

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: 8/8/05  
Prepared Date: 8/3/05  
Reviewed by: \_\_\_\_\_

**SUBJECT:** Special Municipal Services Tax of \$145 per Equivalent Residential Unit (ERU) to fund library services and City capital improvements and operations

**REPORT BY:** Judy Lieberman, Assistant City Administrator

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**RECOMMENDATION**

1. Open the public hearing for input into the proposed tax measure
2. Approve Resolution #05-47 calling for special consolidated election and submitting City's ballot measure, including Ordinance #05-05, attached as Exhibit A, for the State-wide November 8, 2005 election.
3. Designate two Council members to serve as the subcommittee to prepare the written ballot arguments on behalf of City Council, per Resolution #05-47, Section 7.

**BACKGROUND**

Since March of 2005, Council has been examining the City's unfunded needs and how to best meet those needs. At five separate Council meetings, Council has discussed the city's needs, the results of the community survey, and the relationship of the City's proposed tax measure to the School Board's proposed tax measure. At its meeting of July 18, 2005, Council directed staff to prepare the documents necessary to place a parcel tax measure on the November 8, 2005 ballot to fund capital projects and operations.

The Albany School District also has been considering placing a parcel tax measure on the November 8, 2005 ballot. A joint meeting between the City Council and the Albany Board of Education was held on August 1, 2005 to discuss the possibility of a joint tax measure or other alternatives for joint efforts in pursuing tax revenues to support the two agencies. Neither the Council nor the Board was interested in a joint tax measure, but members of the two bodies expressed interest in cooperative efforts between the two tax measure efforts.

At its meeting of August 2, 2005, the School Board directed the Superintendent to proceed with ballot documents for potential Board approval on August 9, 2005. No parcel tax

amount has yet been selected.

## **DISCUSSION**

The following summarizes the provisions of the measure, as contained in the ordinance to be presented to the voters:

**1. Funding Allocation:** In order to provide community assurance as to how funds would be appropriated, the funds are allocated as follows:

A. Forty percent (40%) of the funds are to be used to fund Capital Improvements, including but not limited to the acquisition and improvement of park and recreation facilities, such as the renovation and repair of the Veteran's Memorial Building to be used to house youth and recreation programs and to be available as a venue for other City and community uses; the acquisition, development, and improvements needed for Pierce Street Park; and the repair, rehabilitation, and related improvements for streets and storm drains.

B. The remaining sixty percent (60%) shall be used for programs, as follows:

B-1. Twenty-five percent (25%) of the funds received shall be used for annual street maintenance (approximately \$250,000 annually).

B-2. Thirteen percent (13%) of the funds received shall be used for youth services and recreational programs (approximately \$130,000 annually).

B-3. Twelve percent (12%) of the funds received shall be used to provide library services (approximately \$120,000 annually).

B-4. Ten percent (10%) of the funds received shall be used for annual maintenance for City parks, landscaping and other facilities (approximately \$100,000 annually).

**2. Escalator Clause:** The tax shall be adjusted annually by the prior calendar year 12-month percent change in the All Urban Consumers All Items June CPI (CPI-U, 1982-1984=100), for San Francisco-Oakland-San Jose, CA.

**3. ERU Allocations, Discounts, and Exemptions:**

The standard Single Family rate is \$145 per parcel (ERU). Based on the City's prior formula allocations for City taxes such as the library services tax and the landscape and lighting assessment districts, the following allocations are made:

- a. Multi-family = .75 per unit (\$108.75)
- b. Condominiums = .85 per unit (\$123.25)
- c. Non-residential = a minimum of \$145.00 for 4000 sq.ft. and under parcel size.  
A square footage calculation for those over 4000 sq.ft. in size.

Based on the Library Services Act of 1994, exemptions are provided for low income homeowners, and a low income renter rebate is also provided.

4. Estimated Revenue: Preliminary assessments indicate that approximately \$1,000,000 would be raised by a \$145 special tax. Estimated costs are as follows:

\$10,000	Delinquency (1%)
\$17,000	County costs to levy and collect the tax (1.7%)
\$ 3,000	City Engineer's costs for annual administration
\$ 2,000	Annual Audit

5. Duration: The duration of the tax would be for as long as the City determines it is necessary to pay for any financing of capital improvements and so long as necessary for the continuation of the programs and services enumerated by the ordinance.

6. Ballot language: The proposed ballot language is as follows:

Shall an ordinance be adopted, with a guaranteed annual audit, approving a City of Albany Special Tax of \$145.00 per Equivalent Residential Unit as follows:

- Forty percent will fund or finance acquisition and improvements for park and recreation facilities and for repair and rehabilitation of streets and storm drains.
- Sixty percent will fund operations for street paving; youth and recreational programs; library services; and City maintenance of parks, landscaping and facilities.

### **FINANCIAL IMPACT**

A ballot measure that institutes a \$145 special municipal services tax will raise approximately \$1,000,000 in revenues for capital projects and operational programs.

The estimated cost of conducting an election ranges from approximately \$10,000 in June, 2006 to approximately \$20,000 in November, 2005. The cost for a November election is estimated to be higher due to the likelihood of fewer agencies having measures on the ballot, but the exact cost is uncertain until the exact agencies with ballot measures are known.

### **Attachments**

1. Resolution #05-47
2. Ordinance #05-05