



Town of Atherton

CITY COUNCIL STAFF REPORT – PUBLIC HEARING

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GEORGE RODERICKS, CITY MANAGER

DATE: AUGUST 2, 2013

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON, CALIFORNIA ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE TOWN OF ATHERTON MEASURES RELATING TO (1) RENEWAL OF THE PARCEL TAX FOR AN ADDITIONAL FOUR YEARS AND (2) INCREASING THE APPROPRIATION LIMIT TO PERMIT SPENDING THE PROCEEDS OF THE PARCEL TAX FOR THE SAME PERIOD AND CONSOLIDATING WITH THE COUNTY AT THE NOVEMBER 5, 2013 ELECTION

RECOMMENDATION

That the Council hold a public hearing and adopt the following ordinance:

AN ORDINANCE OF THE TOWN OF ATHERTON CALLING AN ELECTION TO SUBMIT TO THE VOTERS (1) AN ORDINANCE AUTHORIZING THE RENEWAL OF THE PARCEL TAX FOR AN ADDITIONAL FOUR YEARS AND (2) AN ORDINANCE OF INCREASING THE APPROPRIATIONS LIMIT FOR THE SAME PERIOD

BACKGROUND

In 2009 the voters of the Town of Atherton adopted Ordinance 581 by a two-thirds vote, adopting a parcel tax for four fiscal years. The last fiscal year that the parcel tax will be in effect is the 2013-14 fiscal year. The parcel tax is a significant portion of the Town's total revenue, making possible the funding of the police department at its current levels as well as certain capital improvements. After reviewing the Town's budget and the survey information provided by True North Research on the preferences of Atherton residents, the Council directed staff to place on its July agenda the ordinances and resolutions necessary to place before the voters an

extension of that parcel tax and an associated increase in the Town's appropriations limit (also known as the Gann limit.) The measures would go before the voters at a special municipal election consolidated with other San Mateo County elections on November 5, 2013.

For the town to spend the proceeds of a parcel tax, the voters also need to approve an increase in the Town's appropriation limit. Under Article XIII B of the California Constitution, the voters can raise the appropriation limit for no more than four years at a time. The attached ordinances therefore provide for a four (4) year extension of the parcel tax and a four (4) year increase in the appropriations limit.

Effective Date of Ordinance

The ordinance before the council placing these measures on the ballot is effective immediately upon passage by the Council. The ordinance extending the parcel tax would go into effect upon approval by two-thirds of those voting in Atherton's November election. The tax would be collected for fiscal years 2014-15 through 2017-18. The increase of the appropriations limit requires a simple majority of the voters; it would be effective for the same fiscal years as the parcel tax.

ALTERNATIVES

1. Pass the ordinances as proposed, advising staff of the appropriate tax rate table to include.
2. Decide not to pass the ordinance(s) as proposed at this time.

Attachments: Ordinance Placing Measures Before the Voters

ORDINANCE NO. xxx

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ATHERTON, CALIFORNIA ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE TOWN OF ATHERTON MEASURES RELATING TO (1) RENEWAL OF THE PARCEL TAX FOR AN ADDITIONAL FOUR YEARS AND (2) INCREASING THE APPROPRIATION LIMIT TO PERMIT SPENDING THE PROCEEDS OF THE PARCEL TAX FOR THE SAME PERIOD AND REQUEST THE SAN MATEO COUNTY BOARD OF SUPERVISORS CONSOLIDATE WITH ANY OTHER ELECTION TO BE HELD ON NOVEMBER 5, 2013

The City Council of the Town of Atherton does hereby ordain as follows:

SECTION 1. ELECTION CALLED. The City Council of the Town of Atherton submits the following ordinances to the voters of the Town of Atherton at a Special Election to be held on Tuesday, November 5, 2013.

SECTION 2. FULL TEXT OF THE FIRST MEASURE. The complete text of the first proposed ordinance shall be:

**“AN ORDINANCE OF THE TOWN OF ATHERTON
AUTHORIZING THE RENEWAL OF A SPECIAL TAX TO
CONTINUE TO PROVIDE FUNDING FOR TOWN POLICE
AND EMERGENCY SERVICES, INCLUDING
MAINTAINING NEIGHBORHOOD POLICE PATROLS
AND THE TOWN’S ABILITY TO RESPOND TO
EMERGENCIES, REPAIRING AND MAINTAINING
STREETS, AND REPAIRING AND CONSTRUCTING
STORM DRAINS, FOR FOUR YEARS**

The people of the Town of Atherton do ordain as follows:

SECTION 1. **AUTHORITY TO ADOPT MEASURE.** This ordinance and the tax authorized herein are adopted pursuant to the provisions of the California Constitution, Articles XIII A §4 and XIII C §2, and pursuant to Sections 50075 and following and 53722 of the California Government Code.

