



SAN RAFAEL
THE CITY WITH A MISSION

Agenda Item No: 4.e

Meeting Date: June 17, 2024

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Finance / Library

Prepared by: Paul Navazio, Finance Director
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City Manager Approval: _____

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TOPIC: LIBRARY PARCEL TAX RATE FOR FISCAL YEAR 2024-25

SUBJECT: REPORT ESTABLISHING THE ANNUAL RATE ADJUSTMENT FOR THE SPECIAL LIBRARY SERVICES PARCEL TAX FOR THE FISCAL YEAR 2024-25 AS AUTHORIZED BY SAN RAFAEL MUNICIPAL CODE CHAPTER 3.36 (VOTER-APPROVED MEASURE D)

RECOMMENDATION:

Accept the report concerning the San Rafael Special Library Services Parcel Tax rate adjustment for Fiscal Year 2024-25, from July 1, 2024, through June 30, 2023, based upon the Consumer Price Index (CPI) in accordance with Section 3.36.030 of the San Rafael Municipal Code.

BACKGROUND:

On June 7, 2016, San Rafael voters approved Measure D, amending the San Rafael Municipal Code (SRMC) Chapter 3.36 by extending, revising, and increasing the existing Special Library Services Parcel Tax ("Tax"). The approved Measure D tax rates were first assessed for the Fiscal Year 2017-18 and levied for a period of nine (9) years. The measure provides for an annual CPI adjustment commencing with the second year of the Tax.

ANALYSIS:

SRMC section 3.36.030, "Imposition of the Tax," stipulates that an annual adjustment to the Tax rate shall be applied commencing in the second year based on the annual percentage increase, if any, in the previous fiscal year to the San Francisco-Oakland-Hayward Price Index for All Urban Consumers ("CPI"), not to exceed 3 percent annually.

Utilizing the Bureau of Labor Statistics - Western CPI Summaries (BLS-WS) for the San Francisco-Oakland-Hayward, CA, All Urban Consumers Index, the April 2023 Index was 338.496, and the April 2024 Index was 351.247, resulting in a year-over-year change of 3.767 percent.

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Council Meeting:

Disposition:

Based on this result, the annual rate adjustment for the Library Parcel Tax is determined by the cap of 3 percent, as provided for in SRMC section 3.36.030. Adjusting the Library Parcel Tax rate by 3 percent results in the following tax rate schedule:

Section 3.36.030 Imposition of Tax:

Parcel Rate Types	FY 2023-24 Rates	FY 2024-25 Rates with CPI Adjustment
Single-family residential Parcel	\$69.06	\$71.12
Multi-Family Residential or Other Residential Parcel	\$69.06 + \$11.70 per Living unit, in excess of one, up to a maximum of \$1,171.56 per year per parcel	\$71.12 + \$12.04 per Living unit, in excess of one, up to a maximum of \$1,206.70 per year per parcel
Non-Residential Parcel	\$69.06	\$71.12

Any additional funds generated by this rate adjustment will be used in accordance with the language of Measure D to “maintain library hours, equipment, materials, and services for children, teens, and adults.” Additionally, any increase in revenue will help to offset the decrease in revenue seen annually due to the increasing number of senior exemptions filed for the tax.

FISCAL IMPACT: The current fiscal year 2023-24 tax revenues generated by this assessment are estimated at \$1,167,507. Applying the 3 percent rate adjustment to FY 2024-25, tax revenues are estimated to be \$1,202,532, representing an increase of \$35,025. All revenues generated by this assessment are recorded in the Library Special Assessment Special Revenue Fund (215).

OPTIONS: The City Council has the following options to consider on this matter:

1. Accept the report.
2. Direct staff to return with more information.
3. Take no action.

RECOMMENDED ACTION:

Accept the report concerning the San Rafael Special Library Services Parcel Tax rate adjustment for Fiscal Year 2024-25, from July 1, 2024, through June 30, 2025, based upon the Consumer Price Index (CPI) in accordance with Section 3.36.030 of the San Rafael Municipal Code.