




Agenda Item No: 7.a
Meeting Date: April 4, 2022

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Fire

Prepared by: Darin White, Fire Chief
Thomas Wong, Sr. Mgmt Analyst

City Manager Approval: _____ 

TOPIC: PARAMEDIC TAX RATE FOR FISCAL YEAR 2022-23

SUBJECT: ORDINANCE AMENDING THE PARAMEDIC SERVICE SPECIAL TAX RATES WITHIN THE VOTER-APPROVED LIMIT, COMMENCING WITH FISCAL YEAR 2022-2023, FOR IMPROVED RESIDENTIAL AND NON-RESIDENTIAL PROPERTIES IN THE CITY OF SAN RAFAEL, COUNTY SERVICE AREA NO. 13, COUNTY SERVICE AREA NO. 19, AND THE MARINWOOD COMMUNITY SERVICES DISTRICT

RECOMMENDATION: Pass the Ordinance to print amending the Paramedic Service Special Tax rates within the voter-approved limit, commencing with fiscal year 2022-2023, for improved residential and non-residential properties in the City of San Rafael, County Service Area No. 13, County Service Area No. 19, and the Marinwood Community Services District.

BACKGROUND: In 1979, the voters of San Rafael approved a "Paramedic Service Special Tax" for the purpose of supporting a paramedic program. The original ordinance established [Municipal Code Chapter 3.28](#). Included in that Chapter, under Section 3.28.060, is the authority of the City Council to set the tax rates based upon a budget recommendation by the City Manager. The tax was applied at a flat rate per residential dwelling. This tax was also approved by three separate jurisdictions that receive paramedic service from the City of San Rafael. These areas included the Marinwood Community Services District (CSD), County Service Area (CSA) No.13 (Upper Lucas Valley) and County Service Area (CSA) No. 19.

In 1988, the voters approved an extension of the tax to improved non-residential properties, which was levied on a building square footage basis.

In 1996, Proposition 218 was passed by California voters, limiting local governments' ability to implement new or raise existing taxes, assessments and other property-related fees. Effectively, under Proposition 218, no tax can be added or increased without a two-thirds voter approval.

In November 2006, the voters of San Rafael passed Measure P, subsequently designated as [Ordinance No. 1846](#), which increased the ceiling on the residential tax rate to \$85.00 per residential unit and to \$0.11 per square foot of structures on non-residential property. All improved commercial and industrial sites were levied based upon Assessor square footage records for building size. The other service areas approved paramedic tax rate ceilings to coincide with San Rafael's measure. In November of 2006, CSA

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

No. 13 approved Measure H and CSA No. 19 approved Measure I, each by a 2/3 majority. Both Measures set the tax maximums at \$85.00 for residential and \$0.11 cents per square foot for non-residential properties. Similarly, in November 2006, Marinwood CSD approved Measure M to establish the same tax ceilings.

In November 2010, by a two-thirds vote, the voters of San Rafael passed Measure I, subsequently designated as [Ordinance 1891](#), which amended the Paramedic Service Special Tax rate to increase the ceiling on the residential tax rate from \$85.00 to \$108.00 per residential unit and on the non-residential tax rate from \$0.11 to \$0.14 per square foot (based on Assessor records of square footage). This vote was conducted in accordance with Proposition 218 requirements.

In November 2011, the voters of CSA No. 13 and CSA No. 19 passed Measures E and F, respectively. These measures increased the ceiling on the residential tax rate from \$85.00 to \$95.00 per residential unit and on the non-residential tax rate from \$0.11 to \$0.132 per square foot for both service areas. (Marinwood CSD continues under its Measure M at the rate of \$85.00 for residential and \$0.11 cents per square foot for non-residential. That district does not have current plans to introduce a rate increase measure on future ballots.)

The purpose of this report is to present the proposed budget upon which the recommended tax rates for Fiscal Year 2022-2023 have been determined.

ANALYSIS:

Tax rates and paramedic charges are based upon recovering the cost of service. The cost of the paramedic program expenditures has been determined in a manner consistent with prior fiscal year trends, through the study of personnel costs and economic conditions. Through prudent fiscal management and the pursuit of additional revenue and reimbursement opportunities, this tax rate has increased by an average of 1.22% per year since 2012. The proposed increase would mark the fourth instance of rate increases for the City of San Rafael since fiscal year 2011-2012. Pursuant to San Rafael Municipal Code Section 3.28.060, annual rate increases must be approved by ordinance. So long as the new tax rates are within the voter-approved limits, the tax increase is not required to be approved by the voters.

