

Livermore Area Recreation and Park District

Staff Report

TO: Chair Faltings and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Jeffrey Schneider, Business Services Manager

DATE: June 29, 2022

SUBJECT: Renew Special Tax 97-1 and set the new rate for Fiscal Year 2022-23

COMMITTEE: Finance Committee June 20, 2022

RECOMMENDATION: That the Board of Directors approve Resolution _____ to renew Special Tax 97-1 and set the Equivalent Dwelling Unit (EDU) rate at \$37.90 for Fiscal Year (FY) 2022-23, a 2%, or \$0.74 increase per EDU over the FY 2021-22 rate of \$37.16.

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 FY 2022-23, assuming a 6.5% increase in property tax revenues (consistent with the District's FY22-23 Budget - no ERAF-specific estimates are currently available from the County), approximately \$11,783,000 of LARPD's previous tax base will be shifted to the State of California for ERAF, which represents 47% 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 \$187.0 million.

The Special Tax 97-1 rate for FY 2021-22 of \$37.16 per Equivalent Dwelling Unit (EDU), approved by the Board of Directors on June 9, 2021, will generate tax revenue to the District of approximately \$1,625,000 for FY 2021-22. Note: there are approximately 43,750 EDUs in place for FY 2021-22, and the budget for FY2022-23 assumes that same count for planning purposes.

FISCAL IMPACT: A 2% increase (\$0.74 per EDU) would raise the rate to \$37.90 per EDU for FY 2022-23 and the resulting increase in revenues will amount to \$32,500. There will likely be additional revenue generated by new EDUs that are added during FY2022-23, but we are unable to confidently estimate this amount and thus have built a budget for FY22-23 that assumes no increase in the number of EDUs. Note: at the budgeted amount, 97-1 Revenues for FY22-23 will cover about 34% of the District's annual operating expenses for Park Operations.

Attachment: 97-1 Resolution

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

DRAFT RESOLUTION NO. 2756

**A RESOLUTION RENEWING SPECIAL TAX 97-1 AND SETTING THE
EQUIVALENT DWELLING UNIT RATE FOR FISCAL YEAR 2022-23**

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 \$37.90 for Fiscal Year 2022-23.

ON MOTION of Director _____, seconded by Director _____, the foregoing resolution was passed and adopted this 29th day of June, 2022, by the following roll call vote:

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Directors

Approved this 29th day of June, 2022,

Maryalice Summers Faltings
Chair, Board of Directors

ATTEST:

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