



Office of the City Manager

CONSENT CALENDAR

June 25, 2024

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Tess Mayer, Director of Library Services
 Henry Oyekanmi, Director of Finance
 Subject: FY 2025 Special Tax Rate: Fund the Provision of Library Services

RECOMMENDATION

Adopt the Resolution to recommend that the Berkeley City Council set the FY 2025 tax rate for funding the provision of Library Services in the City of Berkeley at \$0.2800 (28.00 cents) per square foot for dwelling units and \$0.4233 (42.33 cents) per square foot for industrial, commercial, and institutional buildings.

FISCAL IMPACTS OF RECOMMENDATION

The tax levy of the recommended \$0.2800 for dwelling units and \$0.4233 for industrial, commercial, and institutional buildings will result in estimated collections of \$25,905,893 for the Library Tax Fund. This is an estimated increase in the tax rate by \$0.0102 for dwelling units and by \$0.0153 for industrial, commercial, and institutional buildings.

CURRENT SITUATION AND ITS EFFECTS

The FY 2024 tax of \$0.2800 for dwelling units and \$0.4233 for all other property are being adjusted by the Consumer Price Index in the immediate San Francisco Bay Area of 3.767%, as the voters approved the greater of that or the Personal Income Growth factor in California of 3.620%. In addition, the Board of Library Trustees recommends that the City Council adjust the tax rate by 3.767%.

It is recommended that the City Council authorize the levy of a special tax of \$0.2800 per square foot for dwelling units and of \$0.4233 for all other property in the City of Berkeley. The tax will result in a cost to taxpayers in the following average amounts during FY 2025, as compared with amounts for FY 2024:

Square Feet	Annual Tax – Dwelling Units		Annual Tax – All Other Properties	
	FY25	FY24	FY25	FY24
1,200	\$335.96	\$323.77	\$508.00	\$489.56
1,500	419.95	404.71	635.00	611.95
1,900	531.94	512.63	804.33	775.13
3,000	839.91	809.42	1,270.00	1,223.90
3,900	1,091.88	1,052.24	1,651.00	1,591.06
10,000	2,799.69	2,698.05	4,233.33	4,079.65

BACKGROUND

The Central Library and neighborhood branch libraries will have received up to 98% of 2024 fiscal year funding through a citywide special tax (referred to as the Library Relief Act of 1980) of \$0.2698 for dwelling units and \$0.4080 per square foot on all improvements to industrial, commercial, and institutional real property. The purpose of this voter-approved tax is to provide a stable revenue source to ensure the provision of library services at the level which permits library operations six days a week at branch libraries, seven days a week at the Central Library, and which permits the purchase of library materials at levels which are commensurate with the libraries’ hours of service, staffing, and patron needs.

On November 3, 2020, over 81% of Berkeley voters approved Measure LL to re-authorize the City, for a period of four (4) years through FY 2024, to spend the Library Services tax as approved by the voters.

RATIONALE FOR RECOMMENDATION

Adopting the per capita April Consumer Price Index in the immediate San Francisco Bay Area would contribute an incremental increase of approximately \$36,699 to projected FY 2025 revenue over that of the Personal Income Growth factor in California.

ALTERNATIVE ACTIONS CONSIDERED

The fiscal impact on the Library Tax Fund of adopting the Personal Income Growth factor in California of 3.620% instead of the per capita April Consumer Price Index in the immediate San Francisco Bay Area of 3.767% would be a reduction of \$36,699 in projected FY 2025 library tax receipts.

The fiscal impact on the Library Tax Fund of forgoing an adjustment to the fiscal year’s library tax rate would be a reduction of \$940,448 in projected FY 2025 library tax receipts when compared to the recommendation.

CONTACT PERSON

Henry Oyekanmi, Director of Finance, 981-7301
Tess Mayer, Director of Library Services, 981-6195

FY 2025 Special Tax Rate:
Fund the Provision of Library Services

CONSENT CALENDAR
June 25, 2024

Attachments:

1. Ordinance
2. 2024 05 30 Library Tax Report v1.0
3. BOLT Resolution No. R24-078

ORDINANCE NO. -N.S.