Based upon rising projected expenses outpacing revenue sources in future projections, staff recommends a \$5.00 increase in the tax rate for residential units properties in San Rafael. The recommended increase will provide additional revenue stability for items such as grants and third-party billings that may vary from year to year as well as support the allocation of funds toward critical capital needs.

This tax increase will provide additional revenues of approximately \$114,120 annually:

Jurisdiction	Current Rates	Proposed Rates	Tax Ceiling	Projected Revenue Increase
San Rafael	\$99 / \$0.140	\$104 / \$0.140	\$108 / \$0.14	\$ 114,120
CSA No. 13	\$95 / \$0.132	\$95 / \$0.132	\$95 / \$0.132	\$ -
CSA No. 19	\$95 / \$0.132	\$95 / \$0.132	\$95 / \$0.132	\$ -
Marinwood	\$85 / \$0.110	\$85 / \$0.110	\$85 / \$0.110	\$ -

The sources of funds projected to cover the fiscal year 2022-2023 program expenditures of \$8,608,000

include paramedic tax, third party billings for medical emergency response and Medi-Cal reimbursements, paramedic tax back billings, federal grants and other revenues. Attachment II provides detailed information regarding the proposed revenues and expenditures for Fiscal Year 2022-2023, as well as the estimated results for Fiscal Year 2021-2022, the previous three years of actual financial results, and three years of future year projections.

Of the fund balance, a reserve of 10% of the year-over-year change in expenses is recommended to be set aside for future operational needs to support unexpected revenue or expenditure variances. The remaining balance is recommended to be allocated to capital projects such as the Essential Facilities Phase II.

Staff recommends maintaining the current respective residential rates of \$85 per residential unit in Marinwood CSD and \$95 per residential unit in CSAs No.13 and No.19 as they have hit the cap. For nonresidential properties, staff recommends maintaining the current rate of \$0.11 per square foot in Marinwood CSD and \$0.132 per square foot for CSAs No. 13 and No. 19 as they have hit the cap. Staff recommends increasing residential rates within the City of San Rafael by \$5 to \$104 and maintaining the current nonresidential rate of \$0.14 per square foot, which is the cap. (See Attachment III)

Adoption of this Ordinance will have no impact on the environment and is therefore categorically exempt from review under the California Environmental Quality Act (CEQA). Notice of the Public hearing on this matter was published in the Marin Independent Journal on March 12, 2022, per the attached Affidavit of Publication. (See Attachment IV)

COMMUNITY OUTREACH: For the purpose of transparency and sharing relevant information to the service areas for whom emergency medical services are provided, all service areas have been advised of the recommendations contained in this report through discussions and correspondence with the Fire Chief.

FISCAL IMPACT: The budget as presented is within the voter-approved tax rates for both the residential and non-residential (commercial and industrial) ratepayers in all jurisdictions, therefore Proposition 218 does not require voter approval of the proposed increases.

The paramedic services are accounted for in the Emergency Medical Services Special Revenue Fund. This fund operates self-sufficiently with revenues from paramedic taxes, third-party medical billings and other reimbursements. The total expenditures for fiscal year 2022-2023 are projected to be \$8,608,000. Total resources (including fund balance and projected revenues) exceed this amount. An Emergency Medical Services Fund final budget, which will include changes, if any, to the proposed budget, will be incorporated into the 2022-23 City-wide operating budget, which will be adopted in June 2022.

RECOMMENDED ACTION: Staff recommends that City Council pass the Ordinance to print.

ATTACHMENTS:

1. Attachment I Ordinance
2. Attachment II (FY 22-23 Paramedic Tax Budget)
3. Attachment III (Paramedic Rate and Ratio History)
4. Attachment IV (Affidavit of Publication of Notice of Public Hearing in *Marin IJ* – March 12, 2022)

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AMENDING THE PARAMEDIC SERVICE SPECIAL TAX RATES WITHIN THE VOTER-APPROVED LIMIT, COMMENCING WITH FISCAL YEAR 2022-2023, FOR IMPROVED RESIDENTIAL AND NON-RESIDENTIAL PROPERTIES IN THE CITY OF SAN RAFAEL, COUNTY SERVICE AREA NO. 13, COUNTY SERVICE AREA NO. 19, AND THE MARINWOOD COMMUNITY SERVICES DISTRICT

WHEREAS, the electors of the City of San Rafael in 1979 and in 1988, adopted a Paramedic Service Special Tax (Chapter 3.28 of the San Rafael Municipal Code) to be imposed annually upon all improved residential and non-residential properties within the City of San Rafael; and

