



Provide Direction:

Rate, Duration and Inflation Index of Public Safety Parcel Tax

Agenda Item 7. B.

October 22, 2019



Goal A: Financial Stability and Sustainability

Strategy 2: Determine the level of reauthorization of the public safety parcel tax and develop an informational plan.

Last tax to be collected: FY 20/21



Presentation Agenda

- Provide background on prior measures
- Discuss services funded by Public Safety Parcel Tax
- Present polling results
- Seek City Council direction

Seeking City Council Direction on:

New Tax Rate Effective FY21/21:

Tax Rate:

- Continue \$157.89 per 5,000 sq. ft. parcel
- Set new base rate, \$175 per 5,000 sq. ft. parcel

Duration of Tax:

- Four years
- Eight years

Inflation Index:

- Continue 2 percent
- Adjust to CPI

Measure	Date	Yes	No	Rate 5,000 sf	Term	Escalati on
K	03/2004 Pass	68.9%; 6,550	31.1%; 2,959	\$94	5 years	CPI
K	06/2008 Fail	62.07%; 3,950	37.93%; 2,414	\$174	20 years	CPI
UU	11/2008 Pass	73.25%; 15,700	26.75%; 5,734	\$125.64	8 years	2% cap
QQ	11/2016 Pass	78.16%; 18,741	21.84%; 5,236	\$145.86	4 years	2% cap

\$50 million in Local Public Safety Funding

- Keeping police officers on patrols in neighborhoods
- Fast response to 911 calls
- Programs to support youth violence prevention gang intervention
- 30% reduction in youth violence and property crimes
- Increased high school graduation rates

Local Public Safety Funding

FY 19/20: \$4.3 million

\$1.9 million Union City Police: 8 to 9 police officers covering neighborhood patrols 3 days a week; 118 calls a day

\$1.8 million partially fund ALCO Fire Contract: Slightly more than ½ a fire station

\$0.6 million Youth and Family Services: Serves 300 clients, leverages \$319,000 annually

Lost Public Safety Services without CPI

- CPI index 2004 – 2008
- 2% annual increase limit since FY 9/10
- \$1.8 million lost buying power
- 81 sworn officers July 2008
- 77 sworn officers today

93% of Land Parcels: single family, condos, townhouse

Parcel Size and type	Number of parcels
0 – 4,999	7,130 parcels
5,000 – 9,999	9,193 parcels
10,000 – 20,000	325 parcels
Apartments	317 parcels
Mobile homes	4 parcels
Commercial	472 parcels
Total	17,441 parcels



Rate Options

1. Continue existing rate \$157.89
2. Raise to \$175 for 5,000 sq. ft.

***11 % escalation generates additional \$500,000 could fund two police officers*



Term Options

1. Continue four year term
2. Extend to eight year term



CPI Index Options:

1. Continue 2 percent escalation
2. Index to CPI

Revenue Generation

Existing \$157.89 rate, two percent annual escalation:

- \$4.5 million FY 21/22
- \$4.8 million FY 24/25
- \$5.2 million FY 28/29 excludes new Station District

Existing rate, CPI annual escalation:

- \$4.5 million FY 21/22
- \$5.0 million FY 24/25
- \$5.6 million FY 28/29 excludes new Station District

Revenue Generation

New \$175 residential rate, 5,000 sq. ft., two percent escalation

- \$ 5.0 million FY 21/22
- \$ 5.3 million FY 24/25
- \$ 5.8 million FY 28/29 Excludes new Station District Parcels

New \$175 residential rate, 5,000 sq. ft., CPI escalation

- \$ 5.0 million FY 21/22
- \$ 5.5 million FY 24/25
- \$ 6.1 million FY 28/29 excludes new Station District parcels

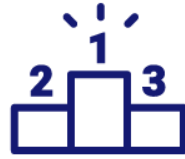


Polling Results

- Godbe Research - Telephone and Web Survey Poll
- 521 Union City likely voters 2020 elections
- +/-4.25 sampling error
- July 29, 2019 – August 8, 2019

Polling Results

- 63 percent favorable image City providing community services
- 62 percent support for \$175 rate Public Safety Parcel Tax
 - ✓ 26 percent oppose
 - ✓ 10 percent undecided
- Lower tax rates received lower levels support
- Voters comfortable with \$175 rate



Public Safety Voter Priorities

- 911 emergency response and paramedic services
- Safety at public schools
- Emergency and disaster preparedness programs
- Neighborhood police patrols
- Youth violence and gang prevention programs

Polling Results

- Up to 72 % support surpassing 2/3 threshold
- With information, lower tax rates received lower support
- Voters support duration up to 8 years
- Voters support duration of 4 years

Consultant Conclusion

- \$175 rate for most common sized parcel
- Up to 8 year term
- Changing inflation adjustment from 2 % to CPI no meaningful impact on voter support



Fiscal Impact

- \$18.6 million, existing rate, four year tax, 2 percent escalation
- \$20.6 million, new \$175 base, four year tax, CPI escalation
- \$38.8 million, existing rate, eight year tax, 2 percent escalation
- \$44.6 million, new \$175 base, eight year tax, CPI escalation

Next Steps

- Provide direction regarding tax rate, duration and inflation
- City Attorney will prepare a resolution for consideration on 11/26
- Report on informational plan on 11/26
- Placement on March 3, 2019 Primary Ballot

Seeking City Council Direction on:

Tax Rate:

- Continue \$157.89 per 5,000 sq. ft. parcel
- Set new base rate, \$175 per 5,000 sq. ft. parcel

Duration of Tax:

- Four years
- Eight years

Inflation Index:

- Continue 2 percent
- Adjust to CPI