SETTING THE FISCAL YEAR 2025 SPECIAL TAX RATE TO FUND LIBRARY
SERVICES TAX IN THE CITY OF BERKELEY

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. The FY 2025 Tax Rate to support usual and current expenses of operating library services is set at \$0.2800 per square foot for dwelling units and \$0.4233 per square foot for industrial, commercial and institutional buildings.

Section 2. The cost to taxpayers during FY 2025 will be \$419.95 for a 1,500 square foot dwelling and \$635.00 for all other property of similar size.

Section 3. This tax rate will result in estimated total collections of \$25,905,893.

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 15 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.



ACTION CALENDAR
May 30, 2024

To: Board of Library Trustees

From: Tess Mayer, Director of Library Services, and Nneka Gallaread, Fiscal and Administrative Services Manager

Subject: Recommendation to City Council on FY 2025 Library Tax Rate

RECOMMENDATION

Adopt the resolution to recommend that the Berkeley City Council set the FY 2025 tax rate for funding the provision of Library Services in the City of Berkeley at \$0.2800 (28.00 cents) per square foot for dwelling units and \$0.4233 (42.33 cents) per square foot for industrial, commercial, and institutional buildings.

FISCAL IMPACTS OF RECOMMENDATION

The total revenue generated by the Library Tax in FY 2025 is expected to be approximately \$25,905,893 (*net of Alameda County billing and collection fees*). It is estimated that the tax will cost residential taxpayers no more than the following average amounts during Fiscal Year 2025, as compared with amounts for FY 2024:

Square Feet	Annual Tax – Dwelling Units		Annual Tax – All Other Properties	
	FY25	FY24	FY25	FY24
1,200	\$335.96	\$323.77	\$508.00	\$489.56
1,500	419.95	404.71	635.00	611.95
1,900	531.94	512.63	804.33	775.13
3,000	839.91	809.42	1,270.00	1,223.90
3,900	1,091.88	1,052.24	1,651.00	1,591.06
10,000	2,799.69	2,698.05	4,233.33	4,079.65

BACKGROUND

The Central Library and neighborhood branch libraries will have received up to 98% of 2024 fiscal year funding through a citywide special tax (referred to as the Library Relief Act of 1980) of \$0.2698 for dwelling units and \$0.4080 per square foot on all improvements to industrial, commercial, and institutional real property. The purpose of this voter-approved tax is to provide a stable revenue source to ensure the provision of library services at the level which permits library operations six days a week at branch libraries, seven days a week at the Central Library, and which permits the purchase of library materials at levels which are commensurate with the libraries’ hours of service, staffing, and patron needs. Refer to Attachment 2. *Tax Rate Indices: PIG + CPI* for table of rates since 2008 and the Board’s recommendation to the City Council.

CURRENT SITUATION

For the current fiscal year, Berkeley’s Library Tax will raise around \$24.9 million. The tax rates, initiated by a recommendation from the Director of Library Services to the Board, may be adjusted annually by indexing up to the greater of the Consumer Price Index in the immediate San Francisco Bay Area or the per capita Personal Income Growth factor in California.

The FY 2025 tax of \$0.2800 for dwelling units and \$0.4233 for all other property are recommended based on the per capita Consumer Price Index in the immediate San Francisco Bay Area of 3.767%, as the voters approved the greater of that or the Personal Income Growth Factor in California Area of 3.620%. In

**BERKELEY PUBLIC LIBRARY
ACTION CALENDAR REPORT**

Recommendation to City Council on FY 2024 Library Tax Rates

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addition, the Director of Library Services recommends that the Board of Library Trustees recommend that the City Council adjust the tax rate by 3.767%. The recommended library tax rates for FY 2025 are expected to yield total revenue of approximately \$25,905,893 (*net of Alameda County billing and collection fees*).

