



City of Grand Island

Tuesday, December 19, 2006

Council Session

Item F2

#9098 - Consideration of Amendments to Chapter 34 of the Grand Island City Code Relative to Telecommunications Occupation Tax

Staff Contact:

Council Agenda Memo

From: Gary D. Greer, City Administrator

Meeting: December 19, 2006

Subject: Revision to Chapter 23 of the City Code

Item #'s: F-2

Presenter: Gary D. Greer, City Administrator
David Springer, Finance Director

Background

In 1958 the City of Grand Island adopted Ordinance number 3365 enacting the current 3% occupational tax on telephone landlines, appropriately named the Telegraph Companies Occupational Tax. Historically the revenue collected from this tax is allocated throughout the General Fund. According to the 1960 census Grand Island had a population of 25,742, and nearly all residents had a landline telephones.

Today, Grand Island's population is well over 45,000. In this day of technology, mobile phones are rapidly taking the place of traditional landline phones. According to the Federal Communications Commission the cellular telephone subscribers in America now exceeds 180 million. Data collected from the Grand Island/Hall County 911 call center verifies this growing trend. In 2002 the percentage of calls received in the 911 center from mobile phones was 14%. Within a few years this percentage has drastically increased to over half of the calls received in the 911 call center and will only continue to increase. Please see the attached graph detailing the percentage of landline vs. mobile phones received in the Grand Island/Hall County 911 call center. Collected telephone occupational tax dollars has decreased throughout the years confirming the number of landlines is decreasing. Mobile phones are not subject to this tax.

Currently a \$1 surcharge is collected monthly from every landline telephone user in Grand Island. This surcharge is utilized as a subsidy to offset expenses of the 911 call center. As landline numbers decrease the collected dollars have been unpredictable. Currently the fund is fighting to stay in the black. When this surcharge was originally created, only landlines utilized the 911 service and telecommunication specialists received one call per emergency incident. Today it is not uncommon to receive multiple phone calls per incident with the convenience of mobile phones. Although the more calls

received creates greater knowledge and better response to an incident, it also creates a greater workload for 911 and first responders.

The 911 call center and Emergency Management are in need of extensive software and equipment upgrades to meet the current and changing demands of technology. The current equipment doesn't identify mobile phone location, a much needed service for Grand Island and Hall County rural areas.

Discussion

The amendment of the telephone occupational tax ordinance, to include mobile phones will generate revenue to further subsidize increased work created by mobile phones. The 911 department and first responders are constantly updating equipment as technology changes, this additional revenue will help with the costs of these modifications.

Additionally, Deputy Emergency Manager, Larry Smith reported to the Civil Defense – Communication Center Joint City/County Committee that the department is requesting staff to keep up with demand. Please see the attachment report concerning this issue.

Ordinance 9098 is presented for council consideration to level the playing field between landline phone companies and wireless companies. The ordinance simply adds mobile telecommunications services as subject to the occupational tax. In order to allow time for the implementation of this ordinance by wireless companies, the ordinance is drawn up to take effect March 1, 2007. The occupation fee would be changed to all wireless phones with billing addresses in the city limits.

Multiple communities throughout Nebraska have enacted a similar tax at a higher percentage. Please refer to the attached chart concerning communities who have already enacted an occupation fee. Administration is recommending the same percentage for mobile phones as enacted in 1958 for landline phones, 3%.

Revenues from the occupational fee are expected to be approximately \$400,000. These funds will be placed in the general fund to offset costs concerning the 911 operation and other emergency related city costs.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the revision of the City Code amending Chapter 23.
2. Disapprove or deny the ordinance which would revise the City Code concerning Chapter 23 in which event the current provisions of the code will remain in effect.
3. Modify the recommendations of city staff changing chapter 23 of the City Code.

4. Take no action on the issue.

Recommendation

City Administration recommends that the Council approve the amendment of Chapter 23 of the current City Code as recommended by city staff.

Sample Motion

Motion to approve the ordinance amending Chapter 23 of the City Code.

Emergency Management
Grand Island – Hall County
911 Communications Division

October 14, 2006

TO: Emergency Management Inter Local Committee
FROM: Larry J. Smith, Deputy Director *LS*
SUBJECT: 911 Center Dispatch Staffing Concerns

I have selected the recent month of August 2006 to provide you with information on a concern of staffing in the 911 Center. In short, we may be running shifts far too often with only two Dispatchers on duty and or having Dispatchers work to much over time to help cover a shift.

