Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Ordinance No. _____ C.M.S.

ORDINANCE AUTHORIZING A FISCAL YEAR 2015-16 INCREASE TO A SPECIAL TAX IMPOSED FOR EMERGENCY MEDICAL SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE EMERGENCY MEDICAL SERVICES RETENTION ACT OF 1997 (MEASURE M)

WHEREAS, in 1997 the voters of Oakland approved Measure M, a special tax to fund emergency medical services; and

WHEREAS, Measure M imposed a special tax on all parcels in the City of Oakland, except where the parcels are otherwise exempt from taxation by Section 3 of the Ordinance; and

WHEREAS, Measure M provided that beginning in Fiscal Year 1998-99 and each fiscal year thereafter, the Oakland City Council may increase the tax only upon a finding that the cost of living in the immediate San Francisco Bay Area, as shown by the Consumer Price Index (CPI) for all items, has increased since the 1997 index year; and

WHEREAS, Measure M provided that any tax rate adjustment imposed by the City Council pursuant to the ordinance shall not exceed five percent of the tax rate imposed during the immediately preceding fiscal year; and

WHEREAS, a public hearing on this ordinance to increase the Measure M special parcel tax was held on June 2, 2015 at 5:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

1. The City Council of the City of Oakland hereby determines that the preceding recitals are true and correct and hereby adopts and incorporates them into this Ordinance.

2. The Oakland City Council hereby finds that the Consumer Price Index for all items in the San Francisco Bay Area was 245.02 for calendar year 2013 and 251.99 for calendar year 2014.

3. The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 2.8 percent from calendar year 2013 to calendar year 2014.

4. The Measure M special tax rate upward adjustment shall be 2.8 percent, effective July 1, 2015.

5. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2015 for FY 2015-16:

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Institutional	\$13.27	\$0.37	\$13.64

6. This Ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON MCELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California

NOTICE AND DIGEST

ORDINANCE AUTHORIZING A FISCAL YEAR 2015-16 INCREASE TO A SPECIAL TAX IMPOSED FOR EMERGENCY MEDICAL SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE EMERGENCY MEDICAL SERVICES RETENTION ACT OF 1997 (MEASURE M)

This Ordinance would authorize an increase of the special tax imposed for emergency medical services pursuant to Measure M for Fiscal Year 2015-2016 in the amount 2.8%, which represents the cost-of-living increase based on the San Francisco Bay Area Consumer Price Index from calendar year 2013 to calendar year 2014.