

Livermore Area Recreation and Park District

Staff Report

TO: Chair Boswell and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager

DATE: May 31, 2023

SUBJECT: Renew Special Tax 97-1 and set the new rate for Fiscal Year 2023-24

COMMITTEE: Finance Committee May 15, 2023 (reviewed during budget preview)

RECOMMENDATION: That the Board of Directors approve Resolution _____ to renew Special Tax 97-1 and set the Equivalent Dwelling Unit (EDU) rate at \$38.65 for Fiscal Year (FY) 2023-24, a 2%, or \$0.75 increase per EDU over the FY22-23 rate of \$37.90.

BACKGROUND: Special Tax 97-1 is the ballot measure approved by the voters of the District in June, 1997. 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 FY23-24, assuming a 5% increase in property tax revenues (consistent with the District's FY23-24 Budget - no ERAF-specific estimates are currently available from the County but its growth is tied to our property tax trend), approximately \$12,559,000 of LARPD's previous tax base will be shifted to Alameda County to distribute to schools within the County, which represents 49% of the District's projected property tax revenue (if the ERAF funds had remained with the District) for FY22-23. By June 30, 2023, the cumulative, nominal dollars shifted to ERAF will amount to approximately \$199.6 million.

The Special Tax 97-1 rate for FY22-23 of \$37.90 per Equivalent Dwelling Unit (EDU), approved by the Board of Directors on June 29, 2022, will generate tax revenue to the District of approximately \$1,669,000 for FY22-23. Note: there are approximately 44,040 EDUs in place for FY22-23, and the budget for FY23-24 assumes that same count for planning purposes.

FISCAL IMPACT: A 2% increase (\$0.75 per EDU) would raise the rate to \$38.65 per EDU for FY23-24 and the resulting increase in revenues will amount to \$33,220. There will likely be additional revenue generated by new EDUs that are added during FY23-24, but we are unable to confidently estimate this amount and thus have built a budget for FY23-24 that assumes no increase in the number of EDUs. Note: at the budgeted amount, 97-1 Revenues for FY23-24 will cover about 29% of the District's annual operating expense for Park Operations.

Attachment: 97-1 Resolution

**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 2023-24**

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 \$38.65 for Fiscal Year 2023-24.

ON MOTION of Director _____, seconded by Director _____, the foregoing resolution was passed and adopted this 31st day of May, 2023, by the following roll call vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Approved this 31st day of May, 2023,

James Boswell
Chair, Board of Directors

ATTEST:

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