WHEREAS, the City, pursuant to three separate Joint Powers Agreements, provides paramedic services to Marinwood Community Services District, County Service Area No. 13, and County Service Area No. 19; and

WHEREAS, on November 2, 2010, the electors of the City of San Rafael approved Measure "I", subsequently designated as Ordinance No. 1891, increasing the ceiling on the Paramedic Service Special Tax rate to \$108.00 per residential unit for residential properties and to \$0.14 per square foot of buildings on non-residential properties; and providing a corresponding increase in the appropriations limit; and

WHEREAS, the current annual Paramedic Service Special Tax rate in the city limits of the City of San Rafael is \$99.00 per residential unit for residential properties and \$0.140 per square foot of buildings on non-residential properties; and

WHEREAS, Paramedic Service Special Tax rates were approved by the electors of County Service Area No. 13 and County Service Area No. 19 by elections held in November 2006 and November 2011, and by the electors of Marinwood Community Services District by an election held in November 2006; and

WHEREAS, the current annual Paramedic Service Special Tax rate in County Service Area No. 13, and County Service Area No. 19, is \$95.00 per residential unit for residential properties and \$0.132 per square foot of buildings on non-residential properties, which rates are the maximum rates approved by voters in those County Service Areas; and

WHEREAS, the current annual Paramedic Service Special Tax rate in the Marinwood Community Services District is \$85.00 per residential unit for residential properties and \$0.11 per square foot of structures on non-residential properties, which rates are the maximum rates approved by voters in that Community Services District; and

WHEREAS, the City Council, after reviewing the proposed budget recommendation of the City Manager, finds that for the City of San Rafael, the annual Paramedic Service Special Tax rate for residential properties should be adjusted to \$104.00 per residential unit, and the non-residential properties tax rate should remain at \$0.140 per square foot of buildings; for the County Service Area No. 13 and County Service Area No. 19, the annual Paramedic Service Special Tax rate for residential properties should remain at \$95.00 per residential unit, and the non-residential properties tax rate should remain at \$0.132 per square foot of buildings; and that for Marinwood Community Services District, the annual

Paramedic Tax Rates for residential properties should remain at \$85.00 per residential unit, and the non-residential tax rate should remain at \$0.11 per square foot of buildings; these rates will cover the cost of providing paramedic services within these service areas for fiscal year 2022-2023; and

WHEREAS, County Service Area No. 13 and County Service Area No. 19, based upon budgets recommended to them, have advised the City that they approved of the setting of the annual Paramedic Service Special Tax rate within their respective jurisdictions, at \$95.00 per residential unit for residential properties, and at \$0.132 per square foot for buildings on non-residential properties; and

WHEREAS, Marinwood Community Services District, based upon budgets recommended to them, have advised the City that they approved of the continuing of the annual Paramedic Service Special Tax rate within its jurisdiction, at \$85.00 per residential unit for residential properties, and at \$0.11 per square foot for buildings on non-residential properties;

NOW THEREFORE, the City Council of the City of San Rafael does ordain as follows:

Division 1. Pursuant to San Rafael Municipal Code Section 3.28.060, the City Council hereby sets the tax rate for paramedic services within City limits commencing in fiscal year 2022-2023, at \$104.00 per year for each residential unit, and \$0.140 per square foot for non-residential structures.

Division 2. The City Council hereby sets the Paramedic Tax Rates for County Service Area No. 13 and County Service Area No. 19, commencing with fiscal year 2022-2023, at \$95.00 per year for each residential unit, and \$0.132 per square foot for each non-residential structure.

Division 3. The City Council hereby sets the Paramedic Tax Rates for Marinwood Community Services District, commencing with fiscal year 2022-2023, at \$85.00 per year for each residential unit, and at \$0.11 per square foot for each non-residential structure.

Division 4. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid, such holding or holdings shall not affect the validity of the remaining portions of this ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

Division 5. This Ordinance shall be published once, in full or in summary form, before its final passage, in a newspaper of general circulation, published, and circulated in the City of San Rafael, and shall be in full force and effect thirty (30) days after its final passage. If published in summary form, the summary shall also be published within fifteen (15) days after the adoption, together with the names of those Councilmembers voting for or against same, in a newspaper of general circulation published and circulated in the City of San Rafael, County of Marin, State of California.

Kate Colin, Mayor

Attest:

Lindsay Lara, City Clerk

The foregoing Ordinance No. was introduced at a Regular Meeting of the City Council of the City of San Rafael, held on the 4th day of April 2022, and ordered passed to print by the following vote, to wit:

AYES: Councilmembers:
NOES: Councilmembers:
ABSENT: Councilmembers:

and will come up for adoption as an Ordinance of the City of San Rafael at a Regular Meeting of the Council to be held on the 18th day of April 2022.

