



City of San Leandro

Meeting Date: May 1, 2017

Staff Report

File Number: 17-239

Agenda Section: PUBLIC HEARINGS

Agenda Number: 5.B.

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for Ordinances Amending the San Leandro Municipal Code Relating to Proposed Adjustments to Business License Tax, the Emergency Medical Services Taxes, and the Emergency Communication System Access (9-1-1) Tax for 2017-18

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council approve the proposed adjustments to Business License tax, the, the Emergency Medical Services (EMS) tax, and the Emergency Communication System Access (9-1-1) tax in accordance with the San Leandro Municipal Code. Ordinance amendments for each of the three tax schedules are presented to the City Council for approval as part of the 2017-18 budget approval process.

BACKGROUND

During the budget process, the City determines the annual change in the Consumer Price Index (CPI) and applies this increase to the business license tax schedule, the EMS tax schedule, and the 9-1-1 access tax schedule as authorized by the San Leandro Municipal Code Sections 2-2-500, 2-13-140, and 2-18-210. If approved by the City Council, the following proposed adjustments to the City's tax rate schedules for business license taxes, EMS taxes, and 9-1-1 access taxes would be effective July 1, 2017.

The change in the Consumer Price Index (CPI), distributed by the Bureau of Labor Statistics for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco - Oakland - San Jose is the annual average change for 2016 (January through December) amounts to an increase of 3%. In accordance with the Municipal Code, the tax schedules for business licenses, EMS, and 9-1-1 access will be adjusted by 3%. The unit fee for retail, wholesale/distribution (large local seller), and manufacturing will increase to \$39.60 (per each owner and each employee) for business licenses, the single access line tax rate for 9-1-1 will increase to \$2.46, and a benefit unit tax under the EMS will increase to \$17.46.

Fiscal Impacts

Staff estimates that the proposed tax rate changes will generate an additional \$200,000 in General Fund revenue in 2017-18, as follows:

General Fund Taxes with CPI Increases of 3%:	<u>Revenues</u>
Business License Tax	\$ 100,000
Emergency Medical Services Tax	20,000
911 Emergency Communication System Access Tax	<u>80,000</u>
Total General Fund Tax Increase	<u>\$ 200,000</u>

ATTACHMENTS

None

PREPARED BY: David Baum, Finance Director, Finance Department



City of San Leandro

Meeting Date: May 1, 2017

Ordinance

File Number: 17-240

Agenda Section: PUBLIC HEARINGS

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: ORDINANCE Amending Section 2-2-500 of the San Leandro Municipal Code Relating to the Annual Consumer Price Index (CPI) Adjustment of the Business License Fees (increases business license fees by CPI of 3%)

The City Council of the City of San Leandro does ORDAIN as follows:

Section 1. Chapter 2, Title 2, Section 2-2-500 of the San Leandro Municipal Code is amended to reflect a 3% annual CPI adjustment and to read as follows:

"2-2-500 FEES BASED ON NATURE OF BUSINESS

Every person commencing or carrying on a business within this City shall pay a license fee in an amount determined by the Finance Director in accordance with the nature of the business as hereinafter set forth:

<u>Business Classification</u>	<u>Annual Base Fee</u>	<u>Unit Fee</u>	<u>Unit Fee Basis</u>
Automobile Wrecking	\$661.60	-	Flat/Annual
Bingo	\$132.00	-	Flat/Annual
Carnival	\$132.00	\$238.00	Flat/Daily
Christmas Trees/Pumpkin Patch	\$661.60	-	Flat/Annual
Coin-Operated Device	\$132.00	\$4.00	x per \$1,000 of gross receipts
Commercial Advertising	\$661.60	-	Flat/Annual
Contractors	\$132.00	\$79.40	x per each owner and each employee
Dance Hall	\$661.60	-	Flat/Annual
Firearms Dealer	\$132.00	\$4.00	per \$100 of gross receipts attributable to the sales of firearms capable of being concealed upon the person and ammunition for such firearms, excluding sales to public agencies
Fortunetelling	\$661.60	-	Flat/Annual
Itinerant Merchant	\$132.00	\$41.00	Flat/Weekly

Manufacturing	\$132.00	\$39.60	x per each owner and each employee
Miscellaneous	\$132.00	\$39.60	x per each owner and each employee
Mobile Food Vendors	\$132.00	-	Flat/Annual
Nonresidential Property Rental	\$132.00	\$19.80	x per 1,000 square feet
Residential Property Rental	\$132.00	\$11.90	x per unit or space
Parking Lot	\$132.00	\$100.00	x per \$1,000 of gross receipts
Pawnbroker	\$661.60	-	Flat/Annual
Peddler/Solicitor	\$132.00	\$39.60	x per each owner and each employee
Professional	\$132.00	\$99.30	x per each owner and each employee
Public Utilities	\$132.00	\$39.60	x per each owner and each employee
Recreation and Entertainment	\$132.00	\$79.40	x per each owner and each employee
Retail	\$132.00	\$39.60	x per each owner and each employee
Secondhand Dealer	\$661.60	-	Flat/Annual
Services	\$132.00	\$79.40	x per each owner and each employee
Towing	\$132.00	\$1.20	x per \$1,000 of gross receipts
Warehouse/Storage	\$132.00	\$103.00	x per 1,000 square feet
Waste Disposal Site	\$132.00	\$1.78	per ton
Wholesale/Distribution General	\$132.00	\$103.00	x per 1,000 square feet
Wholesale/Distribution - Large Local seller	\$132.00	39.60	x per each owner and each employee If sales tax revenues to the City is \geq \$50,000 based on prior fiscal year

The business license fees established by this Section shall continue to be adjusted annually by an amount equal to the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose metropolitan area, as published by the U.S. Department of Labor, Bureau of Statistics.”

