



TOWN OF FAIRFAX

STAFF REPORT

July 16, 2014

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager *GT*

SUBJECT: Adopt a resolution calling for a special municipal election to be held on November 4, 2014 for the purpose of submitting to voters a measure authorizing the continuation of a special tax for police and fire services staffing, public works safety improvements, match funding for state and federal public works grants, and youth and senior programs; requesting Marin County to consolidate with the general election conducted on that date; and requesting election services of the County; and designate Councilmembers to author ballot arguments and rebuttals, if needed, and find signators for said arguments and rebuttals.

RECOMMENDATION

- 1) Adopt a resolution which places the extension of the Special Municipal Services Tax on the November 2014 ballot.
- 2) Designate Councilmembers to author ballot arguments and rebuttals, if needed, and find signators for said arguments and rebuttals.

DISCUSSION

In March of 2005 voters approved Measure F, a five-year special municipal services tax of \$125 per dwelling unit and business occupancy which expired on June 30, 2010. In November 2009, the voters approved Measure I, which was a five-year extension of Measure F. The Town receives approximately \$460,000 per year from Measure I.

While the Town's financial position has improved since 2009, the special municipal services tax (Measure I) remains a significant source of revenue to the Town. It enables the Town to:

- Fund fire and police services at current levels
- Supplement its youth programs
- Provide matching funds for grants
- Fund Public Work improvements such as street repaving

Without an extension, the Town would face major impacts to service levels. Since the tax is a special tax it will require 2/3rds approval of the voters

The current five-year extension will expire in 2014. The Council has discussed the extension at its April, June, and July meetings as well as at a May 3rd community workshop. The following represents staff's understanding of the Council's direction:

- Renewal length is 5 years
- The tax will automatically renew each year over the 5 year period
- The tax amount will be \$195/unit which consist of the base \$125/unit tax, the \$50/unit general municipal tax (which was eliminated), and a \$20/unit increase to account for no increases in the base amount of \$125/unit since the inception of the tax in 2005.
- No exemptions
- Add senior programs to the eligible uses

- Keep oversight committee (Note: accountability reporting language is added to the ordinance as required by State law)

As the deadline for submittal of ballot materials for the November election is early August, staff recommends the designation of Councilmembers to author ballot arguments and rebuttals, if needed, and find other signators for said arguments and rebuttals. Attached is the draft ballot language and ballot argument from 2009. Please note the term "combining the former" was used instead of "replacing" in referencing the general municipal tax within the ballot language.

FISCAL IMPACT

Measure I represents approximately 4% (\$320,000 of \$7.6 million) of the Town's estimated FY14-15 General Fund (GF) revenues and 6% (\$140,000 of \$2.2 million) of the funding for the Capital Improvement budget. The eliminated general municipal services tax generated approximately \$180,000/yr to the Town which represents 2% of GF revenues. Combined the special and general municipal services taxes generate \$640,000 in annual revenue to the Town of which \$500,000 is used to offset operating expenses. The loss of this revenue would have a catastrophic impact on Town services. If this tax is renewed, the increase of \$20/unit would generate approximately \$74,000/yr. For comparison purposes, if the \$125/unit was increased by inflation each year, the initial \$125/unit would have grown by approximately \$28/unit.

ATTACHMENTS

Draft resolution and ordinance
Ballot argument from 2009

RESOLUTION 14-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX CALLING A SPECIAL MUNICIPAL ELECTION TO BE HELD IN ITS JURISDICTION ON NOVEMBER 4, 2014 FOR THE PURPOSE OF SUBMITTING TO VOTERS A MEASURE AUTHORIZING THE CONTINUATION OF A SPECIAL TAX FOR POLICE AND FIRE SERVICES STAFFING, PUBLIC WORKS SAFETY IMPROVEMENTS, MATCH FUNDING FOR STATE AND FEDERAL PUBLIC WORKS GRANTS AND YOUTH AND SENIOR PROGRAMS; REQUESTING THE MARIN COUNTY BOARD OF SUPERVISORS TO CONSOLIDATE WITH THE GENERAL ELECTION CONDUCTED ON THAT DATE; AND REQUESTING ELECTION SERVICES OF THE COUNTY CLERK

WHEREAS, on November 3, 2009, the voters of the Town of Fairfax approved a special tax to maintain 24-hour, seven days per week staffing of Police and Fire Services, to perform Public Works safety improvements, to meet matching fund requirements needed to receive state and federal public works grants, and to revitalize youth programs; and

WHEREAS, the special tax is scheduled to expire on June 30, 2015; and

WHEREAS, the Town Council desires to hold a special municipal election to be consolidated with the statewide general election scheduled to be held on November 4, 2014; and

WHEREAS, at that election there shall be submitted to the qualified voters of the Town, the following question:

“Shall an ordinance be adopted approving the renewal of a special Fairfax municipal services tax of \$195 per year for each business occupancy and dwelling unit, for a period of five years to:

**Maintain 24/7 staffing of Police and Fire Services;
Perform Public Works safety improvements;
Provide matching funds for grants;
Enhance youth and senior programs;**

combining the former \$50 per year general municipal tax; and continuing the citizens’ committee that monitors the tax?”

