

Livermore Area Recreation and Park District Staff Report

TO: Chair Faltings and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Administrative Services Manager

DATE: June 15, 2020

SUBJECT: Renew Special Tax 97-1 and set the new rate for Fiscal Year 2020-21

RECOMMENDATION: That the Finance Committee recommend that the Board of Directors approve a resolution to renew Special Tax 97-1 and set the Equivalent Dwelling Unit (EDU) rate at \$36.45 for Fiscal Year (FY) 2020-21, a 2%, or \$0.71 increase per EDU over the FY 2019-20 rate of \$35.74.

BACKGROUND: Special Tax 97-1 is the ballot measure approved by the voters of the District in June, 1997, replacing an assessment district that had been in place for three years. The revenue is to be used only for maintenance and operation of park facilities. The original measure allows the District to increase the tax by up to 2% per EDU per year.

The purpose of Special Tax 97-1 is to help recover some of the revenue lost by the District when the State shifted nearly half of the District's property taxes to the Educational Revenue Augmentation Fund (ERAF) in 1992. For FY 2020-21, the County estimates that approximately \$10,500,000 of LARPD's previous tax base will be shifted to the State of California for ERAF, which represents 49% of the District's projected property tax revenue (if the ERAF funds had remained with the District) for FY20-21. By June 30, 2021, the cumulative, nominal (unadjusted for inflation) total dollars shifted to ERAF will amount to approximately \$164.5 Million.

The Special Tax 97-1 rate for FY 2019-20 of \$35.74 per Equivalent Dwelling Unit (EDU), approved by the Board of Directors on May 29, 2019, will generate tax revenue to the District of approximately \$1,596,300 for FY 2019-20. Note: there are approximately 44,664 EDUs for FY 2019-20, an increase of 249 compared to FY 2018-19.

FISCAL IMPACT: A 2% increase (\$0.71 per EDU) would raise the rate to \$36.45 per EDU for FY 2020-21 and the resulting increase in revenues will amount to \$31,900. There will be additional revenue generated by new EDUs that are added during FY2020-21, but we are unable to confidently estimate this amount and thus have built a budget for FY20-21 that assumes no increase in the number of EDUs, meaning that the FY 2020-21 budget for revenue from 97-1 fees of \$1,628,200 is slightly conservative. Note: at this amount, 97-1 Revenues for FY20-21 will cover about 36% of the District's annual operating expenses for Park Operations.

Attachment: 97-1 Resolution (for illustrative purposes only)

**IN THE BOARD OF DIRECTORS
OF THE
LIVERMORE AREA RECREATION AND PARK DISTRICT**

RESOLUTION NO. _____

**A RESOLUTION RENEWING SPECIAL TAX 97-1 AND SETTING THE EQUIVALENT
DWELLING UNIT RATE FOR FISCAL YEAR 2020-21**

BE IT RESOLVED, that the Board of Directors, as the governing body of the Livermore Area Recreation and Park District, hereby renews Special Tax 97-1 and sets the Equivalent Dwelling Unit Rate at \$36.45 for Fiscal Year 2020-21.

ON MOTION of Director _____, seconded by Director _____, the foregoing resolution was passed and adopted this 24th day of June, 2020, by the following roll call vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Approved this 24th day of June, 2020,

Jan Palajac
Chair, Board of Directors

ATTEST:

Mathew Fuzie
General Manager and ex-officio Clerk
to the Board of Directors