Section 2. Effective Date.

This ordinance shall take effect July 1, 2017. The City Clerk is directed to publish the title once and post a complete copy thereof on the City Council Chamber bulletin board for five (5) days prior to adoption.



City of San Leandro

Meeting Date: May 1, 2017

Ordinance

File Number: 17-241

Agenda Section: PUBLIC HEARINGS

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: ORDINANCE Amending Section 2-18-210 of the San Leandro Municipal Code Relating to the Annual Consumer Price Index (CPI) Adjustment of the Emergency Communication System Access Tax (911 Tax) (increases 911 Tax by CPI of 3%)

The City Council of the City of San Leandro does ORDAIN as follows:

Section 1. Title 2, Chapter 18, Section 2-18-210 of the San Leandro Municipal Code is amended to reflect a 3% annual CPI adjustment and to read as follows:

“2-18-210 IMPOSITION OF EMERGENCY COMMUNICATION SYSTEM ACCESS TAX

The amount of the tax imposed by this section shall be established by this ordinance as set forth below and shall be paid on a per-line basis, by the person paying for such local telephone service:

Description	Tax Rate
Single Access Line	\$2.46
Trunk Line	\$17.20
Super Trunk Line	\$60.24

No subscriber will be required to pay a tax in excess of Eleven Thousand, Five Hundred and Ninety-Seven Dollars (\$11,945.75) per account per service location in any fiscal year. The above described tax rates and this cap shall be adjusted annually by the City Council by the percentage increase in the Consumer Price Index (CPI): All Urban Consumers for Urban Wage Earners and Clerical Workers (“CPI-W”) for the San Francisco Bay Area published by the U.S. Bureau of Labor Statistics.”

Section 2. Effective Date.

This ordinance shall take effect July 1, 2017. The City Clerk is directed to publish the

title once and post a complete copy thereof on the City Council Chamber bulletin board for five (5) days prior to adoption.



City of San Leandro

Meeting Date: May 1, 2017

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TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: ORDINANCE Amending Section 2-13-140 of the San Leandro Municipal Code to Relating to the Annual Consumer Price Index (CPI) Adjustment of the Emergency Medical Services Tax (EMS Tax) (increases EMS tax by CPI of 3%)

WHEREAS, pursuant to Section 2-13-140 of the San Leandro Municipal Code, the Emergency Medical Services Tax (EMS Tax) shall be adjusted annually by an amount not to exceed the Consumer Price Index (All-Urban Consumers, San Francisco-Bay Area); and

WHEREAS, the City Council desires to adjust the tax per benefit unit from the current rate of \$16.96 to \$17.46, based on the 3% annual CPI increase.

NOW, THEREFORE, the City Council of the City of San Leandro does ORDAIN as follows:

Section 1. Title 2, Chapter 13, Section 2-13-140 of the San Leandro Municipal Code is amended to read as follows:

“2-13-140 AMOUNT OF TAX

The tax per “benefit unit” (BU) is Seventeen Dollars and Forty-six Cents (\$17.46) per year. The number of benefit units shall be determined by the use to which the owner or occupant has put the property, as follows:

<u>Property Use</u>	<u>Benefit Units</u>
One living unit	1 BU
Two to five living units	3 BU
Six or more living units	1 BU per unit
One-story stores	2 BU
Store first floor w/office/apartments above	4 BU
Miscellaneous commercial	2 BU

Department stores	5 BU
Discount houses	5 BU
Restaurants	4 BU
Shopping centers	7 BU
Supermarkets	4 BU
Comm/industrial condominiums	4 BU
Warehouses	2 BU
Light industry	4 BU
Heavy industry	6 BU
Miscellaneous industrial	2 BU
Nurseries	2 BU
Quarries	2 BU
Wrecking yards	2 BU
Terminals, trucking	2 BU
Improved government-owned property	2 BU
Golf courses	2 BU
Schools	5 BU
Churches	4 BU
Other institutions	3 BU
Lodge halls	7 BU
Clubhouses	4 BU
Car washes	2 BU
Commercial garage/auto repair	2 BU
Service station	2 BU
Funeral homes	2 BU
Nursing/boarding homes	6 BU
Hospitals	5 BU
Hotel	5 BU
Motel	5 BU
Mobile home parks	5 BU
Banks	4 BU
Medical-dental offices	4 BU
1-3 story offices	4 BU
Over 3 story offices	7 BU
Bowling alleys	4 BU
Theaters, walk-in	4 BU
Theaters, drive in	4 BU
Other recreational	4 BU

In order to accommodate the increased costs of providing emergency medical services, the annual tax per "benefit unit" shall be adjusted annually by an amount not to exceed the Consumer Price Index (All-Urban Consumers, San Francisco-Bay Area) unless the City Council finds and determines that said adjustment would result in the tax exceeding the cost of providing the services. Under no circumstances shall the total adjustment provided for herein exceed Five Dollars and Twenty Cents (\$5.20) per benefit unit."

Section 2. Effective Date and Publication.

This ordinance shall take effect on July 1, 2017. The City Clerk is directed to publish

the title once and post a complete copy thereof on the City Council Chamber bulletin board for five (5) days prior to adoption.