

Exploring Potential Nov. 2024 Revenue Measure

April 8, 2024



Overview

1. Highlights of fiscal challenges
2. Additional background
3. Survey results & key take-aways
4. Recommendations & timelines

Highlights of Financial Challenges

- Unfunded deferred maintenance, capital projects, and infrastructure needs
 - Significant road repair needs
- Lean staffing levels
- Public Safety Needs
 - Fire station modernizations
 - Fire Dept. vehicles & medical equipment

Background

SL voters have authorized 6 tax measures over the past decade:

Measure Z (November 2010)

- ▶ ¼ cent sales tax, 7-year sunset to expire 12/31/2017

Measure HH (November 2014)

- ▶ Extended Measure Z at ½ cent rate, 30-year sunset to expire 12/31/2044
- ▶ Maintained existing service levels

Measures OO, PP, NN (November 2016)

- ▶ Small business license tax reduction, parking lot (10% of gross receipts) & warehouse tax (\$100/\$1,000 square feet)
- ▶ Modified T.O.T (hotel tax) from 10% to 14%
- ▶ Cannabis business tax (currently 5% of gross receipts)

Measure VV (November 2020)

- ▶ Increased real property transfer tax from \$6/\$1,000 to \$11/\$1,000

Background (cont'd)

July 10, 2023:

- Council presented with various revenue measure options
- Council directs staff to explore a 2024 measure

December 2023:

- Scientific survey conducted
 - 3 measures tested:
 - G.O. bond
 - Parcel Tax
 - UUT

Highlights of survey results

Favorability rating of city services: 67.3%

Highlights of Top-Ranked Service Priorities

- Repair potholes and maintain City streets
- Maintain neighborhood police patrols
- Maintain youth violence prevention, and drug and gang intervention programs
- Upgrade Fire stations to ensure rapid emergency response
- Enhance senior and youth programs
- Keeping City parks clean and safe, and
- Support recreation programs

Survey results (“informed support”)*:

- Parcel Tax: 62.1%
- GO Bond: 60%
- UUT: 52.4%

*Sample size: n= 700

Margin of error: 3.66% – likely Nov. 2024 voters; 6.39% for split samples

Key Take-aways

- ▶ Utility User Tax is most viable
 - 3.4% increase could generate b/t \$6.8M to \$7.1M annually

Top-Ranked Service Priorities

- Repair potholes and maintain City streets
- Maintain neighborhood police patrols
- Maintain youth violence prevention, and drug and gang intervention programs
- Upgrade fire stations to ensure rapid emergency response
- Enhance senior and youth programs
- Keeping City parks clean and safe
- Recreation programs

Recommendations

- ▶ Focus on proposed UUT measure
- ▶ Continue to conduct public outreach
- ▶ Continue to communicate the City's "story of need"
- ▶ Consider bonding against future proceeds
- ▶ Conduct additional tracking poll this spring/summer
- ▶ Authorize proposed agreement

Proposed Timeline

ONGOING!

Opinion Leader & Stakeholder Communications Continued

Late April – Early May

Mailer #1 – City Manager Letter (Two-way Reply)
Online Ads & Video Round 1

Early June

Mailer #2 – Community Report Back
Online & Video Ad Flight Round 2

Early June

Tracking Poll in Field

June

City Council Review –Tracking poll + Listening results

July

Adoption of ordinance placing measure on ballot

August 9

Filing Deadline for November 2024 Election

Aug. 9 – Nov. 5

ELECTION WINDOW – Reminder: City provides information ONLY.

Mailers #3 & #4

October 7

Ballots MAIL.

November 5, 2024

Election Day!

Feedback or Questions?