At a special meeting of the Board of Library Trustees held on May 17, 2023, the Board of Library Trustees recommended via BOLT Resolution No.: R23-022 that the City Council increase tax rates for FY 2024.

RATIONALE FOR RECOMMENDATION

Adopting the per capita April Consumer Price Index in the immediate San Francisco Bay Area would contribute an incremental increase of approximately \$36,699 to projected FY 2025 revenue over that of the Personal Income Growth factor in California.

ALTERNATIVE ACTIONS CONSIDERED

The fiscal impact on the Library Tax Fund of adopting the Personal Income Growth factor in California of 3.620% instead of the per capita April Consumer Price Index in the immediate San Francisco Bay Area of 3.767% would be a reduction of \$36,699 in projected FY 2025 library tax receipts.

The fiscal impact on the Library Tax Fund of forgoing an adjustment to the fiscal year's library tax rate would be a reduction of \$940,448 in projected FY 2025 library tax receipts when compared to the recommendation.

FUTURE ACTION

The Board of Library Trustee's recommendation will be forwarded to the City's Director of Finance for inclusion as a submittal to the City Council for action.

CONTACT PERSON

Tess Mayer, Director of Library Services, 510-981-6195

Attachments:

1. Resolution
2. Tax Rate Indices: PIG + CPI

BOARD OF LIBRARY TRUSTEES

RESOLUTION NO: R24-078

RECOMMEND THAT THE BERKELEY CITY COUNCIL SET THE FY 2025 TAX RATE FOR THE LIBRARY SERVICES TAX AT \$0.2800 (28.00 CENTS) PER SQUARE FOOT FOR DWELLING UNITS AND \$0.4233 (42.33 CENTS) PER SQUARE FOOT FOR INDUSTRIAL, COMMERCIAL, AND INSTITUTIONAL BUILDINGS BASED ON THE APRIL CONSUMER PRICE INDEX IN THE IMMEDIATE SAN FRANCISCO BAY AREA OF 3.767%

WHEREAS, each year the City Council adopts an ordinance to establish the rates for the Library Services Tax, which supports the Library's operations; and

WHEREAS, the increase is based on up to the greater of the per capita Personal Income Growth factor in California or the Consumer Price Index in the immediate San Francisco Bay Area; and

WHEREAS, the Board of Library Trustees makes a recommendation to the City Council each year on the adoption of tax rates for library services, with a potential increase in the Library Services Tax rate based on either the per capita Personal Income Growth factor in California or the April Consumer Price Index in the immediate San Francisco Bay Area; and

WHEREAS, the Fiscal Year 2024-25 the April 2024 Consumer Price Index in the immediate San Francisco Bay Area is 3.767% and per capita Personal Income Growth factor for California is 3.620%; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Library Trustees of the City of Berkeley to recommend that the Berkeley City Council set the FY 2025 tax rate for the Library Services Tax at \$0.2800 (28.00 cents) per square foot for dwelling units and \$0.4233 (42.33 cents) per square foot for industrial, commercial, and institutional buildings based on the April 2024 Consumer Price Index in the immediate San Francisco Bay Area of 3.767%.

ADOPTED by the Board of Library Trustees of the City of Berkeley at a regular meeting held on May 30, 2024 by the following vote:

AYES:	Trustees Ami, Greene, Hahn, Roth & Selawsky
NOES:	none
ABSENT:	none
ABSTENTIONS:	none

Amy Roth, President

Tess Mayer, Director of Library Services
Serving as Secretary to the Board of Library Trustee

