

STAFF REPORT

City Council Discussion Item

DATE: May 2, 2024

TO: Honorable Mayor and City Council Members

FROM: Merritt Perry, City Manager

SUBJECT: **Review and Provide Direction to Staff Regarding the Transaction and Use Tax Measure Ballot Title and Ballot Question**

STAFF RECOMMENDATION:

Staff recommends that the Council review options for the ballot summary for the proposed transaction and use tax measure and provide direction.

EXECUTIVE SUMMARY:

At the regular meeting of the City Council on April 15, 2024, the Council reviewed a draft ordinance that, if submitted by the Council to and approved by the voters at the November 2024 general election, would authorize an increase in the City's existing transaction and use tax from 0.75% to 1.5%. The Council also reviewed a draft resolution that, if adopted by the Council at a future meeting, would formally propose the ordinance to the voters and request that the election be consolidated with the County administered general election.

As part of the Resolution, the Council must determine the title of the measure and the question that will appear on the ballot.

The Council has some discretion in drafting a ballot title and question provided that the following requirements are met:

1. The ballot questions shall be in the following form: "Shall the measure [stating the nature thereof] be adopted?"
2. The statement of the measure shall be a true and impartial synopsis of the purpose of the proposed measure and shall be in language that is neither argumentative nor likely to create prejudice for or against the measure.
3. If the proposed measure imposes a tax or raises the rate of a tax, the ballot shall include in the statement of the measure to be voted on the amount of money to be raised annually and the rate and duration of the tax to be levied.
4. The ballot question may not exceed 75 words.

For background, the following were approved by the Council for Measure E (2016) and Measure G (2020):

Measure E:

Ballot Question: To protect and maintain essential City services, including increasing and restoring police officers and programs, repairing aging/deteriorating streets and potholes, parks maintenance, and programs for youth and seniors, shall the City of Fortuna establish a 3/4¢ sales tax, sun setting in 8 years providing approximately \$1,200,000 annually, requiring independent annual financial audits and a Community Oversight Committee, with all funds remaining in Fortuna?

Measure G:

Ballot Question: Shall the measure to extend the current 3/4¢ transaction and use tax for an additional 8 years beyond the March 31, 2025 expiration date to provide approximately \$1,400,000 annually to fund, maintain and improve essential services, including police services; nuisance abatement; streets, sidewalks, and drainage; parks maintenance; and programs for youth and seniors; and requiring independent annual financial audits and a community oversight committee, with all funds remaining in Fortuna, be adopted?

The following are proposed options for the Council to review and provide direction to staff. With the Council’s input and direction, staff will incorporate into the resolution to be adopted at a regular meeting.

Option A: (69 words)

Essential Services Supplemental Funding Measure	
Shall the measure increasing the existing transaction and use tax to 1.5% through March 31, 2033 (unless sooner repealed), to provide an additional \$1.8 million in annual revenue for essential services, including police services; nuisance abatement; streets, sidewalks, and drainage; park acquisition; and programs for youth and seniors; and requiring an independent audit, and community oversight by the Measure E Committee, with all funds remaining in Fortuna, be adopted?	Yes
	No

Option B: (69 words)

Essential Services Supplemental Funding Measure	
To improve and maintain essential services, including police services; nuisance abatement; streets, sidewalks, and drainage; park acquisition; and programs for youth and seniors; shall the measure increasing the existing transaction and use tax to 1.5% through March 31, 2033 (unless sooner repealed), providing an additional \$1.8 million in revenue, requiring an independent audit, and community oversight by the Measure E Committee, with all funds remaining in Fortuna, be adopted?	Yes
	No

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff;
2. Receive public comment; and
3. Review the draft ballot questions and provide direction to staff as appropriate.