




Agenda Item No: 4.f
Meeting Date: June 15, 2020

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: FINANCE / LIBRARY

Prepared by: Nadine Atieh Hade, Finance Director
Henry Bankhead, Assistant Library & Recreation Director/City Librarian

City Manager Approval: 

TOPIC: ANNUAL ADJUSTMENT TO THE LIBRARY PARCEL TAX

SUBJECT: REPORT CONCERNING THE ANNUAL CONSUMER PRICE INDEX (CPI) RATE ADJUSTMENT FOR THE SPECIAL LIBRARY SERVICES PARCEL TAX FOR THE FISCAL YEAR JULY 1, 2020 THROUGH JUNE 30, 2021 AS SPECIFIED IN VOTER-APPROVED MEASURE D (SAN RAFAEL MUNICIPAL CODE CHAPTER 3.36)

RECOMMENDATION: Accept report concerning the San Rafael Special Library Services Parcel Tax rate adjustment for Fiscal Year 2020-21, from July 1, 2020 through June 30, 2021, based upon the Consumer Price Index (CPI) as authorized by Section 3.36.030 of the San Rafael Municipal Code.

BACKGROUND: On June 7, 2016 the San Rafael Community voted in favor of Measure D, amending SRMC Chapter 3.36 by extending, revising and increasing the existing Special Library Service Parcel Tax ("Tax") as adopted in Ordinance No. 1942 on [July 18, 2016](#). The approved Measure D Tax Rates were first assessed for the fiscal year July 1, 2017 through June 30, 2018 and levied for a period of nine (9) years. SRMC section 3.36.030, Imposition of the Tax, 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"). The rate increase cannot exceed three (3) percent annually and the rate cannot be adjusted downward.

Utilizing the Bureau of Labor Statistics - Western CPI Summaries (BLS-WS) for the San Francisco-Oakland-Hayward, CA, All Urban Consumers Index, the April 2019 Index was 294.801 and the April 2020 Index was 298.074 resulting in a twelve (12) month composite Index of 1.11% increase over the previous year's index. The MD CPI adjustment cannot exceed 3%.

FOR CITY CLERK ONLY

File No.: _____
Council Meeting: _____
Disposition: _____

Adjusting the Library Tax Rate by the calculated 1.11% CPI for the upcoming fiscal year 2020-21 will increase annual Measure D Tax Revenue from \$1,073,340 (FY 19-20) to \$1,085,254 (FY 20-21) or a year-over-year increase of \$11,914.

Section 3.36.030 Imposition of Tax:

Parcel Rate Types	FY 19-20 Rates	FY 20-21 Rates with CPI Adjustment
Single Family Residential Parcel	\$62.56	\$63.25
Multi-Family Residential or Other Residential Parcel	\$62.56 + \$10.604 per Living unit, in excess of one, up to a maximum of \$1,060.39 per year per parcel	\$63.25 + \$10.722 per Living unit, in excess of one, up to a maximum of \$1,072.16 per year per parcel
Non-Residential Parcel	\$62.56	\$63.25

Any additional funds 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 due to the CPI 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 application of the CPI increase will generate an additional \$11,914 in Measure D revenue for the fiscal year 2020-21. These revenues are recorded in the Measure D special revenue fund.

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 report concerning the San Rafael Special Library Services Parcel Tax rate adjustment for Fiscal Year 2020-21, from July 1, 2020 through June 30, 2021, based upon the Consumer Price Index (CPI) as authorized by Section 3.36.030 of the San Rafael Municipal Code.