



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: Library & Recreation

Prepared by:  
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City Manager Approval: \_\_\_\_\_

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**TOPIC: LIBRARY PARCEL TAX ANNUAL REPORT**

**SUBJECT: SPECIAL LIBRARY PARCEL TAX OVERSIGHT COMMITTEE'S ANNUAL MEASURE D REPORT**

**RECOMMENDATION:**

Staff recommends that the City Council accept the 2021 Special Library Parcel Tax Committee's annual report on the expenditures of the Special Library Parcel Tax funds.

**BACKGROUND:**

The Committee was appointed on [May 15, 2017](#) after Measure D, the Special Library Services Parcel Tax was approved by the voters at the June 7, 2016 special municipal election. The Committee's sole purpose is to ensure the monies have been expended in accordance with the authorized purposes of Measure D. This is the second report on Measure D expenditures as it is the second year of the tax levied by Measure D, following the conclusion of seven years of Measure C, which was succeeded by Measure D.

The Measure D Committee consists of five members, three appointed July 17, 2017 and two appointed October, 18, 2021 and is tasked with reviewing current and upcoming years' spending. The committee members are:

- Phyllis Brinckerhoff - Oct 18, 2021 to Jul 31, 2025
- Gail Grasso - Nov 2, 2020 to Jul 31, 2022
- Gregg Kellogg - Jul 17, 2018 to Jul 31, 2022
- Gil Pruitt - Sep 30, 2018 to Jul 31, 2022
- Braydan Young - Oct 18, 2021 to Jul 31, 2025

**ANALYSIS:**

The Committee's 2021 report states Measure D funds were expended appropriately for Fiscal Year 2020-21. The final audited fund balance was \$730,581. This accumulation of fund balance is a result of two primary factors over the life of the tax: vacant staff positions funded by the Parcel Tax, and the growth of small amounts being underspent in various line items over the life of the tax.

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**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**

The final audited capital set-aside fund balance was \$281,382. This capital set-aside was earmarked for new and improved library facilities as directed by the City Council as part of the previous Measure C and was capped at \$500,000. During FY 2020-21 the capital set balance was depleted by \$71,953 to fund the Albert Park Library and Community Center Conceptual Design Project.

In 2019, the Committee and Staff engaged in discussions about the appropriate percentage of the City's general fund allocated annually for Library Services in addition to funds received through Measure D. Some committee members continue to feel that this general fund percentage for Library Services should be a fixed 4.41 percent annually regardless of changes in Measure D funds received<sup>1</sup>. However, Staff felt this percentage could fluctuate annually based on other components contributing to the general fund and instead of the percentage, the focus should be on level of services.

The Committee and Staff continue to agree that the 4.41 percent general fund allocation is a target rather than a fixed requirement. Rather, the goal of the general fund allocation should be sufficient funding in addition to Measure D to maintain service levels and focus on building efficiencies with regards to work flows. Due to the ongoing pandemic, the shift to curbside services for 11 out of 12 months and the budget effects of six vacant positions in the library general fund budget, the general fund allocation target of 4.41 percent was not achieved for FY 2020-21.

**COMMUNITY OUTREACH:**

To date the Library has received input on expenditures from the Special Library Parcel Tax Committee through their annual report. The committee typically meets five times per year, with all meetings open to the public. This report was discussed and approved at the November 18, 2021 meeting (Attachment 1).

**FISCAL IMPACT:**

There is no fiscal impact from the acceptance of this report.

**RECOMMENDED ACTION:**

Accept the 2021 Special Library Parcel Tax Committee's annual report.

**ATTACHMENTS:**

2021 Special Library Parcel Tax Committee's annual report

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<sup>1</sup> 4.41 percent reflects the proportion of the City's General Fund allocated to Library Services at the time Measure C was passed in 2010.

## City of San Rafael Special Library Parcel Tax Committee Report FY 2020-2021

The Committee's sole function shall be to review the expenditures of the revenues from the Special Library Services Parcel Tax, adopted by Measure D on June 7, 2016 to ensure the monies have been expended in accordance with the authorized purposes of Measure D. Measure D replaced Measure C which expired on June 30, 2017.

In previous reports of Measures C and D, the committee listed as a task: "to ensure that the Library maintains its share of the general fund." This was listed because the text of Measure D states that the parcel tax would "provide a critical, consistent, locally-controlled source, augmenting current general fund allocations..."

When Measure D passed, the committee used the same method the City Attorney indicated upon passage of Measure C: the proportion of the Library of the General Fund Budget. In both cases, it was 4.4%. However, during the term of Measure C, the percentage was not and could not be maintained each year due to mandated expenses for specific departments. These were noted in the Measure C Committee's reports as acceptable variances.

At the July 2, 2019 Library Parcel Tax Committee Meeting, the committee agreed to the following:

"General agreement that the proportionality would remain at 4.4% but that it is a shared goal that is non-binding. It is the goal of the committee to be in alignment with the ongoing proportionality that has been established."

With the pandemic, it has not been possible for the Library to maintain 4.4% of the General Fund. The City has had to maintain Police, Fire, and city maintenance at higher levels while total revenue is down.

The proportion of the Library General Fund compared to the total General Fund Budget was 3.48% for Fiscal Year 2020-2021 which is less than the shared goal. This is due to lower than General Fund expenditures similar to FY 2019-2020 due to reduced staffing expenditures, lower utilities, no spending on Periodicals, lower Digital Branch Resources spending, lower expenditures for staff development, and directives for a "Bottom Line Budget".

**ATTACHMENT 1**

Total expenditures budgeted for Measure D funds for FY 2020-2021 were \$1,097,531, which represents 30% of the total library budget of \$3,718,866. The amount actually spent was \$795,265.

With the recent establishment of the Library and Recreation department, which merges the previously independent Library and Community Services departments, the Committee continues to closely monitor the Measure D revenue and expenditures. The Finance Department has assured the Committee that Measure D funds will continue to be used only for the specific Library services for which it is authorized. The Committee, therefore, expects that there will be a way to identify and break out the Library's share of the General Fund.

The unaudited parcel tax fund balance for FY 2020-2021 is reported as \$730,531. The remaining balance of the Capital Set Aside (which was created from Measure C funds) as of June 30, 2021 was \$281,382.

Measure D funds are restricted from being used for facility improvement or replacement. The Committee will be monitoring the ongoing planning for the new and improved Library facilities to ensure that Measure D funds are used appropriately.

*Phyllis Brinckerhoff*

Phyllis Brinckerhoff, Committee Member

Gail Grasso

Gail Grasso, Committee Member

Gregg Kellogg

Gregg Kellogg, Committee Member

*Gil Pruitt*

Gil Pruitt, Committee Member

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*Braydan Young*  
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Braydan Young, Committee Member