



TOWN OF FAIRFAX

STAFF REPORT

June 5, 2019

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager *GT*
Michele Gardner, Town Clerk

SUBJECT: Adopt a Resolution Calling for a Special Municipal Election to be held on November 5, 2019, for the Purpose of Submitting to Voters a Measure Authorizing the Continuation of a Special Tax for Police and Fire Services Staffing, Public Works Safety Improvements, Match Funding for State and Federal Public Works Grants, and Youth and Senior Programs; Requesting the Marin County Board of Supervisors to Consolidate with the General Election Conducted on that Date; and Requesting Election Services of the County Elections Department; and designate Councilmembers to author ballot arguments and rebuttals, if needed, and find signers for said arguments and rebuttals

RECOMMENDATION

- 1) Adopt the resolution, which places the measure on the November 2019 ballot.
- 2) Designate Councilmembers to author ballot argument and rebuttals and, if needed, find signers of said arguments and rebuttals.

DISCUSSION

In March of 2005 voters approved Measure F, a five-year special municipal services tax of \$125 per dwelling unit and business occupancy. In November 2009, the voters approved Measure I, which was a five-year extension of Measure F. In November 2014, the voters approved Measure J, a five-year extension of the special municipal tax. Measure J consolidated an existing general municipal tax of \$50 per unit with the Measure F \$125 per unit into a new, slightly higher \$195 per unit special tax. Measure J represented the first time since 2005 that the Town increased the tax (\$20 increase from \$175/unit to \$195/unit).

The Town receives approximately \$710,000 per year from Measure J. While the Town's financial position has improved since 2009, the special municipal services tax (Measure J) remains a key financial component of the Town's revenue sources.

Measure J provides funding to:

- Keep our local Police Station open 24/7
- Maintain Fire Department services
- Fund Public Works/safety projects such as pedestrian trails and matching grants for capital projects such as street repaving
- Enhance Youth and Senior programs

Without an extension, the Town would face major impacts to service levels (See Attachment D for details). The special tax is a significant source of revenue (i.e., 6% of general fund revenue) to the Town.

The current five-year extension will expire in June 2020. The Council discussed the extension at its April and May meetings. After discussing various alternatives regarding proposed uses, allocation of the funds, length of the extension, exemptions, and the amount of the tax including annual adjustments, the Council directed staff to return with a draft resolution and ordinance to place a measure on the November 5, 2019 ballot to continue the tax for a period of eleven (11) years with a \$5 annual increase to begin in the second year (2021). The ballot language is limited to 75 words. The tax expires June 30, 2031. Please note: Should the Council wish to continue the tax beyond the 11-year period, it would need to do so by placing it on the November 2030 general election ballot.

As with past ballot measures, the Council designates two of its members to author the ballot argument and rebuttals and, if needed, find signers of said rebuttals. For Measure J, all of the Councilmembers were signers of the primary argument (limit is 5). The Council subcommittee for Measure J prepared a rebuttal and found signers for it. The resolution does request the Town Attorney to prepare the impartial analysis as required by law.

Overall, with the renewal of Measure J, the Five-Year Budget Forecast indicates the Town will be able to manage its resources to maintain a stable financial position with significant reserves to weather downturns in the economy.

FISCAL IMPACT

The current tax is \$195 per residential/commercial unit. There are no exemptions under Measure J. For estimating purposes, the tax is applied to approximately 3,650 units in Town which generates approximately \$710,000 per year.

There is a significant impact to the budget of \$710,000 each year. Measure J represents approximately 6% of the Town's total general fund revenues of \$10.5 million and is used to cover 6% of the Town's operating budget.

ATTACHMENTS

- A. Resolution and Ordinance (Exhibit A to the resolution)
- B. November 5, 2019 Election Timetable
- C. Table of revenue estimate over the 11-year period

RESOLUTION 19-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX CALLING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2019, FOR THE PURPOSE OF SUBMITTING TO VOTERS A MEASURE AUTHORIZING THE CONTINUATION OF A SPECIAL TAX FOR POLICE AND FIRE SERVICES STAFFING, PUBLIC WORKS SAFETY IMPROVEMENTS, MATCH FUNDING FOR STATE AND FEDERAL PUBLIC WORKS GRANTS, AND YOUTH AND SENIOR PROGRAMS; REQUESTING THE MARIN COUNTY BOARD OF SUPERVISORS TO CONSOLIDATE WITH THE GENERAL ELECTION CONDUCTED ON THAT DATE; AND REQUESTING ELECTION SERVICES OF THE COUNTY ELECTIONS DEPARTMENT