BERKELEY PUBLIC
LIBRARY
TAX RATE INDICES: PIG +
CPI

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Year	PIG*	CPI^	Notes
2008	4.42%	3.200%	BOLT R07-043 (9MAY07)
2009	4.29%	4.000%	BOLT R08-046 (14MAY08)
2010	0.62%	0.802%	BOLT R09-054 (10JUN09)
2011	-2.50%	1.717%	BOLT R10-039 (25MAY10)
2012	2.51%	2.821%	BOLT R11-039 (11MAY11)
2013	3.77%	2.078%	BOLT R12-037 (13JUN12)
2014	5.12%	2.381%	BOLT R13-033 (29MAY13)
2015	-0.23%	2.787%	BOLT R14-026 (20MAY14)
2016	3.82%	2.436%	BOLT R15-108 (28MAY15)
2017	5.37%	2.695%	BOLT R16-018 (19MAY16)
2018	3.69%	3.789%	BOLT R17-031 (31MAY17)
2019	3.67%	3.217%	BOLT R18-026 (6JUN18)
2020	3.85%	4.015%	BOLT R19-023 (24MAY19)
2021	3.73%	1.110%	BOLT R20-018 (3JUN20): Increase declined
2022	5.73%	3.806%	BOLT R21-095 (26MAY21)
2023	7.55%	4.996%	BOLT R22-026 (23MAY22)
2024	4.44%	4.192%	BOLT R23-022 (17MAY23)
2025	3.62%	3.77%	Director Recommendation (MAY30) = CPI
BOLD	BOLT recommendation to City Council		

* per capita Personal Income Growth factor in California released late April/early May.

^ Consumer Price Index in the immediate San Francisco Bay Area released mid-May.

BOARD OF LIBRARY TRUSTEES

RESOLUTION NO: R24-078

RECOMMEND THAT THE BERKELEY CITY COUNCIL SET THE FY 2025 TAX RATE FOR THE LIBRARY SERVICES TAX AT \$0.2800 (28.00 CENTS) PER SQUARE FOOT FOR DWELLING UNITS AND \$0.4233 (42.33 CENTS) PER SQUARE FOOT FOR INDUSTRIAL, COMMERCIAL, AND INSTITUTIONAL BUILDINGS BASED ON THE APRIL CONSUMER PRICE INDEX IN THE IMMEDIATE SAN FRANCISCO BAY AREA OF 3.767%

WHEREAS, each year the City Council adopts an ordinance to establish the rates for the Library Services Tax, which supports the Library's operations; and

WHEREAS, the increase is based on up to the greater of the per capita Personal Income Growth factor in California or the Consumer Price Index in the immediate San Francisco Bay Area; and

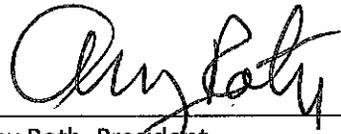
WHEREAS, the Board of Library Trustees makes a recommendation to the City Council each year on the adoption of tax rates for library services, with a potential increase in the Library Services Tax rate based on either the per capita Personal Income Growth factor in California or the April Consumer Price Index in the immediate San Francisco Bay Area; and

WHEREAS, the Fiscal Year 2024-25 the April 2024 Consumer Price Index in the immediate San Francisco Bay Area is 3.767% and per capita Personal Income Growth factor for California is 3.620%; and

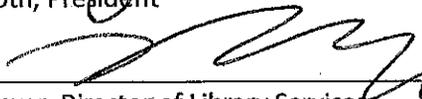
NOW, THEREFORE, BE IT RESOLVED by the Board of Library Trustees of the City of Berkeley to recommend that the Berkeley City Council set the FY 2025 tax rate for the Library Services Tax at \$0.2800 (28.00 cents) per square foot for dwelling units and \$0.4233 (42.33 cents) per square foot for industrial, commercial, and institutional buildings based on the April 2024 Consumer Price Index in the immediate San Francisco Bay Area of 3.767%.

ADOPTED by the Board of Library Trustees of the City of Berkeley at a regular meeting held on May 30, 2024 by the following vote:

AYES:	Trustees Greene, Hahn, Roth & Selawsky
NOES:	none
ABSENT:	none <i>Tanir Amri</i>
ABSTENTIONS:	none



Amy Roth, President



Tess Mayer, Director of Library Services
Serving as Secretary to the Board of Library Trustee

