



Item No. 17 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: JUNE 21, 2017

**SUBJECT: ADOPT THE ATTACHED RESOLUTION ASSESSING A SPECIAL
PARCEL TAX FOR MUNICIPAL SERVICES FOR FISCAL YEAR
2017/18**

RECOMMENDATION

Adopt the attached Resolution assessing a special parcel tax for municipal services for FY 2017/18.

BACKGROUND

The attached Resolution provides for the continuation of the Town's Special Parcel Tax at its current level for FY 2017/18. Revenue from the Parcel Tax totals \$1,860,000. Ordinance No. 581 of the Town authorizes the City Council to assess a Special Parcel Tax Levy on all properties with the Town of Atherton. Authorized priority uses for the Parcel Tax include:

- 1) Police emergency response services and neighborhood patrols;
- 2) Street repair and maintenance; and
- 3) Drainage facility repair and maintenance.

The Ordinance calls for the City Council to determine the total amount of expenditures necessary to provide adequate levels of the identified services. At its June 7, 2017 Study Session, the Council discussed the proposed rate for FY 2017/18. The Council concluded that 100% of the Special Parcel Tax should be collected in FY 2017/18 to ensure sufficient funding for programmed capital projects and police services. The proposed FY 2017/18 Budget includes the Special Parcel Tax revenue of \$1,860,000.

The FY 2017/18 Operational Budget includes an allocation of 20% of the Special Parcel Tax toward police services - \$372,000. The remaining 80% - \$1,488,000 is allocated to the Town's CIP and is directed to the drainage and street capital projects in the Town. The following are major capital projects identified as capital expenditures for the Special Parcel Tax in FY 2017/18 (\$2,730,000):

- \$650,000 – Road Maintenance program (Slurry Seal, Overlay & Dig-outs);
- \$100,000 – Bridge Maintenance Programs (Streets);
- \$575,000 – Bicycle | Pedestrian Improvements (Streets)
- \$225,000 – El Camino Real (streets)
- \$80,000 – Accessibility Improvements (Streets)
- \$1,000,000 – Drainage Improvements
- \$100,000 – Quad Gates analysis and design (Streets)

The tax levy for each parcel classification is listed on Exhibit A of the resolution. *The recommended per parcel tax levy is unchanged from the levy assessed in FY 2014/15.*

POLICY FOCUS

While much of the policy discussion was held at the June 7, 2017 Study Session, any further policy discussion by the City Council should revolve around the funding need for current and future capital projects.

FISCAL IMPACT

If the Council approves the parcel tax levy as proposed in the attached resolution, \$1,860,000 will be generated. The County of San Mateo will collect the special parcel tax for the Town as part of the regular property tax bill due and payable by December 2017 and April 2018.

The amount of the Parcel Tax has remained essentially consistent for more than 20 years.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the item is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power and sewer), and regional elected officials.

ATTACHMENTS

Resolution
Exhibit "A"

RESOLUTION NO. 17-XX

**A RESOLUTION OF THE TOWN OF ATHERTON
ASSESSING A SPECIAL TAX FOR MUNICIPAL SERVICES
FOR THE FISCAL YEAR 2017-2018**

WHEREAS, there is Ordinance No. 581 of the Town of Atherton authorizing the City Council to assess a Special Tax Levy on all properties with the Town of Atherton; and

WHEREAS, such Special Tax must be utilized to finance the cost of municipal services during the year as authorized; and

WHEREAS, such Special Tax was approved by at least two-thirds of the voters voting in the November 3, 2009, Special Election, at which time Ordinance No. 581 was presented to the electorate; and

WHEREAS, the City Council has held all public hearings, and made deliberations and findings of fact, as required by Ordinance No. 581.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the Town of Atherton hereby levies a Special Tax for municipal services in accordance with the tax rates attached and shown as Exhibit "A".

BE IT FURTHER RESOLVED that such tax shall be collected by the Tax Collector of the County of San Mateo in accordance with standard procedures and agreement between the Town of Atherton and the County of San Mateo, providing for such collection.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the Town of Atherton at a regular meeting thereof held on the 21st day of June, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

Michael Lempres, Mayor
TOWN OF ATHERTON

Judi Herren
Deputy City Clerk

APPROVED TO FORM:

William Conners, City Attorney

EXHIBIT "A"

**2017-2018 SPECIAL TAX RATE
FOR MUNICIPAL SERVICES**

Within the 2017-2018 annual budget is a revenue estimate of \$1,860,000 to be derived from the Special Municipal Tax as authorized by Ordinance 581 of the Town of Atherton.

This amount will be raised by the levy of the following tax rates for each of the categories listed below:

	<u>Category</u>	<u>Rate</u>
1.	For each dwelling on parcel with an area of less than 1/4 acre.	\$450
2.	For each unimproved parcel with an area of less than 1/4 acre.	225
3.	For each dwelling on parcel with an area of 1/4 acre but less than 1/2 acre.	570
4.	For each unimproved parcel with an area of 1/4 acre but less than 1/2 acre.	285
5.	For a dwelling on parcel with an area of 1/2 acre but less than 2 acres.	750
6.	For each unimproved parcel with an area of 1/2 acre but less than 2 acres.	375
7.	For each dwelling on parcel with an area of 2 acres or more.	960
8.	For each unimproved parcel with an area of 2 acres or more.	480
9.	For each private club.	10,000
10.	For each parcel available for tax owned by a utility which serves Atherton area.	450
11.	For each parcel available for tax owned by a utility which does not directly serve the Atherton community.	750

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.