WHEREAS, pursuant to California Elections Code §9222, the Town Council has authority to place measures on the ballot to be considered at a municipal election; and

WHEREAS, on November 4, 2014, the voters of the Town of Fairfax approved a special tax to maintain 24-hour, seven days per week staffing of Police and Fire Services, to perform Public Works safety improvements, to meet matching fund requirements needed to receive state and federal public works grants, and to revitalize youth programs; and

WHEREAS, the special tax is scheduled to expire on June 30, 2020; and

WHEREAS, the Town Council desires to hold a special municipal election to be consolidated with the general municipal election scheduled to be held on November 5, 2019; and

WHEREAS, at that election there shall be submitted to the qualified voters of the Town, the following question:

"Shall an ordinance continuing Fairfax's existing \$195 special tax be adopted approving an eleven-year renewal of the special Fairfax municipal services tax of \$195 in the first year and increasing \$5 annually to a maximum of \$250 for each business occupancy and dwelling unit, in order to:

**Keep our local Police Station open 24/7;
Maintain Fire Department services;
Provide funding for Public Works/safety projects;
Enhance Youth and Senior programs; and
Continue the Citizen's Oversight Committee?"**

WHEREAS, if this measure receives approval by two-thirds of the voters voting thereon, the ordinance in the form attached hereto as Exhibit "A" shall be adopted; and

WHEREAS, pursuant to Section 10002 of the Elections Code, the Town may request the Board of Supervisors to permit the County Elections Department to render specified services to the Town relating to the conduct of the election on a reimbursable basis; and

6. The Board of Supervisors of the County of Marin is hereby requested to authorize the County Elections Department to render the following specified services for the Town of Fairfax relating to the conduct of the election to be held on November 5, 2019: Preparation of voter indexes; voter counting by precinct; verification of signatures; drayage and rental of polling places; printing of measures and arguments; printing of sample and official ballots; appointment and notification of election officers; mailing of sample ballots and polling place notification; provision of precinct supplies; training of precinct workers; processing of absentee ballots; central counting; canvass of votes cast.
7. Filing with County. The Town Clerk is hereby ordered and directed to file a certified copy of this resolution with the Board of Supervisors of the County of Marin no later than August 9, 2019.
8. Notice of Election. Notice of the time and place of holding the election is hereby given, and the Town Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law, including notice pursuant to Elections Code Sections 12111.
9. Impartial Analysis. The Town Council hereby directs the Town Clerk to transmit a copy of the measure as set forth herein to the Town Attorney. The Town Attorney shall prepare an impartial analysis pursuant to California Elections Code §9280 and transmit such impartial analysis to the Town Clerk not later than end of business on August 16, 2019.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Fairfax on the ___ day of ___ 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

BARBARA COLER, Mayor

ATTEST:

Michele Gardner, Town Clerk

EXHIBIT A

ORDINANCE NO. ____

**AN ORDINANCE OF THE TOWN OF FAIRFAX, CALIFORNIA,
AMENDING CHAPTER 3.20 OF THE FAIRFAX MUNICIPAL CODE AUTHORIZING THE
LEVY OF A SPECIAL TAX TO FINANCE MUNICIPAL SERVICES**

**THE PEOPLE OF THE TOWN OF FAIRFAX, CALIFORNIA DO HEREBY ORDAIN AS
FOLLOWS:**

Section 1: Section 3.20.020 of Chapter 3.20 of the Fairfax Municipal Code is hereby amended to read as follows:

§ 3.20.020 SPECIAL SERVICES TAX IMPOSED; RATE.

A special municipal services tax not exceeding the maximum amounts set forth in this section is imposed on all improved real property within the boundaries of the town:

(A) A special municipal services tax is levied and imposed upon improved residential property at a rate of \$195 in the first year and increasing \$5 annually to a maximum of \$250 per dwelling unit. As used herein the term "dwelling unit" means any building or portion thereof used and/or designed as a separate dwelling accommodation, with cooking, living and sleeping facilities.

(B) A special municipal services tax is levied and imposed upon improved business property at a rate of \$195 in the first year and increasing \$5 annually to a maximum of \$250 for each business occupancy. As used herein, the term "business occupancy" means any portion of a building or structure or other improved real property which is occupied or designed to be occupied by a separate business establishment required to be licensed as such pursuant to Title 5 of this code.

