



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

July 28, 2020

SUBJECT: Include a One-Half Cent Transactions and Use Sales Tax Extension Measure on the November 3, 2020 Consolidated Ballot

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Staff recommends that the City Council adopt Resolution 33-20 requesting the Board of Supervisors include a City of Wheatland one-half cent Transactions and Use Sales Tax Extension Measure on the November 3, 2020 consolidated ballot.

Background

On June 9, 2020, the City Council adopted Resolution 26-20 requesting the consolidation of the City of Wheatland election with the statewide election scheduled for November 3, 2020. The consolidation allows the three full-term City Council member offices that need to be filled in November to be placed on the statewide ballot.

On July 14, 2020, the City Council voted to introduce and waive the first reading of Ordinance No. 476. Ordinance No. 476 amends Chapter 3.34 of the Wheatland Municipal Code and, subject to voter approval, extends the one-half cent transactions and use sales tax for essential City services for 10 years. On July 28, 2020, the City Council adopted Ordinance No. 476.

Discussion

The existing City of Wheatland voter approved one-half cent transactions and use sales tax began on April 1, 2011 and is set to expire on March 31, 2021. This locally controlled revenue funds essential public safety services and street and park maintenance. By approving Ordinance No. 476, Council has expressed their desire to have a measure placed on the November 3, 2020 statewide ballot to extend the one-half cent transactions and use tax for an additional 10 years. Wheatland voters will decide whether to extend the funding and maintain existing public safety and street and park maintenance service levels or not to extend the funding and accept reduced public safety and street and park maintenance service levels.

Alternatives

Do not adopt Resolution 33-20 and instead direct staff to prepare a plan to implement the necessary service reductions.

Fiscal Impact

Yuba County election costs have been included the City's fiscal year 2020-2021 budget.

Attachments

Resolution 33-20

RESOLUTION NO. 33-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF WHEATLAND
CALLING ELECTION ON EXTENSION OF ONE-HALF CENT TRANSACTIONS AND
USE TAX (A.K.A. SALES TAX) FOR ESSENTIAL CITY SERVICES**

BE IT RESOLVED by the City Council of the City of Wheatland as follows:

1. Recitals. This resolution is adopted with reference to the following background recitals:

a. In 2010, the City Council adopted and the City voters approved Ordinance No. 421 that imposed a one-half cent transactions and use tax (a.k.a. sales tax) within the City of Wheatland (now codified at Wheatland Municipal Code chapter 3.34; the “Tax”). The Tax is a general tax that is used for essential City services. The Tax expires on March 31, 2021.

b. The City wishes to maintain fiscal stability, the City’s community character, and essential local services that Wheatland residents expect and deserve.

c. In these challenging times the City needs to maintain public safety services such as emergency preparedness, neighborhood police patrols, attracting and retaining qualified police officers, and crime prevention and investigation services that keep the City safe.

d. The City needs to continue repairing and maintaining 17 miles of local roads and address local traffic congestion, which if delayed will only become more expensive to address.

e. The City needs to continue maintaining parks and play equipment that enhance property values and provide a place for recreational activities for children and adults.

f. The City needs to continue supporting the Wheatland Fire Authority, including dedicated volunteers that provide firefighting and emergency medical response services that continue to protect our community amid the increasing threat of wildfire.

g. If voter-approved locally controlled funding is not continued (with no increase in the tax rate), the City would be forced to make significant local services reductions.

h. Cities of Wheatland’s size cannot expect adequate state or federal funding to address its local recovery, public health, and safety preparedness – and therefore the City needs to continue to be self-reliant.

i. The City Council therefore desires to submit to the City voters the question of whether or not to extend the Tax for 10 years (without any change to the tax rate) and that this question be submitted to the voters at the statewide general election on November 3, 2020.

j. All funds from an extension of the existing, voter-approved Tax would continue to stay in Wheatland in order to maintain essential local services. The revenue generated by the Tax cannot be taken by the State of California or the federal government.

k. If the voters vote to extend the Tax, all Tax proceeds would continue to be subject to mandatory independent financial audits and public review.

l. On July 28, 2020, the City Council by a two-thirds vote adopted Ordinance No. 476 (the "Ordinance") to amend Wheatland Municipal Code chapter 3.34 (Transactions and Use Tax) and extend the one-half cent transactions and use tax for 10 years, subject to voter approval. A copy of the Ordinance is attached to this resolution as Exhibit A.

m. The City Council desires to submit to the City voters the question of whether or not to approve the Ordinance. This measure will be submitted to the voters at the statewide general election on November 3, 2020. The extension of the Tax requires approval by a majority vote of the qualified voters of the City voting in an election on the issue.

2. Election Called. Pursuant to California Constitution, article XIII C, section 2, Government Code sections 53723-53724, Elections Code sections 9222 and 10201, Revenue and Taxation Code section 7285.9, and other applicable authority, the City Council orders that:

a. There shall be an election for the qualified voters of the City to consider approval of the Ordinance in the form of the attached Exhibit A.

b. The proposition question that appears on the election ballot shall read as follows:

To continue voter-approved, existing funding (which cannot be taken by the State) and protect/maintain essential City services - including disaster preparedness; 911 emergency response; police officers/neighborhood patrols/crime prevention; fire protection; roads/pothole repair; parks maintenance; and other services - shall the existing half-cent City sales tax generating approximately \$330,000 per year be renewed for 10 years, with ongoing required audits and public review and no increase in the tax rate?

Yes _____ No _____

c. The proposition shall be submitted to the City voters at the regular statewide election that is scheduled for Tuesday, November 3, 2020.

3. County Services Requested. Pursuant to Elections Code sections 10002 and 10403 and other applicable authority, the City Council requests the Yuba County Board of Supervisors, Yuba County Clerk, and County elections officials to: (a) consolidate the election on this City proposition with, and place it upon the same ballot as that provided for, the regular statewide election scheduled for November 3, 2020; and (b) perform election services relating to the vote on the City proposition in accordance with the City of Wheatland resolution requesting election services on behalf of the City for the November 3, 2020 election.

4. Direction to City Clerk. The City Clerk is authorized and directed to file certified copies of this resolution with the Yuba County Board of Supervisors and the Yuba County Clerk. The City

Clerk is further authorized and directed to provide, without cost, a copy of the Ordinance to any voter who requests it. Copies shall be given to persons who request them in person at the City Clerk's office and shall be mailed or emailed to persons who request them by telephoning the City Clerk's office. (See Elections Code sections 9223 and 9280.)

5. City Staff Authorization. The City Manager, City Clerk, and their designees are authorized and directed to take all other actions that are necessary or appropriate to have the City's proposition properly submitted to the City voters at the November 3, 2020 election.

PASSED AND ADOPTED by the City Council of the City of Wheatland on this 28th day of July 2020, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Rick West, Mayor

Attest:

Lisa J. Thomason, City Clerk