

City of Piedmont
COUNCIL AGENDA REPORT

DATE: January 16, 2024

TO: Mayor and Councilmembers

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Endorsement of Measure F / City Services Tax Renewal
March 5, 2024 Special Municipal Election

RECOMMENDATION

Consider a resolution endorsing Measure F.

DISCUSSION

The Municipal Services Tax (“City Services Tax”) has been in existence for more than four decades. It was first approved by voters in 1981, again in 1984, and every subsequent four years. It was last approved by Piedmont voters in 2020 and is set to expire on June 30, 2025. The City Services Tax funds core City services, including police, fire and paramedic services, the maintenance of parks, greenspaces, stormwater infrastructure, streets and public facilities, in addition to planning, library, recreation and other community services.

On October 16, 2023, the Piedmont Budget Advisory and Financial Planning Committee (BAFP) recommended to the City Council that a renewal of the tax be placed before the voters. The BAFP evaluated the City’s 10-year financial projections and maintenance needs, concluding that long term stable funding is essential for core City services.

At the City Council’s November 20, 2023 meeting, action was to place the renewal of the tax on the March 5, 2024 ballot. The ballot measure proposes a 20% increase and 12 year term to preserve existing services levels citywide, augment staffing for the emergency 911 communications center and leverage technology. Measure F amounts to an estimated increase of \$12-21 per month for most property owners.

CITY ATTORNEY REVIEW

The City Attorney has reviewed the staff report.

FISCAL IMPACT

In the first year of implementation, a 20% increase is estimated at \$545,000 and the proposed renewal will generate revenues in total estimated at \$3,272,000 in Fiscal Year 2025/26. The rate

of the City Services Tax in future years will be subject to an annual consumer price index (CPI) adjustment or 4% - whichever is less.

ATTACHMENTS

- A: City Attorney Impartial Analysis of Measure F
- B: Resolution

CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE ____

Measure ____ proposes to adopt Ordinance No. 771 N.S. ("Ordinance") that amends Chapter 20B of the Piedmont Municipal Code authorizing the collection of a Municipal Services Special Tax ("Tax"), which has been collected in the City of Piedmont since 1981. Revenue from the Tax goes to the City's General Fund and is used to finance municipal services including, but not limited to, police, fire, and paramedic services, maintenance of parks, greenspaces, and public areas, recreation, public works, and community services.

The current Tax will expire on June 30, 2025. Measure ____ authorizes a renewal of the Tax until June 30, 2037. The measure would increase the tax rate schedule set forth in Section 20B.4 of the City Code to reflect previous authorized annual increases, but would not otherwise increase the tax rate or change the procedure for setting the rate. The tax rate will vary by parcel depending on parcel size and the nature of use, at initial rates between \$743 and \$1,254 per parcel for single family residences, \$1,254 to \$1,882 per developed commercial parcel, \$515 per dwelling unit for multi-family residences, or \$761 per parcel for parcels divided by tax code area line.

Pursuant to Measure ____, the City can only consider levying the Tax if in any fiscal year the City Council determines that municipal services are necessary for the public good, welfare and safety and that the cost of providing such services will exceed the amount of funds generated through other revenue of the City. Prior to levying the Tax, the City must conduct a public hearing on the proposed Tax. In addition, each year concurrent with the adoption of the annual budget, the City Council will determine the total amount of expenditures necessary to provide adequate levels of municipal services and deduct the projected revenue to be gathered from sources other than the Tax. The difference, if any, is the maximum amount of funds to be derived from the Tax and the Tax, if any, may not exceed the maximum tax rate established in the Ordinance.

Under Measure ____ the maximum tax rate will be adjusted on an annual basis by an amount equal to the percentage change in the Consumer Price Index for the San Francisco-Oakland-Hayward, California area, as published by the United States Department of Labor, Bureau of Labor Statistics, not to exceed a four percent maximum annual increase.

Measure ____ authorizes the Tax to be collected by the Tax Collector of the County of Alameda.

A "Yes" vote on Measure ____ means the voter is in favor of renewing the existing tax.

A "No" vote on Measure ____ means the voter is opposed and the tax would no longer be collected.

Two-thirds of the qualified voters casting a vote must vote "yes" for Measure ____ to pass.

Measure ____, or any provision thereof, may only be amended or repealed by approval of a two-thirds majority of the voters voting on the proposition at any initiative or referendum election.

/s/ Michelle Marchetta Kenyon,
City Attorney for the City of Piedmont

RECEIVED

DEC 04 2023

CITY CLERK
CITY OF PIEDMONT



CITY OF PIEDMONT
Resolution No. XX-2024

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PIEDMONT
ENDORING MEASURE F**

WHEREAS, at the regular City Council meeting of November 20, 2023, the City Council adopted Resolution 72a-2023, placing a measure to renew Piedmont's Municipal Services Parcel Tax on the ballot for the Special Municipal Election of March 5, 2024, subsequently designated as Measure F; and

WHEREAS, Measure F is a continuation of Piedmont's Municipal Services Parcel Tax ("City Services Tax"). The City Services Tax funds critical city services. It is a yearly assessment on improved lots based upon type of use and, in most cases, parcel size; and

WHEREAS, the City Services Tax has been in existence for more than four decades. It was first approved by voters in 1981, again in 1984, and every four years since that time; and

WHEREAS, the City Services Tax was last approved by Piedmont voters in 2020 and is set to expire on June 30, 2025; and

WHEREAS, the City Services Tax funds core City services, including police, fire and paramedic services, the maintenance of parks, greenspaces, stormwater infrastructure, streets and public facilities, in addition to planning, library, recreation and other community services; and

WHEREAS, the Piedmont Budget Advisory & Financial Planning Committee evaluated the City's 10-year financial projections and maintenance needs, concluding that long term stable funding is essential for core City services. The proposed 12-year term allows for sound and fiscally responsible planning, as well as voter approval; and

WHEREAS, the City Services Tax will contribute 7% of General Fund revenues in Fiscal Year 2023/24, and without the renewal of this measure, service level cuts across departments will be required; and

WHEREAS, Measure F amounts to an estimated increase of \$12-21 per month for most property owners; and

WHEREAS, the 20% rate increase proposed by Measure F would bring in an additional \$545,000 in revenue for Fiscal Year 2025/26, and would allow the City to improve 911 capabilities, increase critical dispatch staffing support for Police and Fire emergency response, and invest in technology, such as expanded Automated License Plate Readers, to enhance City services and public safety.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Piedmont does hereby endorse Measure F.



I certify that the foregoing resolution was passed and adopted at a regular meeting of the Piedmont City Council on January 16, 2024 by the following vote:

Ayes:

Noes:

Absent/Abstain:

Attest: _____
Anna M. Brown, City Clerk