

**CITY OF ALBANY AND ALBANY UNIFIED SCHOOL DISTRICT  
CITY COUNCIL AND BOARD OF EDUCATION  
JOINT MEETING  
AUGUST 1, 2005  
STAFF REPORT**

**SUBJECT:** Tax Measure(s) to fund City of Albany capital projects and operations and Albany Unified School District operations

**SUBMITTED BY:** Beth Pollard, City Administrator  
William Wong, Ed.D, Superintendent of Schools

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**STAFF RECOMMENDATION**

That the City Council and the Board of Education consider, discuss, and provide direction to staff on:

- (1) Placement before the Albany voters of a joint tax measure to fund City capital projects and operations and School District operations.
- (2) Collaborative, cooperative, and/or joint efforts to provide sufficient funding for City and District services and facilities.

**BACKGROUND**

At its meeting of July 18, 2005, the City Council directed staff to prepare the necessary documents to place a parcel tax on the November 8, 2005 election ballot to fund certain capital projects and operations. A description of those projects and operations is attached (Attachment A). The amount of the parcel tax under consideration by the City Council is approximately \$145 per unit. The City Council scheduled a public hearing for August 8, 2005 regarding action on the placement of a tax measure on the November ballot.

At its meeting of July 11, 2005, draft documents were considered to place a parcel tax on the November 8, 2005 ballot to fund School District operations. The amount of the parcel tax under consideration ranges from \$128.24 to \$236.48 per unit. The Board scheduled a public hearing for August 9, 2005, regarding action on the placement of a tax measure on the November ballot. At its meeting of July 26, 2005, the Board voted to approve meeting in joint session with the City Council to determine the collective interest and individual interest for a joint parcel tax measure. Furthermore, the Board agreed that Board Members Charles Blanchard and Miriam Walden would participate in a sub-committee with other stakeholders to reach consensus on possible parcel tax language as a stand alone measure. The Board scheduled a special meeting on August 2, 2005 to consider the draft parcel tax language.

## **DISCUSSION**

Both the City and the School District conducted public opinion surveys to assess voters' interest in approving a parcel tax to fund its respective needs. The surveys provide the City and the District with data on thresholds of support for certain dollar amounts to fund projects, programs, and services of the agencies. However, neither the City nor the District survey addressed the question of voter support for two tax measures to support Albany public agencies on the same ballot.

Staff is concerned about the viability of two Albany two parcel tax measures on the same ballot. Therefore, staff has initiated discussion about a joint effort between the City and the School District for placement of one parcel tax on the next ballot, with the revenues to be shared between the City and the District.

The outline of the proposal discussed by City and District staff is a parcel tax measure in the amount of \$295 per unit, which would raise a net amount of a little more than \$2 million, to be shared equally between the City and the District (an estimated \$1 million each).

## **ANALYSIS**

The potential advantages of a joint tax measure include:

- **One tax measure on the ballot rather than two measures:** If there are two measures on the ballot, the voter may balk at voting for both measures, meaning at least one agency, if not both agencies, will not achieve its funding goals.
- **Cooperation between the City and District in funding Albany public needs:** The City and School District have a unique opportunity in having coterminous boundaries, so that both agencies have the same voters and taxpayers. By collaborating on approaches to the voter and taxpayer, the agencies develop and demonstrate a cooperative spirit in serving the Albany community.
- **Deadlock:** Breaking the deadlock between the two agencies on which one puts a tax measure on the next ballot, if there is a mutual desire to have only one measure
- **Similarities:** There are some similarities in the purposes of the two tax measures to meet the needs of children and families; for example, the City's proposed measure includes funding for Library services (including additional hours), and acquisition and improvement of the Veterans' Memorial Building and Pierce Street Park to provide youth and recreational services
- **Information:** A joint effort in outreaching to the Albany community to inform residents about the funding needs that are prompting the request for tax funds.
- **"One for all, all for one":** Enhancing community spirit and support for improving Albany as a whole, recognizing the mutual benefit to residents and property owners of good quality School and City services and facilities.

The potential disadvantages of a joint tax measure include:

- Confusion: Too many purposes in one measure could be confusing and distracting to the Albany voter
- Rejection: If a voter supports one agency's tax purposes but not the other's, would the voter be more inclined to vote "no" than "yes"
- Amount: The parcel tax dollar amount for a joint measure would be higher than the amount the City is seeking, and could be higher than what the District would be seeking if conducting separate tax measures
- Senior exemption: The District's inclusion of a senior exemption in its parcel taxes, and whether this applies similarly to the City's tax
- New territory: Staff is unaware of any precedent in the State of California for a joint City-Schools parcel tax measure
- Timing: If a joint measure is pursued for November, there is a short amount of time to prepare a written agreement between the City and District, ballot language, and related documents on the tax measure

### **TIMING AND ALTERNATIVES**

The deadline to submit final ballot language and resolutions calling for any measures on the November 8, 2005 ballot is August 12, 2005. If the Council and Board are interested in a joint tax measure for the November ballot, direction for that action by both the Council and the Board is needed at the August 1<sup>st</sup> meeting. If only one or neither governing body wishes to pursue a joint measure, absent any other direction, the respective staffs will proceed with preparing ballot documents for independent consideration by the Council and Board on August 8<sup>th</sup> and August 9<sup>th</sup> respectively. For discussion purposes only, staff has prepared preliminary draft ballot language for a potential ballot measure; such language is limited to 75 words.

If both the Council and the Board wish to pursue a joint tax measure, staff will draft ballot language and the necessary election documents, as well as a letter of understanding between the City and District outlining the terms of agreement between the two agencies on the shared revenues and any other related issues for a joint tax measure. A joint ballot measure may be the first of its kind in the State. The City Charter appears to be the best authority permitting a ballot measure between the two agencies; attorneys for the City and the School District are discussing this approach.

Because the City Charter gives the City broader authority, the City is likely to be the best agency to place the tax measure on the ballot. The ballot language, resolutions, and draft letter of understanding would be placed on the City Council agenda of August 8, 2005. Since the School District has noticed its public hearing and action on a ballot measure for August 9<sup>th</sup>, Council action on August 8<sup>th</sup> would need to provide for other Board action on

August 9<sup>th</sup> by either taking contingent action or scheduling another meeting before August 12<sup>th</sup>.

Alternatives to placing a joint tax measure on the November ballot include:

1. Pursuing a joint tax measure for the June 13, 2006 ballot. The June election is a State primary. Ballot documents are due by March 17, 2006.
2. Each agency deciding to make an independent decision on the timing and amount of a tax measure.
3. If both agencies decide to place tax measures on the same ballot, collaborate on education and outreach efforts to the Albany community.
4. As appropriate, relevant, and available, support other means for the City and District to collaborate, cooperate, and pursue joint efforts to provide sufficient funding for the respective and mutual needs.

### **FINANCIAL IMPACT**

If a joint tax measure is placed on the ballot, the City and the District would equally split the election costs. The cost of the November election is estimated at approximately \$20,000. If the State Legislature or Governor cancels the November election but either the City or District or both decide to pursue a ballot measure, the election cost is estimated at \$30,000 to \$40,000. A June election is estimated to cost \$10,000.

Each \$145 per unit of parcel tax generates annual revenue of approximately \$1 million.

#### Attachments:

A: City parcel tax purposes

B: Potential draft ballot language