LINDSAY LARA, CITY CLERK

Paramedic Tax Budget FY 22-23

For illustrative purposes - assumes a tax rate increase and 4% expense increase

City of San Rafael Residential/Non-Residential	\$95 / 0.1320	\$95 / 0.1320	\$99 / 0.1400	\$99 / 0.1400	\$104 / 0.1400	\$104 / 0.1400	\$108 / 0.1400	\$108 / 0.1400
	Actual 2018-2019	Actual 2019-2020	Actual 2020-2021	Estimated 2021-2022	Preliminary Budget 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026
Paramedic Tax (a)	\$ 4,875,274	\$ 4,884,029	\$ 5,109,206	\$ 5,112,000	\$ 5,225,000	\$ 5,225,000	\$ 5,317,000	\$ 5,317,000
Paramedic Tax: Prior Year Billings	59,310	38,488	44,243	\$ 11,745	31,000	-	-	-
Fire Dept.: 3rd Party Billing	2,470,659	2,698,523	2,199,287	\$ 2,800,000	2,800,000	2,856,000	2,913,000	2,971,000
Federal Grant - GEMT	140,706	108,829	118,007	\$ 130,000	130,000	130,000	130,000	130,000
Other Revenue	37,380	70,096	50,881	\$ 51,100	51,100	51,100	51,100	51,100
IGT-Intergovernmental Transfer	392,228	504,324	510,889	\$ 426,685	450,000	450,000	450,000	450,000
Total Revenues	\$ 7,975,557	\$ 8,304,289	\$ 8,032,512	\$ 8,531,530	\$ 8,687,100	\$ 8,712,100	\$ 8,861,100	\$ 8,919,100
Personnel Costs	\$ 5,925,907	\$ 5,800,930	\$ 5,940,094	\$ 6,554,999	\$ 6,741,000	\$ 7,011,000	\$ 7,291,000	\$ 7,583,000
Supplies and Services	1,449,437	1,640,902	1,973,392	\$ 1,867,618	1,867,000	1,942,000	2,020,000	2,100,000
Total Expenditures	\$ 7,375,344	\$ 7,441,832	\$ 7,913,486	\$ 8,422,616	\$ 8,608,000	\$ 8,953,000	\$ 9,311,000	\$ 9,683,000
Revenues Over/Under Expenditures	\$ 600,213	\$ 862,457	\$ 119,026	\$ 108,914	\$ 79,100	\$ (240,900)	\$ (449,900)	\$ (763,900)
Fund balance, beginning of year	1,269,435	813,348	726,005	845,031	953,945	860,800	619,900	170,000
Transfer to Capital Fund (b)(c)	\$ (1,056,300)	\$ (949,800)	\$ -	\$ -	\$ (172,245)	\$ -	\$ -	\$ -
Fund balance, end of year	\$ 813,348	\$ 726,005	\$ 845,031	\$ 953,945	\$ 860,800	\$ 619,900	\$ 170,000	\$ (593,900)

(a) FY 22-23 Paramedic Tax Assumes an increase in tax in San Rafael to \$104 per living unit and \$0.140 per sq. ft. non-residential

(b) Policy direction to allocate resources to the Essential Facilities Fund for the capital projects.

(c) Fund is to maintain a 10% operations reserve and the remainder is to be transferred to support capital improvements for the paramedic program. The transfer occurs annually after year-end numbers are finalized.

**CITY OF SAN RAFAEL
PARAMEDIC SERVICE AREA ZONE B
HISTORY OF TAX RATES AND CAPS**

ATTACHMENT III

Fiscal Year	Residential Tax Rate	Authorized Cap	Non-Residential Tax Rate	Authorized Cap	Explanations
2011-12	\$ 89.00	\$ 108.00	\$ 0.1200	\$ 0.1400	Passage of Measure I
2012-13	\$ 89.00	\$ 108.00	\$ 0.1200	\$ 0.1400	
2013-14	\$ 89.00	\$ 108.00	\$ 0.1200	\$ 0.1400	
2014-15	\$ 89.00	\$ 108.00	\$ 0.1200	\$ 0.1400	
2015-16	\$ 89.00	\$ 108.00	\$ 0.1200	\$ 0.1400	
2016-17	\$ 89.00	\$ 108.00	\$ 0.1200	\$ 0.1400	
2017-18	\$ 92.00	\$ 108.00	\$ 0.1250	\$ 0.1400	
2018-19	\$ 95.00	\$ 108.00	\$ 0.1320	\$ 0.1400	
2019-20	\$ 95.00	\$ 108.00	\$ 0.1320	\$ 0.1400	
2020-21	\$ 99.00	\$ 108.00	\$ 0.1400	\$ 0.1400	
2021-22 adopted	\$ 99.00	\$ 108.00	\$ 0.1400	\$ 0.1400	
2022-23 proposed	\$ 104.00	\$ 108.00	\$ 0.1400	\$ 0.1400	