August was a rather difficult month for us with the first notable concern the loss of a Swing Shift Dispatcher on FMLA. She will remain off duty until the first week in November which is a result in a net loss of 40 employee hours per week. The second noticeable concern was the Selective Enforcement by the Sheriff's Office and Police Department from August 18th through September 4th which overloaded our Center with additional radio traffic.

On Wednesday August 23rd there was a group of individuals selling door-to-door that forged transient sales forms. An Officer made a traffic stop related to this incident which resulted in an on going incident that created a high amount of radio traffic involving 3 more Officers for 3 hours. During this time additional Officers were working selective enforcement also creating additional radio traffic. During all of this the 911 center received a report of shots fired out in the county which was followed by a pursuit north of Grand Island ending in Grand Island creating yet more radio traffic. Along with this the calls for service during this 8 hour shift added up to 120. This was handled with only two dispatchers on duty taking no breaks.

Friday August 25th we were also hit hard in the evening but this time with three dispatchers on duty. Again selective enforcement was out in full but also a Warrant Bash was also conducted with about 25 to 30 stops to attempt to serve warrants. One of our dispatchers who speaks Spanish was required to assist an Officer with an interview in an assault case for 1 ½ hours leaving only two dispatchers to handle the rest. Again our call volume was right at 120 other calls for service that evening.

Tuesday August 29th with only two dispatchers working again we receive a total of 125 calls for service with Officers working selective enforcement.

Dispatchers are moved around in the hours they work in an effort to have enough on duty to handle the call volume however there are times we run into situations where there just aren't enough Dispatchers available to work. These are the times we are running with just two Dispatchers and might be at risk of not being able to handle the work load which may or may not occur on that shift.

We have 13 full time Dispatchers and if we are at full staff we can cover the 21 shifts per week 17 times with three Dispatchers on duty which leaves four shifts per week with only two on duty. Again that's if we are at full staff and no one is gone on vacation, sick leave, personal leave, FMLA or gone for training or meetings.

We attempt to limit the number of Dispatchers to one per day that is allowed to take off on vacation however this is very difficult. At this time with one on FMLA for 12 weeks that would mean that no one else could take any leave which would not be fare. So we allow one additional to take leave which then leaves us two Dispatchers short. If a third calls in sick we are then short three Dispatchers for that day and more than likely end up assigning other Dispatchers to work a 12 hour shift to help cover but will most likely be running with only two on duty for the entire day.

I feel guilty when I leave the 911 Center to go home and there are only two Dispatchers working. I hear all the radio traffic on my radio as I drive home and hear Officers/Deputies EMS & Fire Personnel having to call more than once to get answered. I also hear the telephones ringing in the back ground of the radio traffic that are not getting answered on the first couple of rings.

As I drive I look around and see all the vehicle traffic and all the people and estimate that my two Dispatchers are responsible for 50,000 plus people that might have the need to dial 911 for immediate help.

