



Utilities Modernization Act (UMA)



What is the UMA?

Modernizes our existing Utilities Users Tax (UUT) and confirms Alameda Municipal Power (AMP's) historical financial support of city services such as police, fire and emergency response, street and sidewalk repairs, park maintenance and library services

- No increase to current tax rates;
- No increase to electric bills (adjusted for inflation);
- Modernizes our existing laws and practices; and
- Allows us to maintain core city services.

Ballot Question

To maintain funding for essential city services, such as police, fire protection, libraries and parks, without raising tax rates or electric charges, shall the City of Alameda amend its Charter to reaffirm the annual transfer of approximately \$3.7 million from Alameda Municipal Power to the City, adjust future transfer amounts for inflation, and modernize the Utility Users Tax ordinance to reflect new and evolving technologies so that all taxpayers are treated equally regardless of technology?



What is the UUT?

- The Utility Users Tax (UUT) is an existing 7.5% tax on the consumption of:
 - Electricity
 - Gas
 - Cable TV
 - Telecommunications Services





History of the UUT

- In 1970, the City Council enacted a Utility Users Tax (UUT) to help fund general city services.
- In 1995, the City Council increased the UUT to 7.5%
- Prop 218 stipulated that any tax must be ratified by the voters
- As a result, in November 1998, the City placed the UUT on the ballot and it was passed by the voters.