SECTION 2. **AUTHORIZATION TO LEVY SPECIAL TAX.** If, for any fiscal year commencing on or after July 1, 2014, the City Council shall determine that certain police, emergency response services, street repair and maintenance, and drainage facility repair and maintenance 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 and income, and/or if capital improvements are required, the cost of which exceeds the amount of funds generated through other revenues and receipts, then it may levy a special tax for such fiscal year on each parcel of property within the Town in the manner provided herein. This special tax shall be in addition to the annual tax rate allowed by law.

SECTION 3. **DETERMINATION OF AMOUNT TO BE RAISED.** Each year following adoption of the Town’s annual budget, the City Council will determine the total

amount of expenditures necessary to provide adequate levels of the municipal services identified in Section 2 above and capital improvements and deduct therefrom the projected revenue to be gathered from sources other than this special tax. The difference, if any, shall be the maximum amount of funds to be derived from the tax authorized by this ordinance for such year.

SECTION 4. MAXIMUM TAX RATE/METHOD OF ASSESSMENT. After determining the amount of tax to be raised under Section 3, the City Council shall apportion said amount among the parcels of real property within the Town not exempted by law as follows:

MAXIMUM TAX IN GIVEN YEAR

SEE ATTACHED OPTIONS

The records of the San Mateo County Assessor, as of each year, shall determine whether or not any particular lot is unimproved for purposes of this ordinance.

SECTION 5. HEARING, TAX LIEN AND INCLUSION IN CITY TAXES. Prior to levying a special tax under this ordinance in any fiscal year, the City Council shall conduct a public hearing on the proposed tax. Such hearing shall be conducted after the City Council has adopted an annual budget for that year. Notice of such hearing shall be posted in at least three public places within the Town of Atherton at least fifteen days prior to the hearing. All of the information and material which the City Council intends to consider at such hearing and the amount of tax to be raised shall be made available to the public by being on file in the office of the City Clerk for at least fifteen days prior to said hearing. Following said hearing, the City Council may adopt a resolution fixing the amount of tax to be raised which shall not exceed the amount contained in the material on file in the Clerk's office. Any tax levied under this ordinance shall become a lien upon the properties against which it is assessed and collectible in the manner provided by applicable law and by the levying resolution.

SECTION 6. COLLECTION. The City Council may elect to have any special tax authorized under this Chapter either collected by the Town or, in the alternative, by the Tax Collector of San Mateo County. If the services of the Tax Collector of the County of San Mateo are elected, the special tax may only be included on the annual tax bill sent out by such Tax Collector. A certified copy of the resolution electing to use the service of the Tax Collector of San Mateo County shall be filed with said Tax Collector prior to September 1st of the fiscal year for which the tax is assessed and shall include a list of all parcels of real property to be taxed and the amount of each parcel.

SECTION 7. FUNDING AND EXPENDING PROCEEDS. Proceeds of any tax levied under this ordinance shall be deposited in a Special Fund and expended only for the purposes stated in this ordinance.

SECTION 8. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any other provision or applications, and to this end the provisions of this ordinance are declared to be severable.

SECTION 9. DURATION AMENDMENT OR REPEAL. The authorization to levy a tax under this ordinance shall commence with the Fiscal Year 2014-15, beginning July 1, 2014 and shall continue through and including June 30, 2018.

This ordinance shall be adopted if approved as an initiative measure by two-thirds of the voters voting at a Special Election to be held on November 5, 2013, and go into effect ten (10) days after the City Council has, by resolution, declared that such initiative measure was approved by two-thirds of the voters voting thereon.”

SECTION 3. FULL TEXT OF THE SECOND MEASURE

**AN ORDINANCE OF THE TOWN OF ATHERTON
INCREASING THE APPROPRIATION LIMIT FOR FOUR
YEARS TO PERMIT SPENDING OF THE PROCEEDS OF
A VOTER-APPROVED PARCEL TAX.**

The people of the Town of Atherton do ordain as follows:

SECTION 1. AUTHORITY TO ADOPT MEASURE. This ordinance and the tax authorized herein are adopted pursuant to the provisions of the California Constitution, Article XIII B,

SECTION 2. INCREASE IN APPROPRIATIONS LIMIT. Pursuant to Article XIII B of the California Constitution, the appropriations limit for the Town of Atherton will be increased for four fiscal years, commencing with the 2014-15 fiscal year, by the amount of money levied under a voter-approved parcel tax.

