




Agenda Item No: 5.j
Meeting Date: June 5, 2023

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Administrative Services/Library & Recreation

Prepared by:
Claire Coleman, Senior Management Analyst
Jill Tokutomi, Assistant Director,
Library & Recreation

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, 2023 THROUGH JUNE 30, 2024 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 2023-24, from July 1, 2023 through June 30, 2024, 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 Services 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 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 2022 Index was 324.878 and the April 2023 Index was 338.496 resulting in a twelve (12) month composite Index of 4.19 percent increase over the previous year's index. The Measure D CPI adjustment cannot exceed 3 percent.

_____ **FOR CITY CLERK ONLY**

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Adjusting the Library Tax Rate by 3 percent for the upcoming fiscal year 2023-24 will increase annual Measure D Tax Revenue from \$1,139,177 (FY 2022-23) to \$1,173,352 (FY 2023-24), an increase of \$34,175.

Section 3.36.030 Imposition of Tax:

Parcel Rate Types	FY 21-22 Rates	FY 22-23 Rates with CPI Adjustment
Single Family Residential Parcel	\$67.06	\$69.06
Multi-Family Residential or Other Residential Parcel	\$67.06 + \$11.36 per Living unit, in excess of one, up to a maximum of \$1,137.44 per year per parcel	\$69.06 + \$11.70 per Living unit, in excess of one, up to a maximum of \$1,171.56 per year per parcel
Non-Residential Parcel	\$67.06	\$69.06

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 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 3 percent increase will generate an additional \$34,175 in Measure D revenue for the fiscal year 2023-24. These revenues will be 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 2023-24, from July 1, 2023 through June 30, 2024, based upon the Consumer Price Index (CPI) as authorized by Section 3.36.030 of the San Rafael Municipal Code.