

# **CITY OF SAN LEANDRO**

## **MEMORANDUM**

**DATE:** April 6, 2012

**TO:** Finance Committee

**FROM:** Chris Zapata, City Manager

**BY:** James H. O’Leary, Interim Finance Director  
Mary Ann Perini, Budget and Compliance Manager

**SUBJECT:** Discussion Regarding Proposed Ordinances Amending the Municipal Code Related to Annual Adjustments to Business License Fee, Emergency Communication System Access Tax, and Emergency Medical Services Tax

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### **SUMMARY AND RECOMMENDATION**

Staff recommends the Finance Committee approve the proposed adjustments to Business License fees, the Emergency Communication System Access Tax (9-1-1), and the Emergency Medical Services taxes in accordance with the San Leandro Municipal Code. Following the Finance Committee approvals, ordinance amendments for each of the three tax schedules will be presented to the City Council for approval as part of the 2012-13 budget approval process.

### **DISCUSSION**

As a part of the annual budget process, the City determines the annual change in the Consumer Price Index (CPI) and applies this increase to the business license fee schedule, the 9-1-1 access taxes and the EMS tax schedule as allowed by the San Leandro Municipal Code Sections 2-13-140, 2-18-210, and 2-2-500. If approved by the Finance Committee and adopted by the City Council, the following proposed adjustments to the City’s fee and tax rate schedules for business licenses, 9-1-1 access taxes, and EMS taxes would be effective July 1, 2012.

The change in the Consumer Price Index, 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 2011 (January through December) amounts to an increase of 2.6%. In accordance with the Municipal Code, the tax schedules for business licenses, 9-1-1 access, and EMS will be adjusted by 2.6%. The unit fee for retailing, wholesaling, and manufacturing will increase to \$34.50 (per each owner and each employee) for business licenses, the single access line tax rate for 9-1-1 will increase to \$2.15, and a benefit unit tax under the EMS will increase to \$15.35.

## FISCAL IMPACT

Staff estimates that the proposed fee and tax rate changes will generate an additional \$184,000 in General Fund revenue in 2012-13

<b>General Fund Taxes:</b>	<u>Revenues</u>
CPI Increases (2.6% ) in:	
Business License Fee	100,000
Emergency Medical Services Tax	14,000
911 Emergency Comm. Access Tax	<u>70,000</u>
Total General Fund Tax Increase	<u><u>\$ 184,000</u></u>

## ATTACHMENTS

1. Proposed Business License Fee schedule
2. Proposed 9-1-1 Emergency Communication System Access Tax schedule
3. Proposed Emergency Medical Services Tax schedule

## SUMMARY

In summary, staff recommends the Finance Committee approve the proposed adjustments to the Business License fee, the 9-1-1 Emergency Communication System Access Tax, and the Emergency Medical Services Tax, in accordance with the San Leandro Municipal Code. Following Finance Committee approvals, ordinance amendments for each of the three tax schedules will be presented to the City Council for approval as part of the 2012-13 budget approval process.

**CITY OF SAN LEANDRO**  
**PROPOSED BUSINESS LICENSE FEE SCHEDULE**  
**EFFECTIVE JULY 1, 2012 - JUNE 30, 2013**

Section 2-2-500 of Chapter 2-2 of the City of San Leandro Municipal Code Ordinance

Section 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:

2012 - 2013			
Business Classification	Annual Base Fee	Unit Fee	Unit Fee Basis
Retailing	\$ 116.00	\$ 34.80	Per each Owner & each Employee
Wholesaling	\$ 116.00	\$ 34.80	Per each Owner & each Employee
Manufacturing	\$ 116.00	\$ 34.80	Per each Owner & each Employee
Peddler/Solicitor	\$ 116.00	\$ 34.80	Per each Owner & each Employee
Services	\$ 116.00	\$ 69.60	Per each Owner & each Employee
Professional	\$ 116.00	\$ 87.10	Per each Owner & each Employee
Contractors	\$ 116.00	\$ 69.60	Per each Owner & each Employee
Recreation and Entertainment	\$ 116.00	\$ 69.60	Per each Owner & each Employee
Residential Property Rental	\$ 116.00	\$ 10.50	Per Unit or Space
Nonresidential Property Rental	\$ 116.00	\$ 17.30	Per 1,000 Square Feet
Dance Hall	\$ 580.20	\$ -	Flat/Annual
Automobile Wrecking	\$ 580.20	\$ -	Flat/Annual
Christmas Trees/Pumpkin Patch	\$ 580.20	\$ -	Flat/Annual
Commercial Advertising	\$ 580.20	\$ -	Flat/Annual
Fortune Telling	\$ 580.20	\$ -	Flat/Annual
Second-Hand Dealer	\$ 580.20	\$ -	Flat/Annual
Pawnbroker	\$ 580.20	\$ -	Flat/Annual
Itinerant Merchant	\$ 116.00	\$ 35.90	Flat/Weekly
Carnival	\$ 116.00	\$ 208.80	Flat/Daily
Coin Operated Device	\$ 116.00	\$ 1.10	Per \$1,000 of Gross Receipts
Public Utilities	\$ 116.00	\$ 34.80	Per each Owner & each Employee
Miscellaneous	\$ 116.00	\$ 34.80	Per each Owner & each Employee
Bingo	\$ 116.00	\$ -	Flat/Annual
Waste Disposal Site	\$ 116.00	\$ 1.56	Per Ton
Towing	\$ 116.00	\$ 1.10	Per \$1,000 of Gross Receipts
Firearms Dealer	\$ 116.00	\$ 3.50	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
Parking Lot	\$ 116.00	\$ 34.80	Per Parking Space

