



Agenda Item No: 4.d

Meeting Date: June 2, 2025

## SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Finance / Library

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

**TOPIC: LIBRARY PARCEL TAX RATE FOR FISCAL YEAR 2025-26**

**SUBJECT: REPORT ESTABLISHING THE ANNUAL RATE ADJUSTMENT FOR THE SPECIAL LIBRARY SERVICES PARCEL TAX FOR THE FISCAL YEAR 2025-26 AS AUTHORIZED BY SAN RAFAEL MUNICIPAL CODE CHAPTER 3.36 (VOTER-APPROVED MEASURE D)**

### RECOMMENDATION:

Staff recommends that the City Council accept the report concerning the San Rafael Special Library Services Parcel Tax rate adjustment for Fiscal Year 2025-26, from July 1, 2025, through June 30, 2026, 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 nine (9) years, expiring at the end of the upcoming fiscal year (FY 2025-26). 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 351.247, and the April 2024 Index was 355.707, resulting in a year-over-year change of 1.27 percent.

Based on this result, the annual rate adjustment for the Library Parcel Tax is determined by the change in the San Francisco-Oakland-Hayward, CA, All Urban Consumers Index of 1.27 percent. Adjusting the Library Parcel Tax rate by 3 percent results in the following tax rate schedule:

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Council Meeting:

Disposition:

**Section 3.36.030 Imposition of Tax:**

<b>Parcel Rate Types</b>	<b>FY 2024-25 Rates</b>	<b>FY 2025-26 Rates with CPI Adjustment</b>
Single-family residential Parcel	\$71.12	\$73.20
Multi-Family Residential or Other Residential Parcel	\$71.12 + \$12.04 per Living unit, in excess of one, up to a maximum of \$1,206.70 per year per parcel	\$73.20 + \$12.41 per Living unit, in excess of one, up to a maximum of \$1,242.90 per year per parcel
Non-Residential Parcel	\$71.12	\$73.20

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

**FISCAL IMPACT:**

The current fiscal year 2024-25 tax revenues generated by this assessment are estimated at \$1,196,757. Applying the 1.27 percent rate adjustment to FY 2025-26, tax revenues are estimated to be \$1,211,956, representing an increase of \$15,199. All revenues generated by this assessment are recorded in the Library Special Assessment Special Revenue Fund (215).

Absent future increases to the Library Parcel Tax rates assessed within the City, the Library Special Assessment Special Revenue Fund will not be able to sustain this level of support towards the cost of library services, which could lead to reductions in service levels, if an increase to the Library Parcel Tax is not supported by the voters.

**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:**

Staff recommends that the City Council accept the report concerning the San Rafael Special Library Services Parcel Tax rate adjustment for Fiscal Year 2025-26, from July 1, 2025, through June 30, 2026, based upon the Consumer Price Index (CPI) in accordance with Section 3.36.030 of the San Rafael Municipal Code.