



# TOWN OF FAIRFAX

## STAFF REPORT

### June 4, 2014

**TO:** Mayor and Town Council

**FROM:** Garrett Toy, Town Manager

**SUBJECT:** Conduct workshop to discuss/consider the extension of the Special Municipal Services Tax for five years and direct staff as appropriate.

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#### **RECOMMENDATION**

Conduct workshop to discuss/consider the extension of the Special Municipal Services Tax for five years and direct staff as appropriate.

#### **DISCUSSION**

In March of 2005 voters approved Measure F, a five-year special municipal services tax of \$125 per dwelling unit and business occupancy which expires on June 30, 2010. In November 2009, the voters approved Measure I, which was a five-year extension of Measure F. The Town receives approximately \$460,000 per year from Measure I.

While the Town's financial position has improved since 2009, the special municipal services tax (Measure I) remains a significant source of revenue to the Town. It enables the Town to:

- Fund fire and police services at current levels
- Supplement its youth programs
- Provide matching funds for grants
- Fund Public Work improvements such as street repaving

Without an extension, the Town would face major impacts to service levels. Attached is a table showing the distribution of Measure I funds over the last 5 years. Since the tax is a special tax it will require 2/3rds approval of the voters

The current five-year extension will expire in 2014. At its April meeting, the Council indicated it would schedule a workshop to discuss the issue of placing an extension of the tax on the November 2014 ballot. The Council conducted the workshop on Saturday, May 3<sup>rd</sup> which was attended by approximately 20 people. A variety of issues were discussed and the Council decided that it would like to continue the discussion at another meeting. While the Council sitting at the dais is a less than ideal workshop setting, the Council can modify the typical public comment structure for the item to allow for a more interactive discussion at the meeting.

Should the Council decide that an extension is warranted, staff will require direction related to any revisions to the proposed uses or allocation of the funds, exemptions, the length of the renewal, and the amount of the tax (the \$125 amount has remained the same since the initial approval in 2005). As requested at the May 3<sup>rd</sup> workshop, attached is a table comparing our local taxes with other communities in Marin. Based on the direction received this evening, staff would return to the Council in July with the ballot language and other actions needed to get the renewal on the November ballot.

#### **FISCAL IMPACT**

Measure I represents approximately 4% of the Town's entire capital and operating budget for FY13-14, or 6% of the entire General Fund operating budget.

**ATTACHMENTS:** Table of Measure I funds, Comparison Table



**COMPARISON TABLE OF LOCAL TAXES- MARIN COUNTY COMMUNITIES**

Town	General Purpose	Special Purpose	Pension	Runoff Tax	Utility User Tax
Fairfax	Municipal Services Tax - \$50	Special Municipal Services Tax - \$125	Pension - \$.091 per \$100 AV	Yes	4% of telephone, gas, and electric
Belvedere	\$850 per parcel	Fire Tax			
Ross	\$78 per living unit				
San Anselmo		Commercial \$\$.052 per sq ft	Pension - \$.059 per \$100 AV		
Corte Madera					
San Rafael				Yes	
Larkspur				Yes	
Tiburon					
Mill Valley				Yes	
Novato				Yes	
Sausalito				Yes	

blank indicates no tax