WHEREAS, if this measure receives approval by two-thirds of the voters voting thereon, the ordinance in the form attached hereto as Exhibit “A” shall be adopted; and

WHEREAS, pursuant to Section 10002 of the Elections Code, the Town may request the Board of Supervisors to permit the County Clerk to render specified services to the Town relating to the conduct of the election on a reimbursable basis; and

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Town of Fairfax as follows:

1. That a special municipal election is hereby called to be held on November 4, 2014, at which the ballot question set forth above shall be determined by the voters. The text of

the proposed ordinance to be submitted to the voters is attached hereto as Exhibit "A" and incorporated herein by reference; and

2. That the Board of Supervisors of the County of Marin is hereby requested to consolidate said election with the general election to be conducted on the same day, as provided in Elections Code Sections 10400 *et seq.*; and
3. The Town of Fairfax recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any such costs upon presentation of a reasonable detailed invoice as required by Elections Code Section 10002; and
4. In all particulars not recited in this Resolution, the municipal election shall be held and conducted as provided by law for holding consolidated municipal elections. The Town Council hereby acknowledges that the consolidated election shall be held and conducted in the manner proscribed in Elections Code Section 10418; and
3. That the Board of Supervisors of the County of Marin is hereby requested to authorize the County Clerk to render the following specified services for the Town of Fairfax relating to the conduct of the election to be held on November 4, 2014: Preparation of voter indexes; voter counting by precinct; verification of signatures; drayage and rental of polling places; printing of measures and arguments; printing of sample and official ballots; appointment and notification of election officers; mailing of sample ballots and polling place notification; provision of precinct supplies; training of precinct workers; processing of absentee ballots; central counting; canvass of votes cast; and
4. The Town Clerk is hereby ordered and directed to file a certified copy of this resolution with the Board of Supervisors of the County of Marin no later than August 8, 2014.
5. The Town Clerk's office shall publish the required notice in the Town of Fairfax pursuant to Elections Code Sections 12111.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Fairfax on the ____ day of _____, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David Weinssoff, Mayor

ATTEST:

Michele Gardner, Town Clerk

EXHIBIT A
Ordinance No. _____

**AN ORDINANCE OF THE TOWN OF FAIRFAX, CALIFORNIA,
AMENDING CHAPTER 3.20 OF THE FAIRFAX MUNICIPAL CODE AUTHORIZING
THE LEVY OF A SPECIAL TAX TO FINANCE MUNICIPAL SERVICES AND
ADDING CHAPTER 3.02 PROVIDING SPECIAL TAX ACCOUNTABILITY
MEASURES**

THE PEOPLE OF THE TOWN OF FAIRFAX, CALIFORNIA DO HEREBY ORDAIN AS FOLLOWS:

Section 1: Chapter 3.20 of the Fairfax Municipal Code is hereby amended and restated in its entirety to read as follows:

“Chapter 3.20

Section

- 3.20.010 Findings; Statement of Purpose
- 3.20.020 Special municipal services tax imposed; rate
- 3.20.030 Deposit and use of funds from special municipal services tax
- 3.20.040 Exemptions
- 3.20.050 Use of town and county records to determine assessments
- 3.20.060 Collection
- 3.20.070 Amendment
- 3.20.080 Termination of Provisions

§ 3.20.010 FINDINGS; STATEMENT OF PURPOSE.

The Town Council determines that the cost to maintain certain municipal services at a level required to provide for the health, safety and general welfare of its residents exceeds the amount of funds and revenues generated from all other sources of income. The Town Council further determines that the levy of a special municipal services tax on improved real property throughout the town is necessary to maintain an adequate level of municipal services. It is the sole purpose and intent of this chapter to impose a special tax to maintain 24-hour, seven days per week staffing of Police and Fire Services, perform Public Works safety improvements, meet matching fund requirements needed to receive state and federal public works grants, and enhance youth and senior programs.

§ 3.20.020 SPECIAL SERVICES TAX IMPOSED; RATE.

A special municipal services tax not exceeding the maximum amounts set forth in this section is imposed on all improved real property within the boundaries of the town:

(A) A special municipal services tax is levied and imposed upon improved residential property at a rate of \$195 per dwelling unit. As used herein the term "dwelling unit" means any building or portion thereof used and/or designed as a separate dwelling accommodation, with cooking, living and sleeping facilities.

(B) A special municipal services tax is levied and imposed upon improved business property at a rate of \$195 for each business occupancy. As used herein, the term "business occupancy" means any portion of a building or structure or other improved real property which is occupied or designed to be occupied by a separate business establishment required to be licensed as such pursuant to Title 5 of this code.

§ 3.20.030 DEPOSIT AND USE OF FUNDS FROM SPECIAL MUNICIPAL SERVICES TAX.

All proceeds of the special municipal services tax levied and imposed under section 3.20.020 of this chapter shall be paid into a special fund to be used exclusively to maintain 24-hour, seven days per week

staffing of Police and Fire Services, perform Public Works safety improvements, meet matching fund requirements needed to receive state and federal public works grants, and enhance youth and senior programs. A citizens' oversight committee shall be established by the Town Council to monitor use of the special tax revenues in accordance with this section.