**CITY OF SAN LEANDRO**  
**Emergency Communication System Access Tax**

Section 2-18-210 of Chapter 2-18 of the City of San Leandro Municipal Code Ordinance

"The amount of tax imposed by this section shall be established by this ordinance as set forth below and shall be paid on a per-line basis". The described tax rates and the cap of \$10,000 annually shall be adjusted annually by the City Council, by the percentage increase in the Consumer Price Index (CPI) of 2.6% as follows:

<b>Description</b>	<b>Current Tax Rate</b>	<b>New Tax Rate</b>
Single Access Line	\$2.10	\$2.15
Trunk Line ( <i>7½ times the capacity of a Single Access Line</i> )	\$14.71	\$15.09
Super Trunk Line ( <i>capacity of at least 24 channels over a high capacity service line</i> )	\$51.50	\$52.84
Cap Threshold	\$10,210.98	\$10,476.47

**CITY OF SAN LEANDRO**  
**Emergency Medical Services Tax**

Section 2-13-140 of Chapter 2-13 of the City of San Leandro Municipal Code Ordinance

The tax per "Benefit Unit" (BU) per year shall be the amount of Fifteen Dollars and Thirty-five cents (\$15.35) based on the Consumer Price Index (CPI) of 2.6% increase from the current rate of Fourteen Dollars and Ninety-six cents (\$14.96). The number of benefit units shall be determined by the use to which the owner or occupant has put the property, as follows:

Property Use	BU	Current Rate	New Rate	Property Use	BU	Current Rate	New Rate
One Living Unit	1	\$ 14.96	\$ 15.35	Schools	5	\$ 74.78	\$ 76.75
Two to Five living units	3	\$ 44.87	\$ 46.05	Churches	4	\$ 59.83	\$ 61.40
Six or more living units	1	\$ 14.96	\$ 15.35	Other institutions	3	\$ 44.87	\$ 46.05
One-story stores	2	\$ 29.91	\$ 30.70	Lodge halls	7	\$ 104.70	\$ 107.45
Store first floor w/office/ apartments above	4	\$ 59.83	\$ 61.40	Clubhouses	4	\$ 59.83	\$ 61.40
Miscellaneous commercial	2	\$ 29.91	\$ 30.70	Car washes	2	\$ 29.91	\$ 30.70
Department stores	5	\$ 74.78	\$ 76.75	Commercial garage/auto repair	2	\$ 29.91	\$ 30.70
Discount houses	5	\$ 74.78	\$ 76.75	Service stations	2	\$ 29.91	\$ 30.70
Restaurants	4	\$ 59.83	\$ 61.40	Funeral homes	2	\$ 29.91	\$ 30.70
Shopping centers	7	\$ 104.70	\$ 107.45	Nursing/boarding homes	6	\$ 89.74	\$ 92.10
Supermarkets	4	\$ 59.83	\$ 61.40	Hospitals	5	\$ 74.78	\$ 76.75
Commercial/industrial condominiums	4	\$ 59.83	\$ 61.40	Hotels	5	\$ 74.78	\$ 76.75
Warehouses	2	\$ 29.91	\$ 30.70	Motels	5	\$ 74.78	\$ 76.75
Light industry	4	\$ 59.83	\$ 61.40	Mobile home parks	5	\$ 74.78	\$ 76.75
Heavy industry	6	\$ 89.74	\$ 92.10	Banks	4	\$ 59.83	\$ 61.40
Miscellaneous industrial	2	\$ 29.91	\$ 30.70	Medical/dental offices	4	\$ 59.83	\$ 61.40
Nurseries	2	\$ 29.91	\$ 30.70	1 to 3 story offices	4	\$ 59.83	\$ 61.40
Quarries	2	\$ 29.91	\$ 30.70	Over 3 story offices	7	\$ 104.70	\$ 107.45
Wrecking yards	2	\$ 29.91	\$ 30.70	Bowling alleys	4	\$ 59.83	\$ 61.40
Terminals, trucking	2	\$ 29.91	\$ 30.70	Theaters, walk-in	4	\$ 59.83	\$ 61.40
Improved government-owned property	2	\$ 29.91	\$ 30.70	Theaters, drive-in	4	\$ 59.83	\$ 61.40
Golf courses	2	\$ 29.91	\$ 30.70	Other recreational	4	\$ 59.83	\$ 61.40