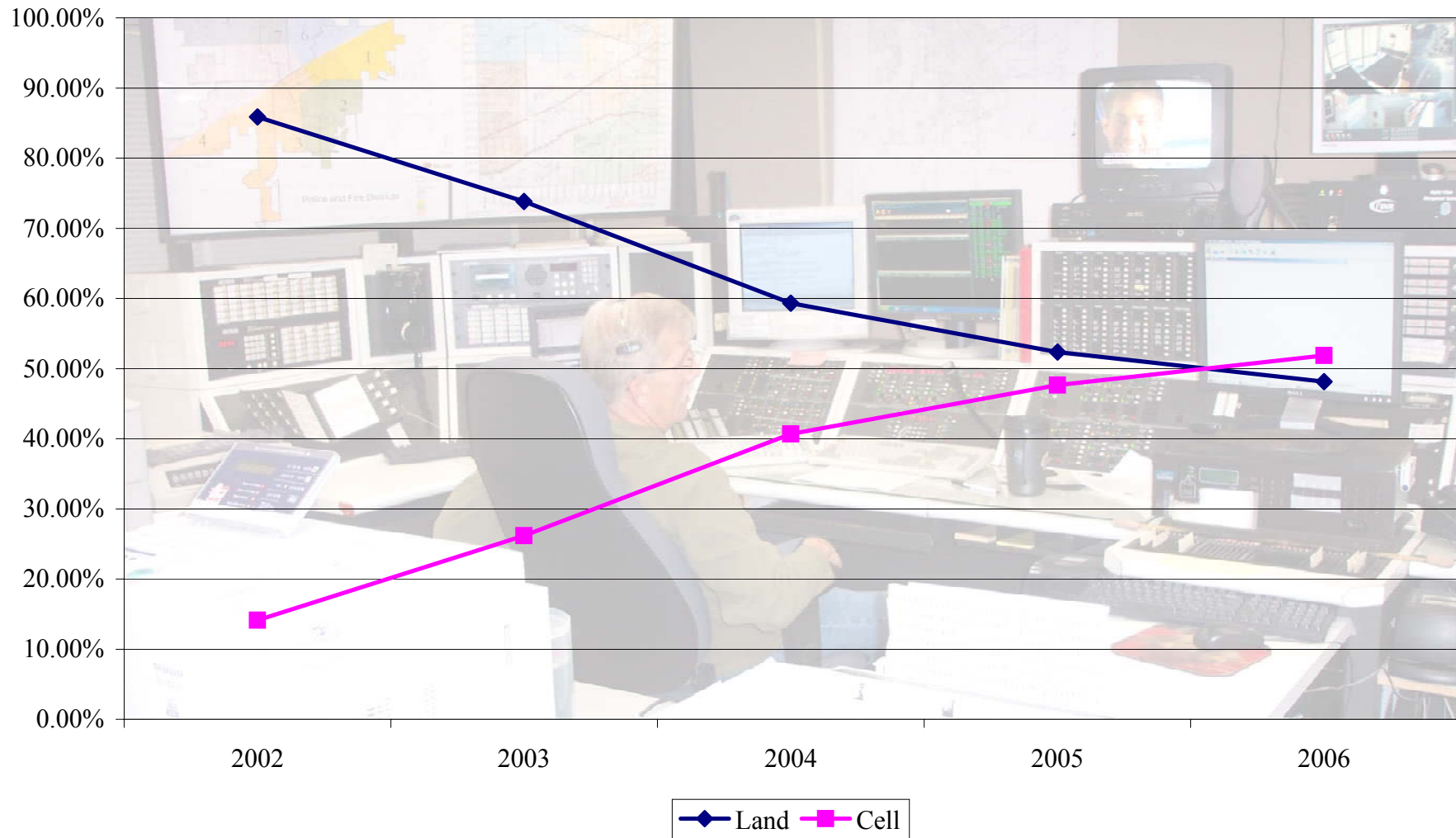
Our Dispatchers have become very efficient in prioritizing their work and the calls they receive. They work very hard at keeping themselves available for that next call that might be an emergency. But in doing this they are short and to the point with the citizens that call 911, SO, PD, Humane Society etc. which I'm sure at times the citizen thinks we are rude and the service they are receiving is inadequate and that we don't care.

I realize this FY Budget is final but ask for your consideration in approving two additional Dispatchers to work the 911 Center in the FY 07-08 Budget. You are invited to come down to the 911 Center at any time to sit and observe the operations to get a better feel of what the Dispatchers do.