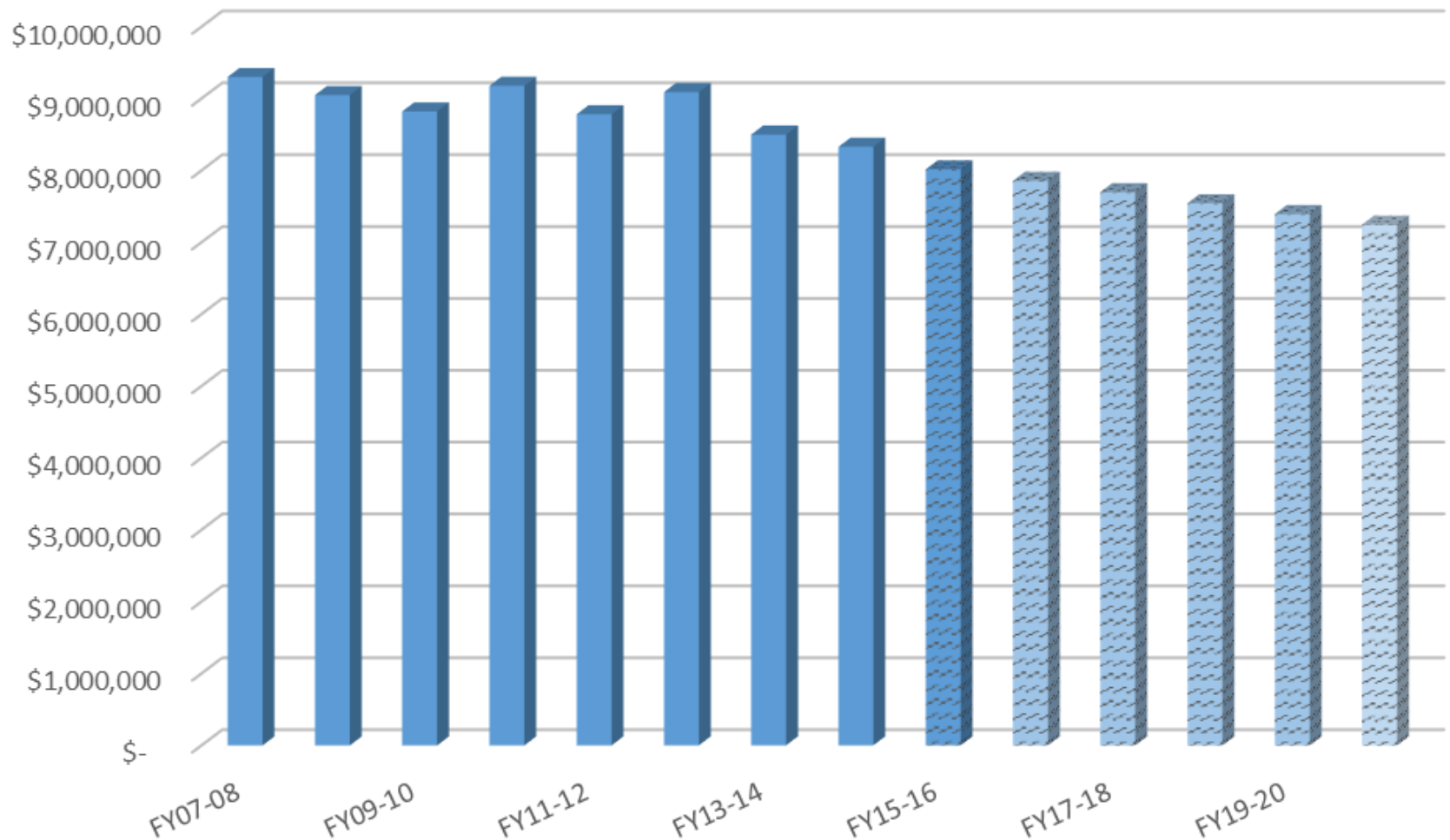
History of the UUT

- The UUT was put in place to ensure the City of Alameda had steady revenue to support essential public services, including:
 - Medical emergency response
 - Police Patrol and Investigations
 - Fire Protection
 - Street and Road Repair
 - Libraries
 - Maintenance of Parks and Recreation Facilities





History of UUT Revenues





What Will the Modernization Do?

- Alameda's existing UUT ordinance was written long before anyone could have envisioned how technology would change.
- This update will ensure the tax is equally applied and better define which services are covered.
- This modernization will shore up funds that the City has historically received but is declining due to antiquated language and changing technologies.



What Will the Modernization Do?

- This measure will return the UUT revenue into the General Fund back to the FY 2007/08 level.
- 10 agencies in Alameda County have a Utility Users Tax. Of these, 8 have updated and modernized their UUT through a vote.
- Alameda is one of the last two agencies that has not updated its UUT



Why is Modernization Important?

- The UUT provides the City of Alameda with key financial support to fund essential services, which maintain Alameda's quality of life, including:
 - Emergency medical response
 - Fire response to emergencies
 - Police response to violent crimes and property crimes
 - Streets and pothole repair
 - Maintaining neighborhood parks

Alameda Municipal Power (AMP)

Alameda Municipal Power (AMP) – Historical Support of City

Annual Transfer - \$2.8 million

- Transfer since 1914
- Written into the Charter in 1937
- Amount varies - Peaked in 1995 at \$3.6 million

Street Lights - \$900,000

- Maintenance, Replacement, and Electricity

Other Support - \$1.4 million

- Payment in lieu of taxes (PILOT)
- Return on Investment (ROI)



Alameda Municipal Power (AMP)

October 2015 - *Ginsburg vs. City of Alameda*

Southern California lawyers alleged AMP's Transfer to the General Fund is in violation of Proposition 26 (approved Nov 2010).

“Charge for a government service cannot be more than the reasonable cost to provide that service – otherwise it’s a tax”

Why is Modernization Important?

- AMP's annual transfer provides the City of Alameda with key financial support to fund essential services, which maintain Alameda's quality of life, including:
 - Emergency medical response
 - Fire response to emergencies
 - Police response to violent crimes and property crimes
 - Streets and pothole repair
 - Maintaining neighborhood parks



What Will the Modernization Do?

Confirms AMP's past practice, through public vote, but won't impact electric rates or increase the funds the City receives (though will be subject to CPI)





Next Steps

July 5, 2016
Place measure
on the
November
ballot.

Continue to **Educate**

- Video
- Survey
- Mailers
- Speakers' Bureau

November 2016
Public Votes on
the Utilities
Modernization
Act

Question and Answer