This ordinance shall be adopted if approved as an initiative measure by a majority of the voters voting at the Municipal Election to be held on November 5, 2013, and go into effect ten (10) days after the City Council has, by resolution, declared that such initiative measure was approved by a majority of the voters voting thereon.”

SECTION 4. CONDENSED STATEMENT OF MEASURES. The manner in which the two proposed measures shall appear on the ballot shall be:

<p>“To continue providing funding to maintain neighborhood police patrols and the Town’s ability to respond to emergencies, repairing and maintaining streets, and repairing and constructing storm drains, shall an ordinance be adopted to continue the existing Town of Atherton Special Parcel Tax for four years?”</p>	YES
	NO
<p>“To permit the Town to spend the proceeds of a special parcel tax approved by Atherton voters, shall an ordinance be adopted increasing the appropriations limit for four years?”</p>	YES
	NO

SECTION 5. PUBLICATION. This ordinance shall be posted in at least three public places within the Town of Atherton, and shall become effective immediately upon its passage and approval. The City Clerk is authorized and directed to give notice of election in accordance with Chapter 2 (commencing with section 12100) of Division 12 of the California Elections Code.

SECTION 6. CONSOLIDATION. Due to the economics involved, the public interest would best be served by consolidating such Special Election with any other elections to be held on Tuesday, November 5, 2013 and by contracting with the County of San Mateo for election services. The Town of Atherton does hereby request the Board of Supervisors of the County of San Mateo to consolidate said Special Election with any other election to be held on November 5, 2013. The City Manager is hereby authorized and directed to enter into a contract with the Chief Elections Official of the County of San Mateo for the purpose of providing election services in connection with said Special Election.

SECTION 7. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any other provision or application, and to this end the provisions of the ordinance are declared to be severable.

SECTION 8. EFFECTIVE DATE. This ordinance calling an election shall become effective immediately upon its adoption by the City Council of the Town of Atherton.

* * * * *

I hereby certify that the foregoing ordinance was adopted at a regular meeting of the City Council of the Town of Atherton held on August 7, 2013, by the following roll call vote:

AYES: Councilmembers:
NOES: Councilmembers:
ABSTAIN: Councilmembers:
ABSENT: Councilmembers:

Elizabeth Lewis, Mayor
Town of Atherton

ATTEST:

Theresa N. DellaSanta, City Clerk

APPROVED AS TO FORM:

William B. Conners, City Attorney

Option A - Existing	
Category	Rate
For each dwelling on a parcel less than ¼ acre	\$ 450
For each unimproved parcel less than ¼ acre	\$ 225
For each dwelling on a parcel greater than ¼ acre but less than ½ acre	\$ 570
For each unimproved parcel greater than ¼ acre but less than ½ acre	\$ 285
For a dwelling on a parcel with an area of ½ acre but less than 2 acres	\$ 750
For each unimproved parcel with an area of ½ acre but less than 2 acres	\$ 375
For each dwelling on a parcel with an area of 2 acres or more	\$ 960
For each unimproved parcel with an area of 2 acres or more.	\$ 480
For each private club	\$ 10,000
For each parcel available for tax owned by a utility which serves Atherton area	\$ 450
For each parcel available for tax owned by a utility which does not directly serve the Atherton area	\$ 750

Option B - Flat \$750 for 1/2 acre or More	
Category	Rate
For each unimproved parcel less than ¼ acre	\$ 225
For each unimproved parcel greater than ¼ acre but less than ½ acre	\$ 285
For each unimproved parcel with an area of ½ acre but less than 2 acres	\$ 375
For each unimproved parcel with an area of 2 acres or more.	\$ 480
For each dwelling on a parcel greater than ¼ acre but less than ½ acre	\$ 570
For a dwelling on a parcel with an area of ½ acre or more	\$ 750
For each private club	\$ 10,000
For each parcel available for tax owned by a utility which serves Atherton area	\$ 450
For each parcel available for tax owned by a utility which does not directly serve the Atherton area	\$ 750

Option C - Flat \$340 (average) for vacant & \$750 for dwelling	
Category	Rate
For each unimproved parcel	\$ 340
For each dwelling on a parcel	\$ 750
For each private club	\$ 10,000
For each parcel available for tax owned by a utility which serves Atherton area	\$ 450
For each parcel available for tax owned by a utility which does not directly serve the Atherton area	\$ 750