



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: ADMINISTRATIVE SERVICES/LIBRARY & RECREATION

**Prepared by: Nadine Atieh Hade, Administrative Services 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, 2022 THROUGH JUNE 30, 2023 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 2022-23, from July 1, 2022 through June 30, 2023, 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 San Rafael residents voted in favor of Measure D, amending SRMC Chapter 3.36 by extending, revising and increasing the existing Special Library Services Parcel Tax ("Tax") as adopted in Ordinance No. 1942 on [July 18, 2016](#). The Tax is required to be levied annually for nine (9) years commencing in fiscal year July 1, 2017 through June 30, 2018. SRMC section 3.36.030, Imposition of the Tax, requires an annual adjustment to the Tax rate commensurate with 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 three (3) percent annually. The Tax rate may not be adjusted downward.

ANALYSIS: Utilizing the Bureau of Labor Statistics - Western CPI Summaries (BLS-WS) for the San Francisco-Oakland-Hayward, CA, All Urban Consumers Index, the April 2021 Index was 309.419 and the April 2022 Index was 324.878 resulting in a twelve (12)-month composite index of 5% increase over the previous year's index. Because the SRMC caps the annual adjustment at no more than 3%, the Tax rate for the upcoming fiscal year should be increased by 3%.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

The following table provides the Tax rate adjustments by parcel type.

Section 3.36.030 Imposition of Tax:

Parcel Rate Types	FY 21-22 Rates	FY 22-23 Rates with 3% CPI Adjustment
Single Family Residential Parcel	\$65.12	\$67.06
Multi-Family Residential or Other Residential Parcel	\$65.12 + \$11.04 per Living unit, in excess of one, up to a maximum of \$1,104.32 per year per parcel	\$67.06 + \$11.36 per Living unit, in excess of one, up to a maximum of \$1,137.44 per year per parcel
Non-Residential Parcel	\$65.12	\$67.06

Adjusting the Tax rate by the 3% CPI for the upcoming fiscal year 2022-23 is expected to increase the total amount of proceeds collected under the annual Measure D Tax by approximately \$33,211. In accordance with Measure D, the funds are used to provide and maintain library hours, equipment, materials, and services for children, teens, and adults. Additionally, an 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 is expected to generate approximately an additional \$33,211 in Measure D Tax revenue for the fiscal year 2022-23. 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 2022-23, from July 1, 2022 through June 30, 2023, based upon the Consumer Price Index (CPI) as authorized by Section 3.36.030 of the San Rafael Municipal Code.