Section 2: Section 3.20.080 of Chapter 3.20 of the Fairfax Municipal Code is hereby amended to read as follows:

§ 3.20.080 TERMINATION OF PROVISIONS.

This chapter shall be null and void as of 12:00 midnight, June 30, 2031, and shall have no force and effect whatsoever after said time and date. Notwithstanding the previous sentence, § 3.20.060, relating to collection and enforcement of liens or obligations for the special tax previously levied hereunder, shall continue in effect until such time as the collection and enforcement procedures have been completed.

Section 3: The appropriations limit of the Town of Fairfax established under Article XIII B, Section 6 of the California Constitution shall be increased by the proceeds received from the special tax imposed by this ordinance. Any future increases in the appropriations limit shall be approved by a majority vote of the voters voting thereon.

Section 4: If any provision of this ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provision or applications, and to this end the provisions of this ordinance are declared to be severable. The Town Council, and the electorate by referendum, do hereby declare that they would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, parts or portions thereof, be declared invalid or unconstitutional.

Section 5: This ordinance shall be adopted and become effective only if approved by two-thirds of the voters voting thereon, at an election to be held on November 5, 2019.

Section 6: The Mayor is hereby authorized to attest to the adoption of this ordinance by signing where indicated below.

I hereby certify that the foregoing ordinance was PASSED, APPROVED AND ADOPTED by the people of the Town of Fairfax voting on the 5th day of November 2019.

By:

BARBARA COLER, Mayor

ATTEST:

Michele Gardner, Town Clerk

NOVEMBER 5, 2019, ELECTION TIMETABLE FOR MEASURES

March/April		Concept of Special Municipal Tax (Measure J) renewal
April / May		Discuss concept
May / June		Proposed ordinance and resolution calling for election including ballot language; designate authors of arguments/rebuttals
August 9, 2019	88	Last day (by 4:30pm) to submit Resolution to the Board of Supervisors and Registrar of Voters calling election and requesting consolidation. Measure question is limited to 75 words. EC §1405, §9401, §10002, §13247
August 10 thru August 19, 2019	87 - 78	Ten (10) day public examination period of measures. EC §9190, §9380, §9509
August 12, 2019	85	Measure letters assigned by Registrar of Voters. EC §13116
August 14, 2019	83	Last day to withdraw a measure from the ballot. Written notification must reach Elections Dept. by 4:30 p.m. or the measure will remain on the ballot. EC §9605
August 19, 2019	78	Last day to submit or withdraw ballot arguments (300-word limit) to the Town Clerk. Last day to submit attorney impartial analysis (to County). EC §9161-9166, §9601, §9280-9286
August 20 through August 29, 2019	77 - 68	Ten (10) day public examination period of arguments. EC §9190, §9380, §9509
August 26, 2019	71	Last day to submit rebuttals (250-word limit) to the arguments for or against a measure, filed with all documents required by the Elections Office. EC §9167
August 27 through September 5, 2019	70 - 61	Ten (10) day public examination period of rebuttals. EC §9190

*****Deadlines that fall on a weekend or holiday move to the next business day.*****

SPECIAL MUNICIPAL TAX- \$5 per yr increase

Number of Years of Extension Year	Begin 2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031	12 2032	13 2033	14 2034	15 2035
Amount Per Unit	\$ 195	\$ 200	\$ 205	\$ 210	\$ 215	\$ 220	\$ 225	\$ 230	\$ 235	\$ 240	\$ 245	\$ 250	\$ 255	\$ 260	\$ 265	\$ 270
Annual Amount Received	\$ 711,750	\$ 730,000	\$ 748,250	\$ 766,500	\$ 784,750	\$ 803,000	\$ 821,250	\$ 839,500	\$ 857,750	\$ 876,000	\$ 894,250	\$ 912,500	\$ 930,750	\$ 949,000	\$ 967,250	\$ 985,500
Annual Total Increase	\$ -	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250	\$ 18,250
Annual Increase in %	2.6%	2.6%	2.5%	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%
Per unit increase Per Yr	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Cummulative Annual Increase	\$ -	\$ 10	\$ 15	\$ 20	\$ 25	\$ 30	\$ 35	\$ 40	\$ 45	\$ 50	\$ 55	\$ 60	\$ 65	\$ 70	\$ 75	\$ 80