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OFFICE OF THE CITY CLERK
OAKLAND

2014 MAY 22 PM 3: 34

AGENDA REPORT

TO: FRED G. BLACKWELL
City Administrator

FROM: Sarah Schlenk
Interim Budget Director

SUBJECT: Paramedic Emergency Services
Parcel Tax Cost of Living
Adjustment for FY 2014-15 (Measure N)

DATE: May 16, 2014

City Administrator
Approval

Date

5/20/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt the proposed ordinance authorizing a 2.2 percent increase for Fiscal Year (FY) 2014-15, consistent with the Consumer Price Index (CPI), in the tax imposed pursuant to the 1997 Paramedic Services Act.

OUTCOME

Adjustment to the FY 2014-15 special parcel tax for the Paramedic Services Act of 1997, consistent with the Consumer Price Index.

BACKGROUND/LEGISLATIVE HISTORY

In June 1997, the electorate of Oakland passed, by more than a two-thirds majority, the 1997 Paramedic Services Act (Measure N). Measure N imposed a special parcel tax for the purpose of raising revenue necessary to increase, enhance and support paramedic emergency services in the City of Oakland. The Measure N legislation authorizes the City Council to increase the tax rates by a cost-of-living factor after the third year of its imposition (FY 2000-01) and continuing each fiscal year thereafter. A 2.2 percent increase in the Measure N special parcel tax rates proposed for FY 2014-15, in line with the Consumer Price Index increase for the San Francisco Bay Area during calendar year 2013.

Beginning FY 2000-01 and continuing each fiscal year thereafter, the Measure N legislation allows the City Council to adjust the tax rates in accordance with the CPI for the immediate San Francisco Bay Area. 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.

Item: _____
Special City Council
June 2, 2014

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

<i>Council Action Date</i>	<i>Percent Increase</i>	<i>Effective Date</i>
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

ANALYSIS

The proposed ordinance applies an increase of 2.2 percent to the current Measure N special parcel tax amount, effective July 1, 2014. This increase is per the actual change in the San Francisco Bay Area CPI during calendar year 2013. 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:

PARCEL TYPE	CURRENT PARCEL RATE	PROPOSED INCREASE	FY 2014-15 PARCEL RATE
Single Family Residential Parcels	\$10.33	\$0.23	\$10.56
Multiple Residential (2 to 4 units)	\$20.66	\$0.45	\$21.11
Multiple Residential (5 or more units)	\$51.65	\$1.14	\$52.79
Commercial	\$20.66	\$0.45	\$21.11
Industrial	\$41.32	\$0.91	\$42.23
Rural	\$10.33	\$0.23	\$10.56
Institutional	\$10.33	\$0.23	\$10.56

Item: _____
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DRAFT

OAKLAND CITY COUNCIL

Ordinance No. _____ C.M.S.

ORDINANCE AUTHORIZING A FISCAL YEAR 2014-15 INCREASE TO A SPECIAL TAX IMPOSED FOR PARAMEDIC EMERGENCY SERVICES, IN ACCORDANCE WITH THE CONSUMER PRICE INDEX, AND PURSUANT TO THE 1997 PARAMEDIC SERVICES ACT (MEASURE N)

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

WHEREAS, Measure N 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 N provided that beginning in fiscal year 2000-01 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 N 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 N special parcel tax was held on June 2, 2014 at 5:30 p.m. in City Hall, One Frank H. Ogawa Plaza, Oakland, California; now, therefore,

WHEREAS, the Consumer Price Index for all items in the San Francisco Bay Area was 239.65 for calendar year 2012 and 245.02 for calendar year 2013.

WHEREAS, The cost-of-living in the immediate San Francisco Bay Area as shown by the Consumer Price Index, has increased 2.2 percent from calendar year 2012 to calendar year 2013.

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

1. The Measure N special tax rate upward adjustment shall be 2.2 percent, effective July 1, 2014.
2. The following rate structure will be imposed on parcels within the City of Oakland effective July 1, 2014 for FY 2014-15:

PROPOSED MEASURE N TAX INCREASES BY PARCEL TYPE			
PARCEL TYPE	CURRENT PARCEL RATE	PROPOSED INCREASE	FY 2014-15 PARCEL RATE
Single Family Residential Parcels	\$10.33	\$0.23	\$10.56
Multiple Residential (2 to 4 units)	\$20.66	\$0.45	\$21.11
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Institutional	\$10.33	\$0.23	\$10.56

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, and
PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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