

City of Brisbane

Agenda Report

To: City Council via City Manager

From: Stuart Schillinger, Administrative Services Director

Subject: Resolution 2016-23 Establishing the Rate of the Business License Tax on Recycling Businesses per Section 5.20.010.

Date: June 30, 2016

Purpose:

Provide for the long-term fiscal stability of the City of Brisbane.

Recommendation:

Adopt Resolution No. 2016-23

Background:

In 2011 the voters of the City passed an Ordinance which imposed a Business License on companies which carry out recycling operations within the City limits. The maximum amount allowed by the Ordinance is \$3,000,000 a year. In January of 2012 the City Council passed a Resolution No. 2012-36 which imposed an Business License Tax in the amount of \$2,105,000 a year for businesses which recycle more than 100,000 tons a year. Resolution 2012-36 expires on June 30, 2016.

Discussion:

The City has budgeted \$2,105,000 for FY 2016/17. Staff did not want to bring the new resolution to the City Council until after it had a chance to review the proposed City Manager budget. Resolution No. 2016-23 provides the City the ability to continue to collect the Business License Tax from large recycling operations and meets the proposed budget requirements.

Fiscal Impact:

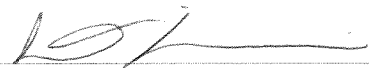
There is no fiscal impact to the City if the Council approves the attached resolution. However, if the Council chooses not to pass the attached resolution prior to the next anticipated installment date December 31, 2017 then in order to provide all of the services called for in the budget the City would need to reduce its General Fund reserves by over \$2,100,000 which is below the amount of the required reserves.

Measure of Success

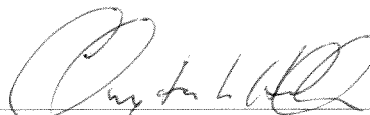
The City is able to continue to provide all of the services which the City has budgeted for.

Attachments

Resolution No. 2016-23



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

RESOLUTION NO. 2016-23

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BRISBANE ESTABLISHING THE BUSINESS LICENSE FEE FOR
RECYCLING ESTABLISHMENTS PURSUANT TO SECTION 5.20.100
OF THE BRISBANE MUNICIPAL CODE**

WHEREAS, Section 5.20.100 of the Brisbane Municipal Code imposes a business license fee on "recycling establishments," which are defined as establishments engaged in the business of collecting, sorting, cleansing, treating, processing, or reconstituting waste or other discarded materials for the purpose of reuse in altered form; and

WHEREAS, the business license fee for recycling establishments in the City that recycle 100,000 tons or more of material during any single calendar year, as set forth in Section 5.20.100, is up to \$3,000,000 per year, to become effective on the date and in such manner as established by resolution of the City Council; and

WHEREAS, the City Council desires to establish graduated annual business license fee for recycling establishments, based upon the volume of business conducted by the establishment in the City during any single calendar year,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Brisbane as follows:

1. The annual business fee for recycling establishments recycling more than 100,000 tons of material of material in the City during any single calendar year, shall be the sum of Two Million One Hundred Thousand Dollars (\$2,100,000). Such amount shall be payable as follows:

(a) A payment of \$1,050,000 shall be made on December 31, 2016 and and a payment of \$1,050,000 shall be made on June 30, 2017.

2. This Resolution shall become effective immediately upon its adoption..

Cliff, Lentz, Mayor

I hereby certify that the foregoing Resolution No. 2016-23 was duly and regularly adopted at the regular meeting of the Brisbane City Council on June 30, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sheri Marie Spediacci, City Clerk