**CSA# 13, and CSA# 19
PARAMEDIC SERVICE AREA ZONE B
HISTORY OF TAX RATES AND CAPS**

Fiscal Year	Residential Tax Rate	Authorized Cap	Non-Residential Tax Rate	Authorized Cap	Explanations
2011-12	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	Passage of Measure E & F
2012-13	\$ 89.00	\$ 95.00	\$ 0.1200	\$ 0.1320	
2013-14	\$ 89.00	\$ 95.00	\$ 0.1200	\$ 0.1320	
2014-15	\$ 89.00	\$ 95.00	\$ 0.1200	\$ 0.1320	
2015-16	\$ 89.00	\$ 95.00	\$ 0.1200	\$ 0.1320	
2016-17	\$ 89.00	\$ 95.00	\$ 0.1200	\$ 0.1320	
2017-18	\$ 92.00	\$ 95.00	\$ 0.1250	\$ 0.1320	
2018-19	\$ 95.00	\$ 95.00	\$ 0.1320	\$ 0.1320	
2019-20	\$ 95.00	\$ 95.00	\$ 0.1320	\$ 0.1320	
2020-21	\$ 95.00	\$ 95.00	\$ 0.1320	\$ 0.1320	
2021-22 adopted	\$ 95.00	\$ 95.00	\$ 0.1320	\$ 0.1320	
2022-23 proposed	\$ 95.00	\$ 95.00	\$ 0.1320	\$ 0.1320	

**MARINWOOD (CSD)
PARAMEDIC SERVICE AREA ZONE B
HISTORY OF TAX RATES AND CAPS**

Fiscal Year	Residential Tax Rate	Authorized Cap	Non-Residential Tax Rate	Authorized Cap	Explanations
2011-12	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2012-13	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2013-14	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2014-15	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2015-16	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2016-17	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2017-18	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2018-19	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2019-20	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2020-21	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2021-22 adopted	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	
2022-23 proposed	\$ 85.00	\$ 85.00	\$ 0.1100	\$ 0.1100	

Paramedic Tax Ratio

Fiscal Year	Residential	Non-Residential
2011-12	63.70%	36.30%
2012-13	63.70%	36.30%
2013-14	63.50%	36.50%
2014-15	63.60%	36.40%
2015-16	63.60%	36.40%
2016-17	56.99%	43.01%
2017-18	53.97%	46.03%
2018-19	53.40%	46.60%
2019-20	53.35%	46.65%

Marin Independent Journal

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PROOF OF PUBLICATION (2015.5 C.C.P.)

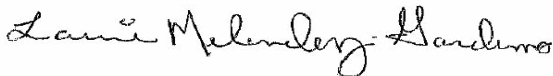
STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

03/12/2022

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 23th day of March, 2022.



Signature

PROOF OF PUBLICATION

Legal No. **0006652799**

CITY OF SAN RAFAEL NOTICE OF PUBLIC HEARING

The City Council of the City of San Rafael will hold a public hearing:

PURPOSE: Public Hearing to consider adoption of an ordinance increasing, within the voter-approved limit, the paramedic services special tax on both residential and non-residential properties in the City of San Rafael, CSA 13, CSA 19 and Marinwood CSD, commencing in fiscal year 2022/2023.

DATE/TIME/PLACE: Monday, April 4, 2022 at 7:00 PM Pursuant to state law, the public hearing will be held virtually. Please visit the City's website, www.cityofsanrafael.org, and view the meeting agenda for instructions on how to participate in the public hearing.

WHAT WILL HAPPEN: You may comment on the proposed Ordinance. The City Council will consider all public testimony and will then decide whether to adopt the Ordinance.

IF YOU CANNOT ATTEND: You may send a letter to City Clerk, City of San Rafael, 1400 5th Ave, San Rafael, CA 94901 or by email city.clerk@cityofsanrafael.org

FOR MORE INFORMATION: You may contact Thomas Wong, Senior Management Analyst (415) 458-5360. Office hours are Monday through Friday, 8:30 a.m. to 5:00 p.m.

SAN RAFAEL CITY COUNCIL

/s/ Lindsay Lara
LINDSAY LARA City Clerk

March 12, 2022