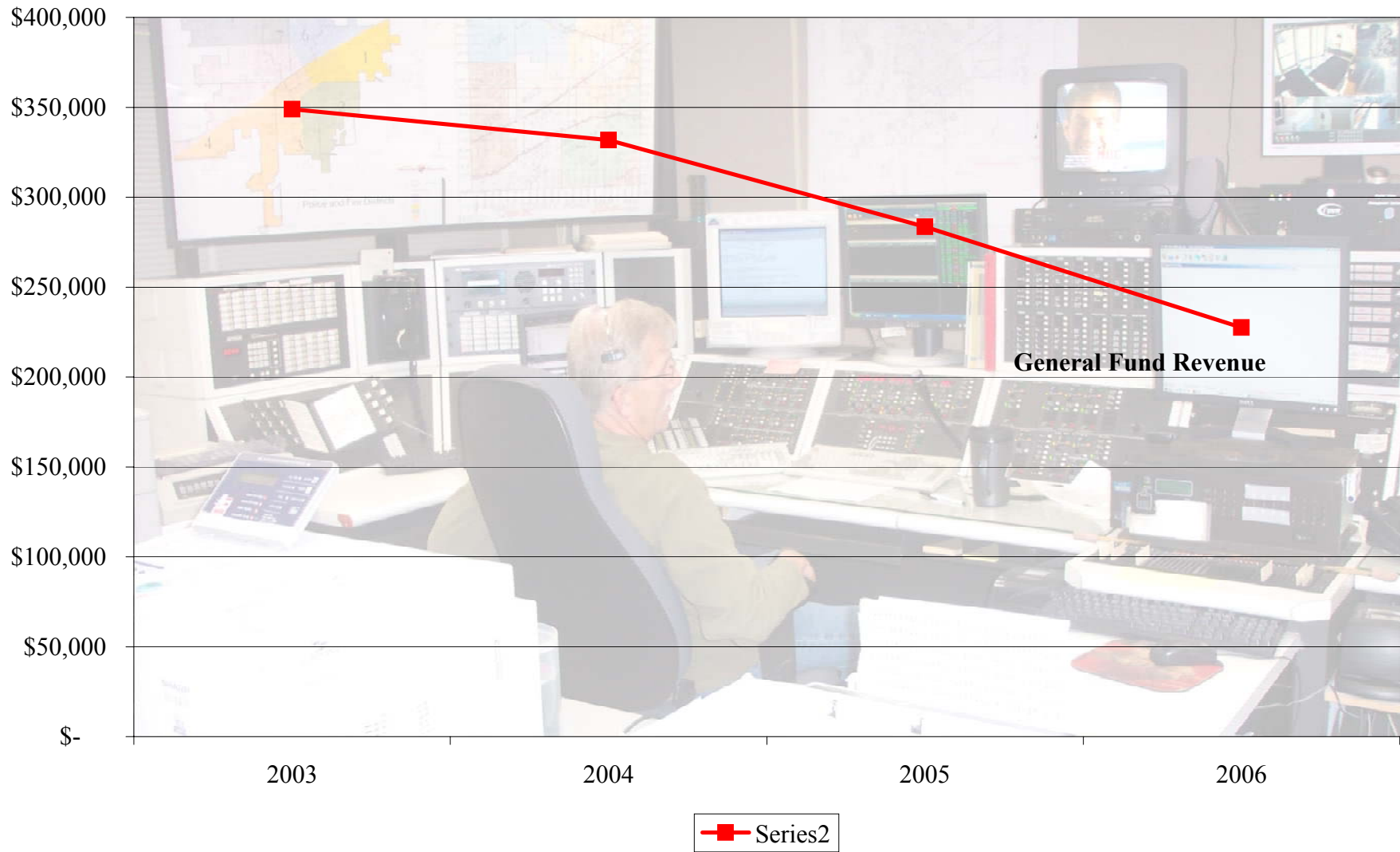
Thanks you.

LJS/ljs

Percentage of Landline vs Mobile Phone Calls Received in the 911 Call Center



Landline Telephone Occupational Tax Collected



Nebraska Cities With a Mobile Occupational Tax							
Municipality	Rate	Annual Occ Tax Revenue	Revenue @ 3%	2005 pop	3% Tax per Capita	Monthly	
Bellevue	5.00%	\$ 911,671.00	\$ 547,003.00	45,955	\$ 11.90	\$ 0.99	
Columbus	3.00%	\$ 268,000.00	\$ 268,000.00	20,998	\$ 12.76	\$ 1.06	
Lincoln	5.50%	\$ 6,437,000.00	\$ 3,511,091.00	226,081	\$ 15.53	\$ 1.29	
Omaha	6.25%	\$ 13,700,000.00	\$ 6,576,000.00	392,127	\$ 16.77	\$ 1.40	
Norfolk	3.00%	Cell rate enacted this year					
South Sioux	\$1 Per bill						
Seward	4.00%						
Elkhorn	5.00%						

Cell Bill Tax @ 3%		
Monthly Bill	Occ Tax	Tax Charged
\$ 30.00	3%	\$ 0.90
\$ 50.00	3%	\$ 1.50
\$ 75.00	3%	\$ 2.25
\$ 100.00	3%	\$ 3.00

Article III. Telephone Companies

§23-21. Occupation Tax; Exemption

All telephone companies doing business in the City are required to pay an occupation tax to the City in an amount equal to three percent of the gross receipts from the legally established basic monthly charges collected for local exchange telephone service to subscribers within the City. There shall be excepted from the provisions of this article all receipts for telephone service to the United States government or any of its departments, and all receipts from the state or any of its departments, and no part or portion of the tax provided for in this article shall be levied upon or assessed against or taken from the United States government, the government of the state, or any of either of their departments.