§ 3.20.040 EXEMPTIONS.

The special tax shall not be imposed upon any parcel that is exempt from the special tax pursuant to any provision of the Constitution or any paramount law.

§ 3.20.050 USE OF TOWN AND COUNTY RECORDS TO DETERMINE ASSESSMENTS.

The records of the County Assessor of the County of Marin as of March 1 each year and the records of the Town of Fairfax maintained pursuant to the provisions of Title 5 of this code may be used to determine the actual use of each parcel of real property for purposes of determining the tax under this chapter.

§ 3.20.060 COLLECTION.

The special tax imposed by this chapter shall be collected in the same manner, on the same dates, and shall be subject to the same penalties and interest as other charges and taxes fixed and collected by the County of Marin on behalf of the Town of Fairfax. Said special tax, together with all penalties and interest thereon, shall constitute a lien upon the parcel upon which it is levied until it has been paid, and said special tax, together with all penalties and interest thereon, shall, until paid, constitute a personal obligation to the Town of Fairfax by the persons who own the parcel on the date the tax is due.

§ 3.20.070 AMENDMENT.

The Town Council shall be empowered to amend this chapter by three affirmative votes of its members to carry out the general purposes of this chapter, to conform the provisions of this chapter to applicable state law, to modify the methods of collection, or to assign the duties to public officials under this chapter. In no event shall the Town Council amend this chapter to increase the maximum amount of the special tax established in section 3.20.020, unless approved by two-thirds of the voters voting thereon.

§ 3.20.080 TERMINATION OF PROVISIONS.

This chapter shall be null and void as of twelve o'clock midnight, June 30, 2020, and shall have no force and effect whatsoever after said time and date. Notwithstanding the previous sentence, section 3.20.060, relating to collection and enforcement of liens or obligations for the special tax previously levied hereunder, shall continue in effect until such time as the collection and enforcement procedures have been completed. ”

Section 2: Chapter 3.02 is hereby added to the Fairfax Municipal Code to read as follows:

“Chapter 3.02

Special Tax Accountability Measures

The Town Manager shall annually file a special tax accountability report with the Town Council. The annual report shall contain both of the following: (a) the amount of funds collected and expended for each special tax imposed by the Town and (b) the status of any project required or authorized to be funded by such special tax, as required by California Government Code Section 50075.3, as such law is amended from time to time.”

Section 3: The appropriations limit of the Town of Fairfax established under Article XIII B, Section 6 of the California Constitution shall be increased by the proceeds received from the special tax imposed by this ordinance. Any future increases in the appropriations limit shall be approved by a majority vote of the voters voting thereon.

Section 4: If any provision of this ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provision or applications, and to this end the provisions of this ordinance are declared to be severable. The Town Council, and the electorate by referendum, do hereby declare that they would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases, parts or portions thereof, be declared invalid or unconstitutional.

Section 5: This ordinance shall be adopted and become effective only if approved by two-thirds of the voters voting thereon, at an election to be held on November 4, 2014.

Section 6: The Mayor is hereby authorized to attest to the adoption of this ordinance by signing where indicated below.

I hereby certify that the foregoing ordinance was PASSED, APPROVED AND ADOPTED by the people of the Town of Fairfax voting on the 4th day of November, 2014.

By:

DAVID WEINSOFF, Mayor

ATTEST:

Michele Gardner, Town Clerk

2009 Ballot Argument

Measure I is not a new tax, it simply continues the sound fiscal policy begun when Fairfax overwhelmingly passed Measure F five years ago. Every dollar raised by Measure I will stay in Fairfax for public safety, public works and youth programs.

Since the passage of Measure F, Fairfax repaid the voters' trust:

- An independent citizen's committee annually reviewed expenditures
- The Town Council lead a rigorous strategic planning process
- Cost savings measures were implemented including
 1. Reduced pension benefits for new hires
 2. Increased revenue sharing with the County
 3. A voluntary wage freeze for all Town employees

Despite these efforts, Fairfax faces dire economic conditions

- State of California will divert over \$215,000 in Fairfax property taxes to balance its budget
- 2005 flood reduced our reserves
- Stock market downturn threatens to raise pension costs
- Sales and property tax revenues have fallen
- Increased health insurance costs

Fairfax has a history of running lean budgets. It employs the fewest public employees per capita of any small town in Marin. At the same time, it has 24/7 local public safety services, second to none in cost and effectiveness. Public works projects have improved local roads along with pedestrian and bicycle safety.

Five other Marin towns have a similar municipal services tax and our town cannot afford to lose the \$465,000 this measure generates annually. **Unless Measure I passes, Fairfax faces drastic reductions of core public safety and public works services.**

Measure I will maintain the tax at \$125 per year and continue guaranteed citizen oversight. This combination of thrift and open government deserves to be preserved. Fairfax voters can "stand by their town" by supporting a measure that protects its financial solvency and the quality of public services without additional taxes.

Vote Yes on I