§23-22. Payment Period and Due Date

The payment of the occupation tax levied pursuant to this article shall be in quarterly payments, using the calendar quarter year as a basis for determining and computing the amount of tax payable. Each quarterly payment shall be due forty-five days after the termination of each calendar quarter year.

§23-23. To Whom Payable; Receipt; Disposition

The occupation tax levied pursuant to this article shall be paid to the city treasurer at the time provided by this article who shall issue and deliver receipt therefor upon the payment thereof, and the amount of payment shall be credited by the city treasurer to the general fund.

§23-24. Interest and Penalty

All payments of the occupation tax levied pursuant to this article which are made after the due date thereof shall draw interest at the rate of one percent per month and, after payment thereof has been in default for six months, a penalty of five percent shall be added thereto in addition to such interest charges, which shall be paid by any company subject to this occupation tax.

§23-25. Quarterly Report of Gross Receipts

All telephone companies shall, at the time they make their quarterly payments of the occupation tax levied pursuant to this article, file with the city clerk a full, complete and detailed statement of the gross receipts subject to such occupation tax, which statement shall be duly verified and sworn to by the manager in charge of the business of the particular company in the city or by a higher managerial employee of such company.

§23-26. Adjustments

Each succeeding quarterly payment of the occupation tax levied pursuant to this article may include any adjustment which is shown on the report provided for by §23-25 which may be necessary for the consideration of uncollectibles or any other matters which may have resulted in either an excess or a deficiency in the amount of tax paid in any previous quarter.

§23-27. Right of City to Inspect Records

The City shall have the right at any time to inspect, through its officers, agents or representatives, the books and records of any telephone company, for the purpose of verifying any report submitted pursuant to the requirements of §23-25.

§23-28. When Tax Report Not Filed

In case any telephone company shall refuse, fail or neglect to furnish or file any report required by §23-25 at the time required for such filing, or shall fail or refuse to permit the City to inspect the books and records of such company for the purpose of verifying such report, than the occupation tax for the preceding quarter shall be the sum of five thousand dollars, and such amount shall be paid within forty-five days following the end of the calendar quarter as required by §23-22 and such amount shall draw interest and be subject to penalties as provided by §23-24.

§23-29. Right of City to Sue

In case any telephone company shall fail to make payment of the occupation tax provided for by this article at the time specified for such payment, the City shall have the right to sue any such company in any court of competent jurisdiction for the amount of such occupation tax due and payable under the terms and provisions of this article and may recover judgment against any such company for such amount so due, together with interest and penalties, and may have execution thereon.

§23-30. Other Fees and Taxes

The occupation tax provided for by this article shall be in lieu of any other occupation, license, permit or franchise fee or tax assessed against telephone companies under the provisions of this Code or other ordinances of the City.

ORDINANCE NO. 9098

An ordinance to calculate an occupation tax for telephone and telecommunications companies and creating an enforcement and reporting system for telephone company and telecommunications company occupation taxes and rates; provide for an effective date; and to repeal any ordinance or parts of ordinances in conflict herewith; and to provide for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. That Chapter 23, Article III, Section 23-21 of the Grand Island City Code shall be added to read as follows:

Article III. Telecommunication Tax~~Telephone Companies~~

§23-21. Occupation Tax; Exemption

(A) All telephone companies and mobile telecommunications services doing business in the City are required to pay an occupation tax to the City in an amount equal to three percent of the gross receipts from the legally established basic monthly charges collected for local exchange telephone service to subscribers within the City, intrastate message toll telephone service and mobile telecommunications services for revenue in the City. There shall be excepted from the provisions of this article all receipts for telephone service to the United States government or any of its departments, and all receipts from the state or any of its departments, and no part or portion of the tax provided for in this article shall be levied upon or assessed against or taken from the United States government, the government of the state, or any of either of their departments.

(B) As used in this section, mobile telecommunications services shall mean a wireless communication service carried on between mobile stations or receivers and land stations, and by mobile stations communicating among themselves, and includes:

- (i) Both one-way and two-way wireless communications services;
- (ii) A mobile service which provides a regularly interacting group of base, mobile, portable and associated control and relay stations, whether on an individual, cooperative, or multiple basis for private one-way or two-way land mobile radio communications by eligible users over designated areas of operation; and
- (iii) Any personal communications service.

SECTION 2. Any ordinances or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 3. This ordinance shall be in force and take effect from and after its

ORDINANCE NO. 9098 (Cont.)

passage and publication, within fifteen days in one issue of the Grand Island Independent as provided by law.

Enacted: December 19, 2006.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk